

THE CANBERRA HOSPITAL

Objectives

The Canberra Hospital (TCH), together with ACT Community Care, forms the ACT Health and Community Care Service statutory authority. The primary functions of the Service are to promote, protect and maintain the health of the residents of the Territory; provide health and community care services to residents of the surrounding region; provide training and education in the provision of health and community services and to encourage research in those fields.

TCH, as a major trauma and tertiary care facility, aims to continually provide high level, cost efficient and effective health and hospital services to the ACT and the South-Eastern Region of New South Wales. Services include all major medical, surgical, women's and children's health, and mental health specialties on an inpatient and outpatient basis, and accident and emergency, pathology, pharmacy and medical imaging services.

2002-03 Highlights

Strategic and operational issues to be pursued in 2002-03 include:

- increasing cancer services to meet increasing demands for treatment;
- expanding the capacity of the Canberra Midwifery program by sixty patients;
- expanding the older persons mental health services to provide a more comprehensive community based aged psychiatry service;
- continuing the adolescent mental health day program in view of the favourable review of the pilot program which has run for the last eighteen months;
- enhancing the child and adolescent mental health services;
- implementing the appropriate use and administration of the blood products project to enhance patient safety and quality of care in the ACT through the improvement of transfusion practices, and the minimisation of adverse events associated with transfusion;
- continuing prospective blood stream infection surveillance;
- implementing the Surgical Site Infection surveillance project to improve the capacity to perform targeted prospective surveillance of surgical site infection;
- commissioning the Perioperative Facility in December 2002 to improve the efficiency of surgical services by combining existing areas including Day Surgery, Pre-Admission Clinic and Surgical Bookings with the Recovery area and Theatre suite to provide a cohesive and functional arrangement of spaces;
- upgrading the Hospital's internal security systems to enhance staff and patient safety by the introduction of new technology. The new system will facilitate ease of access, flexibility in programming opening and closing times, a higher level of detailed access for specific groups and lower ongoing maintenance costs;

- refurbishing the Emergency Department to facilitate better patient management and safety by enabling efficient use of space, efficient use of staff and to provide for better patient observation;
- refurbishing of Paediatric areas to provide for Day Surgery, Chemotherapy and Physiotherapy to create the Ambulatory Paediatrics unit which will form part of the Childrens Hospital concept at TCH;
- replacing the Hospital's Patient Administration System; and
- implementing a replacement program for essential surgical equipment.

Canberra Hospital Statement of Financial Performance

2001-02 Budget \$'000		2001-02 Est.Outcome \$'000	2002-03 Budget \$'000	Var %	2003-04 Estimate \$'000	2004-05 Estimate \$'000	2005-06 Estimate \$'000
Revenue							
24 954	User Charges - Non ACT Government	27 727	28 387	2	29 064	29 755	30 501
203 930	User Charges - ACT Government	220 660	245 116	11	246 262	250 547	255 665
5 258	Grants from the Commonwealth	5 158	5 201	1	5 331	5 464	5 601
205	Interest	364	189	-48	207	215	215
1 732	Other Revenue	2 730	2 797	2	2 869	2 940	3 012
200	Resources Received free of charge	0	0	-	0	0	0
236 279	Total Ordinary Revenue	256 639	281 690	10	283 733	288 921	294 994
Expenses							
130 503	Employee Expenses	145 474	150 199	3	151 212	153 109	154 577
18 469	Superannuation Expenses	18 034	18 581	3	18 660	18 880	19 245
96 996	Administrative Expenses	101 843	107 527	6	112 271	115 380	119 620
10 126	Depreciation and Amortisation	10 126	10 411	3	12 031	12 248	12 763
256 094	Total Ordinary Expenses	275 477	286 718	4	294 174	299 617	306 205
-19 815	Operating Result From Ordinary Activities	-18 838	-5 028	73	-10 441	-10 696	-11 211
11 506	Injection for Operating Requirements	11 506	0	-100	0	0	0
-8 309	Operating Result	-7 332	-5 028	31	-10 441	-10 696	-11 211
2 839	Increase/(Decrease) in asset revaluation reserve	0	0	-	0	0	0
2 839	Change In Equity Other Than Those Resulting From Transactions With Owners As Owners	0	0	-	0	0	0
243 597	Total Equity From Start of Period	252 347	256 598	2	260 518	255 577	246 881
14 531	Capital Injections	11 583	8 948	-23	5 500	2 000	0
252 658	Total Equity At The End of Period	256 598	260 518	2	255 577	246 881	235 670

Canberra Hospital Statement of Financial Position

Budget as at 30/6/02 \$'000		Est.Outcome as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Var %	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000
Current Assets							
25	Cash	6 298	507	-92	573	586	599
7 194	Receivables	8 381	8 299	-1	8 297	8 310	8 323
2 970	Inventories	2 734	2 734	-	2 734	2 734	2 734
915	Other	887	887	-	887	887	887
11 104	Total Current Assets	18 300	12 427	-32	12 491	12 517	12 543
Non Current Assets							
3 000	Investments	3 000	3 000	-	3 000	3 000	3 000
288 980	Property, Plant and Equipment	288 551	296 077	3	292 556	287 458	284 345
2 500	Capital Works in Progress	752	6 210	726	7 150	5 950	250
294 480	Total Non Current Assets	292 303	305 287	4	302 706	296 408	287 595
305 584	TOTAL ASSETS	310 603	317 714	2	315 197	308 925	300 138
Current Liabilities							
12 745	Payables	11 797	11 798	..	11 801	11 804	11 807
41	Finance Leases	21	19	-10	15	11	1
23 481	Employee Entitlements	24 608	26 458	8	27 883	29 294	30 705
400	Other	1 202	1 202	-	1 202	1 202	1 202
36 667	Total Current Liabilities	37 628	39 477	5	40 901	42 311	43 715
Non Current Liabilities							
88	Finance Leases	101	78	-23	55	32	15
16 171	Employee Entitlements	16 276	17 641	8	18 664	19 701	20 738
16 259	Total Non Current Liabilities	16 377	17 719	8	18 719	19 733	20 753
52 926	TOTAL LIABILITIES	54 005	57 196	6	59 620	62 044	64 468
252 658	NET ASSETS	256 598	260 518	2	255 577	246 881	235 670
REPRESENTED BY FUNDS EMPLOYED							
149 930	Accumulated Funds	148 845	152 765	3	147 824	139 128	127 917
102 728	Reserves	107 753	107 753	-	107 753	107 753	107 753
252 658	TOTAL FUNDS EMPLOYED	256 598	260 518	2	255 577	246 881	235 670

Canberra Hospital Cashflow Statement

2001-02 Budget \$'000		2001-02 Est.Outcome \$'000	2002-03 Budget \$'000	Var %	2003-04 Estimate \$'000	2004-05 Estimate \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
240 391	User Charges	259 893	273 504	5	275 328	280 304	286 168
205	Interest Received	364	189	-48	207	215	215
5 258	Grants Received from the Commonwealth	5 158	5 201	1	5 331	5 464	5 601
10 062	Other Revenue	15 959	10 241	-36	10 220	10 439	10 511
255 916	Operating Receipts	281 374	289 135	3	291 086	296 422	302 495
Payments							
147 022	Related to Employees	159 479	165 565	4	167 424	169 542	171 374
96 797	Related to Administration	103 063	107 527	4	112 271	115 379	119 620
8 326	Other	12 811	7 362	-43	7 348	7 511	7 511
252 145	Operating Payments	275 353	280 454	2	287 043	292 432	298 505
3 771	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	6 021	8 681	44	4 043	3 990	3 990
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
22 211	Purchase of Property, Plant and Equipment	18 909	23 395	24	9 450	5 950	3 950
22 211	Investing Payments	18 909	23 395	24	9 450	5 950	3 950
-22 211	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-18 909	-23 395	-24	-9 450	-5 950	-3 950
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
14 531	Capital Injection from Government	11 583	8 948	-23	5 500	2 000	0
14 531	Financing Receipts	11 583	8 948	-23	5 500	2 000	0
Payments							
23	Repayment of Finance Lease	32	25	-22	27	27	27
23	Financing Payments	32	25	-22	27	27	27

Canberra Hospital Cashflow Statement

2001-02 Budget \$'000		2001-02 Est.Outcome \$'000	2002-03 Budget \$'000	Var %	2003-04 Estimate \$'000	2004-05 Estimate \$'000	2005-06 Estimate \$'000
14 508	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	11 551	8 923	-23	5 473	1 973	-27
-3 932	NET INCREASE/(DECREASE) IN CASH HELD	-1 337	-5 791	-333	66	13	13
3 957	CASH AT BEGINNING OF REPORTING PERIOD	7 635	6 298	-18	507	573	586
25	CASH AT THE END OF THE REPORTING PERIOD	6 298	507	-92	573	586	599

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- user charges – non ACT Government: the increase of \$2.773m in 2001-02 from the original budget is mainly due to increases in patients and facilities fee revenues. The increase of \$0.660m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to indexation increases in revenue;
- user charges – ACT Government: the increase of \$16.730m in 2001-02 from the original budget is mainly due to funding provided to meet the Nursing EBA, workers compensation and purchase of plant and equipment. Also, funds allocated through the Second Appropriation Act and variations to the Purchase Agreement. The increase of \$24.456m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to:
 - the reclassification of injection for operations (\$11.5m) to service payments from general government sector;
 - new initiatives (\$2.3m);
 - purchase contract variations (\$2.8m); and
 - EBA and cost increases (\$8.0m);
- employee expenses: the increase of \$14.971m in 2001-02 from the original budget is mainly due to additional costs associated with the Nurses EBA, worker's compensation and cost of new initiatives under the Purchase Agreement. The increase of \$4.725m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to:
 - enterprise bargaining increases; and
 - cost of new initiatives;

- administrative expenses: the increase of \$4.847m in 2001-02 from the original budget is primarily due to cost increases such as insurance premiums. The increase of \$5.684m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to:
 - indexation increases (\$2.0m);
 - new initiatives (\$0.8m);
 - increase in insurance premiums (\$1.6m); and
 - FBT compensation payments (\$0.7m); and
- depreciation and amortisation expenses: the increase of \$0.285m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the deferral of plant and equipment in 2001-02, now planned to be purchased in 2002-03.

Statement of Financial Position

- total assets: the increase of \$5.019m in 2001-02 from the original budget is mainly due to:
 - an increase in cash (\$6.273m) due to the deferral of plant and equipment purchases until 2002-03; and
 - an increase in receivables (\$1.187m); offset by
 - a reduction in capital works in progress (\$1.748m);

The increase of \$7.111m in the 2002-03 Budget from the 2001-02 estimated outcome is primarily due to:

- property, plant and equipment increase (\$7.526m); and
- an increase in capital works (\$5.458m); largely offset by
- cash decreasing by \$5.791m mainly due to additional purchases of plant and equipment;
- current liabilities: the increase of \$0.961m in 2001-02 from the original budget is mainly due to:
 - an increase of \$0.802m in salary packaging liabilities and revenue received in advance for high cost drug grants; and
 - an increase in employee entitlements due to EBA increases (\$1.127m); offset by
 - reduction in creditors (\$0.948m);

The increase of \$1.849m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to movements in employee entitlements; and

- Non-current liabilities: the increase of \$1.342m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to movements in employee entitlements as a result of EBA increases.

Statement of Cashflows

- net cash outflows from investing activities: the decrease of \$3.302m in 2001-02 from the original budget is due to a reduction in a number of capital works projects and the electronic service delivery project. The increase of \$4.486m in the 2002-03 Budget from

the 2001-02 estimated outcome is due to increased expenditure on capital equipment and information systems;

- net cash flows from financing activities: the decrease of \$2.957m in 2001-02 from the original budget is mainly due to a reduction in capital injection receipts as a result of:
 - the deferral of capital works (\$1.998m); and
 - the deferral of electronic service delivery funding (\$0.990m); and

The decrease of \$2.628m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the decrease in the 2002-03 capital works compared to 2001-02.

Capital Works

	Estimated Total Cost \$'000	Expenditure Previous Year \$'000	2002-03 Estimated Expenditure \$'000	2002-03 Financing \$'000	Expected Completion Date
New Capital Works					
Security System Replacement	900		900	900	Jun-03
Emergency Department Refurbishment	3 200		1 400	1 400	Apr-04
Paediatric Refurbishment Levels 4 & 5	700		700	700	May-03
Minor New works	480		480	480	Apr-03
Total New Capital Works	5 280		3 480	3 480	
Work in Progress					
Peri-Operative Services Stage 2	3 930	1 657	2 273	2 273	Mar-03
Refurb Level 7 for Clinical School	1 600	715	885	885	Nov-02
Renal Outpatients/Outreach Facility	1 050	50	1 000	1 000	Mar-03
Energy Management	2 600	2 280	320	320	Oct-02
Total Work in Progress	9 180	4 702	4 478	4 478	
Total Departmental Capital Works	14 460	4 702	7 958	7 958	

Commonwealth Grants

The major Commonwealth grant paid directly to The Canberra Hospital is as follows.

Name of Grant	Activities Funded by Grant	2002-03 Estimate (\$'000)
High Cost Drugs	Provision of highly specialised drug therapies under section 100 of the National Health Act.	5 201