

# 6 Expenditure and revenue questionnaire

Four responses were received to the *expenditure and revenue questionnaire*; from Victoria, Tasmania, Western Australia and Queensland.

In Victoria, only expenditure relating to Health Service Agreements (HSA) between establishments and the Victorian Department of Human Services is included in figures supplied to the AIHW. Non-HSA expenditures include:

- private hospitals owned by the public hospital or health service
- services provided under contract to co-located private hospitals
- separate business units selling goods or services of a retail, commercial or medical nature to external parties (e.g. cafeterias, food catering, car park, linen services, cleaning services, privatised clinical services)
- health services that are wholly funded by the Commonwealth, plus client co-payments (e.g. community aged care packages, day therapy centres)
- health services provided on a contractual basis to external parties (e.g. mammography services provided for Breastscreen Victoria)
- special projects and trust funds that are accounted for outside the HSA segment (e.g. coordinated care trials).

## Expenditure

### Workers compensation premiums

Victoria, Western Australia and Queensland included workers compensation premiums in *Administrative expenses*. Tasmania did not specify how it dealt with workers compensation premiums.

### Workers compensation payments

Victoria and Tasmania included workers compensation payments in *Salaries and wages* expenditures (termed 'Employee Entitlements' in Victoria), Victoria recoups costs through revenue. Western Australia netted the expenditure out against revenue, and Queensland indicated that if it was payment for salaries and wages (which have already been paid by the facility) then money was paid into revenue and reported under *Other revenues*.

### Redundancy packages

Victoria, Western Australia and Queensland included redundancy packages in *Salary and wages* expenditure. Tasmania did not specify how it dealt with redundancy packages.

### **Accrual of long-service leave and annual leave**

Victoria, Western Australia and Queensland included these expenditures in *Salary and wages* expenditure. Tasmania did not specify how it dealt with accrual of long-service leave and annual leave.

### **Payout of leave entitlements on termination**

All states included payout of leave entitlements on termination in *Salary and wages* expenditure.

### **Recruitment costs**

Victoria, Western Australia and Queensland allocated recruitment costs to *Administrative expenses*. Tasmania allocated recruitment costs to *Other recurrent expenditure*.

### **Salary sacrifice and salary package**

Victoria, Western Australia and Queensland included this expenditure in *Salary and wages* expenditure. Tasmania did not specify how it dealt with salary sacrifice and salary package.

### **Superannuation**

All states reported superannuation in the *Superannuation payments* category when reporting to AIHW.

### **Fringe benefits tax**

Victoria reported fringe benefits tax in *Salary and wages* expenditure.

Tasmania and Queensland reported fringe benefits tax in *Other recurrent expenditure*.

Western Australia reported fringe benefits tax in *Administrative expenses*.

### **Payroll tax**

Tasmania and Queensland reported payroll tax in *Other recurrent expenditure*. Payroll tax was not applicable in Victoria and Western Australia.

### **Public liability insurance**

Public liability insurance is reported under *Administrative expenses* for Victoria, Western Australia and Queensland. Tasmania did not specify how it dealt with public liability insurance.

### **Building and contents insurance**

Building and contents insurance is reported under *Administrative expenses* for Victoria, Western Australia and Queensland. Tasmania did not specify how it dealt with building and contents insurance

### **Medical indemnity insurance**

Medical indemnity insurance is reported under *Administrative expenses* for Victoria, Western Australia and Queensland. Tasmania did not specify how it dealt with medical indemnity insurance.

## **Equipment leasing arrangements**

Victoria reported equipment leasing arrangements in *Other recurrent expenditure*. Tasmania and Western Australia reported equipment leasing arrangements in *Repairs and maintenance*. Queensland reported equipment leasing arrangements in *Administrative expenses*.

## **Building/garden maintenance by outside agency**

Victoria reported this expense in *Domestic services*. Western Australia and Queensland reported it in *Repairs and maintenance*. Tasmania did not specify how it dealt with building/garden maintenance by an outside agency.

## **Revenue**

For Queensland, generally speaking, any significant revenue streams that originate from the Commonwealth are dealt with at the state level and little of this money appears on the revenue ledgers of the facilities. For example, payments by DVA are negotiated at the State level and the money then distributed to the facilities via ledger transfers. Also State-level funding arrangements are not regarded as revenue and so do not appear on the facility ledgers as revenue.

## **Defence force funding**

Victoria and Western Australia did not include Defence force funding in *Patient revenue*, *Other revenue* or *Recoveries*, although Western Australia indicated that it is 'unknown' whether it is included in *Other revenue*. Queensland indicated that only a small proportion of Commonwealth revenue is included in reported revenue. Tasmania did not specify how it dealt with Defence force funding.

## **Department Veterans' Affairs payments (state negotiated payments, payments direct to hospitals, or payments to hospital doctors / for hospital prostheses)**

Western Australia did not include DVA funding in *Patient revenue*, *Other revenue* or *Recoveries*. Victoria included some payments to hospitals in *Other revenue*, depending on the type of payment. Queensland indicated that only a small proportion of Commonwealth revenue is included in reported revenue. Tasmania did not specify how it dealt with DVA funding.

## **National Health and Medical Research Centre (NHMRC)**

Victoria, Western Australia and Queensland indicated either that they did not include National Health and Medical Research Centre (NHMRC) funding in *Patient revenue*, *Other revenue* or *Recoveries*, or that it is unknown. Tasmania did not specify how it dealt with NHMRC funding.

## **Isolated patients transport (Commonwealth)**

Victoria and Western Australia did not include isolated patients transport in *Patient revenue*, *Other revenue* or *Recoveries*, although Western Australia indicated that it is 'unknown' whether it is included in *Other revenue*. Queensland indicated that this information is not available. Tasmania did not specify how it dealt with isolated patients transport.

## **Commonwealth residential aged care subsidies / payments**

Victoria did not include Commonwealth residential aged care subsidies or payments in *Patient revenue*, *Other revenue* or *Recoveries*. Western Australia included it in *Other revenue*. Queensland indicated that only a small proportion of Commonwealth revenue is included in reported revenue. Tasmania did not specify how it dealt with Commonwealth residential aged care subsidies.

## **Other Commonwealth funding**

Victoria did not include other Commonwealth funding in *Patient revenue*, *Other revenue* or *Recoveries*. Western Australia included it in *Other revenue*. Tasmania included it all three revenue categories. Queensland indicated that only a small proportion of Commonwealth revenue is included in reported revenue.

## **Joint Commonwealth/state funding**

Victoria, Queensland and Western Australia did not report any Commonwealth/state funding in *Patient revenue*, *Other revenue* or *Recoveries*, although Western Australia indicated that it is 'unknown' whether it is included in *Other revenue*. Tasmania reported Commonwealth/state funding in *Other revenue*.

## **State funding**

This category includes:

- state health department funding
- state non-health department funding
- correctional authorities
- state patient transport services
- other funding (to be specified)
- other state funding (i.e. not this state).

Victoria did not include any of this type of funding in revenue reported to the AIHW. Tasmania included revenue from patient transport services in *Patient revenue* but did not include any other types of state funding in revenue reported to the AIHW. Western Australia included Disabilities Services Commission funding in *Other revenue* reported to the AIHW, but no other kinds of state funding. Queensland did not usually include state-level funding arrangements in revenue. However patient transport services can sometimes be included in *Patient revenue*.

## **Residential aged care patient co-payments**

Tasmania, Western Australia and Queensland all included residential aged care patient co-payments in *Patient revenue*. Victoria did not include these payments in revenue. However Victoria also did not include residential aged care patients in activity measures.

## **Facility fees**

Victoria, Western Australia and Queensland included this in *Recoveries*, Tasmania included it *Other revenue*.

### **Payments from private hospitals (e.g. for contracted patients)**

Victoria did not include this in revenue reported to the AIHW. Tasmania and Western Australia included it in *Patient revenue*. Queensland does not have arrangements of this kind and so it is not included in revenue.

### **Payments from public hospitals (e.g. for contracted patients)**

Victoria, Tasmania and Queensland do not include this in revenue. Western Australia includes it in *Patient revenue*.

### **Investments and interest bearing accounts**

Victoria, Tasmania and Western Australia included this in *Other revenue*, Queensland did not include it in revenue (establishments do not receive interest in Queensland) .

### **Other business units (car park, canteen, equipment hire)**

Victoria did not report any of these as revenue. Tasmania reported car park and canteen revenue in *Other revenue*, and equipment hire in *Patient revenue*. Western Australia reported car park and canteen revenue in *Recoveries* and equipment hire as *Patient revenue*. Queensland reported car park and canteen revenue in *Other revenue*, and did not include equipment hire in revenue. For Queensland, funds from equipment hire for medical type equipment (such as crutches) are managed as trust fund accounts; for non-medical equipment (such as TVs and phones) the services are not managed by the hospital and there is no commission to the hospital.

### **Trust funds (private practice, charitable or other)**

Victoria, Western Australia and Queensland did not report any of these as establishment revenue. Tasmania reported private practice trust funds in *Patient revenue*.

### **Donations**

Victoria, Western Australia and Tasmania reported donations as *Other revenue*. Queensland did not count donations as revenue.

### **Building/garden maintenance by outside agency**

Victoria, Tasmania and Queensland did not include this in revenue. Western Australia included it in *Recoveries*.

### **Hospital boarders**

Victoria included revenue from hospital boarders in *Other revenue*. Tasmania did not include it in revenue. Queensland indicated that it does not usually raise revenue from hospital boarders, although such monies might occasionally be included in *Recoveries*. Western Australia included it in *Recoveries*.

# Group services

## Victoria

In Victoria, services for repairs and maintenance, pathology, radiology, food supplies, drug supplies and linen are provided in two ways. Firstly, they can be provided by hospital staff or contracted services, in which case the expenditures are reported to the AIHW in the relevant recurrent expenditure category (pathology services are reported under *Medical and surgical supplies*). Alternatively, the services can be provided by hospital business units (either business units within an establishment or business units in another establishment) in which case the expenditures are not reported to the AIHW as they are considered separate to the establishment. If a hospital buys the services from another hospital's business unit, the expenditure and revenue is not reported to the AIHW.

Ambulance services are reported in *Patient transport*. Many hospitals have their own patient transport vehicles and these costs are reported in expenditure. Some ambulance services in Victoria are provided by separate non-hospital services and if hospitals use these services, the expenditure is also reported to the AIHW.

## Tasmania

In Tasmania, ambulance services are not counted in expenditure and revenue reported to AIHW. No charges are levied on hospitals for ambulance transport as both services fall within the hospitals and ambulance service division.

Small amounts of maintenance services and food services are provided to rural hospitals by major hospitals. The smaller hospital is charged for these services on a cost recovery basis.

## Western Australia

In Western Australia, ambulance services are provided by St John Ambulance and do not appear in expenditure and revenue reports. Linen, maintenance, pathology, radiology, food services and drug costs are reported as follows where services are supplied by one hospital to another hospital:

- the supplying hospital charges the other hospital.
- the expenditure is not 'netted out' against revenue.
- the revenue is reported by the supplying hospital and the expense is reported by the receiving hospital.

## Queensland

In Queensland, if the services are supplied either by or for another hospital or agency, the expenditure will be reported to the AIHW in the relevant recurrent expenditure category. If a service is supplied by one hospital to another hospital the supplying hospital charges the other hospital the revenue is reported, the expenditure is not 'netted out' against revenue. Conversely, if a hospital receives a service, they are charged and they report the charge as an expense.

Ambulance services are reported in *Patient transport*. Maintenance services are reported in *Repairs and maintenance*. Pathology services are reported in *Medical and surgical supplies*. Drug costs are reported in *Drug supplies* and radiology services are reported in *Medical and surgical supplies*.