

**Lay, Shannen (Health)**

**From:** Health Services Charitable Gifts Board  
**Sent:** Friday, 1 August 2014 16:18  
**To:** Health:Minister for Health  
**Subject:** Health Services Charitable Gifts Board  
**Attachments:** MOHA - August 1 Final.pdf

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Good afternoon Minister  
Please find attached a letter from the Chairman of the Board mailed earlier today.  
Kind regards

Chris Peirce

**Executive Officer**

**Health Services Charitable Gifts Board**  
OFFICE: 240 Waymouth Street, Adelaide. SA 5000  
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\*\* Please note change of HSCGB's postal address.

**HSCGB**  
Health Services Charitable  
Gifts Board

August 1, 2014

By email to: [minister.health@adelaide.sa.gov.au](mailto:minister.health@adelaide.sa.gov.au)

Hon. Jack Snelling MP  
GPO Box 2555  
Adelaide SA 5001

Dear Minister,

**Health Services Charitable Gifts Board (HSCGB)**

I refer to the letter dated 8 July 2014 from the Premier advising the HSCGB of the decision to abolish all Government boards and committees unless certain criteria can be met and an exemption is obtained on the advice of the relevant Minister.

The HSCGB seeks an exemption from abolition and a recommendation from you to the Premier to that effect. The Board provides the following information, which it believes is relevant for consideration in support of its request.

As you will recall the HSCGB is a statutory body and its composition, functions and powers are established and governed by the Health Services Charitable Gifts Act (Act).

The HSCGB believes that its purpose, being to manage and invest bequests and donations made to public health entities and to apply its funds to further medical research and the acquisition of specialist equipment and patient facilities not provided by the Government, can only be fulfilled by a body independent of Government. The HSCGB performs its functions independently, transparently, efficiently and cost effectively at no cost to the Government. In addition for the benefit of the donating public, the HSCGB is subject to the safeguards of scrutiny by the Auditor-General and reporting annually to Parliament as to its operations.

Among the funds managed by the HSCGB are the SAHMRI Charitable Health Trust \$11.5m, the Norman Cancer Research Trust \$6.2m (where the HSCBG is a court appointed trustee), HSCGB Pool Investments \$68m, the Martin Bequest \$37m and income from the Helpmann Trust.

The HSCGB invests these funds in a range of investments (with potential to involve Funds SA), including (in perpetuity) Town Acre 86 on which the Citi Centre is built, equities and a \$15m loan to SAHMRI, which has funded the cyclotron located in the new research building on North Terrace. The returns that the Board earns for its public health entity stakeholders are enhanced by its ability to recover franking credits on its listed investments from the Australian Taxation Office as a result of its charity status.

The payments to institutions over the last 5 years have averaged \$8.3m per annum. The Board continually engages with RAH and CALHN to improve the accountability and sustainability of funding for requests they make to the Board.

Ms R Pak-Poy (Chairman)  
Mr G M Loveday  
Professor V R Marshall

**Executive Officer**

Mr C A Peirce

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An important part of the Board's work, which it currently performs transparently as a result of its independence, ability to be objective outside of Government and its reporting regime, is to ensure that the legislated requirement to honour the wishes of individual benefactors is met in funding research and other expenditure. The assurance which this provides is an important consideration for many people planning to make bequests.

Although its activities are complex, the Board has been able to manage them with minimal staff (currently 1.6 FTE) and one contract accountant. All costs, including those of office accommodation, specialist legal advice and of the Auditor-General examination of its activities and results, are met internally and there is no draw on the Government.

By any comparison the Board is a low cost operation providing an important independent and accountable service for people making bequests to our public health institutions with the knowledge that the funds are going to be used for their intended purpose and are subject to the scrutiny of the Auditor General and Parliament.

The Board's Medical Research and Advisory Committee (MRAC) provides a specialist level of scrutiny and advice to the Board, in an inexpensive and effective way, to assist the Board in its decision-making in relation to requests to fund research and clinical equipment expenditure.

Similarly the Board in fulfilling its role as trustee of the SAHMRI Charitable Health Trust provides a level of independent scrutiny and accountability for the funding requests by SAHMRI from the Trust.

The decision to abolish all Boards has created an uncertainty for the HSCGB in its investment and expenditure programs, uncertainty in our institutions and uncertainty for those contemplating making bequests, which are a critical source of funding for our institutions. The willingness of benefactors to make such substantial donations is influenced in no small way by the knowledge that there is independent oversight to ensure that their donations are applied properly and it is critical that this be protected and maintained.

To remove all this uncertainty the Board seeks an exemption from the abolition process at the earliest possible time. The operation of managing the numerous trusts and bequests which date back over one hundred years is not a function that fits with any other organisation.

If you would like to discuss this matter further please contact the writer on [REDACTED] or Chris Peirce, the Executive Officer of the Board on 08 8221 7125.

Yours faithfully,



Robyn Pak-Poy  
Chairman