

THE CANBERRA HOSPITAL

Objectives

The Canberra Hospital, 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.

The Canberra Hospital, 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.

2001-02 Highlights

Strategic and operational issues to be pursued in 2001-02 include:

- implementing the Clinical Health Improvement Program to improve health care outcomes for patients;
- redeveloping the Perioperative Services Unit to streamline the processes and procedures associated with admitting patients for elective day of surgery admission, or day surgery, resulting in a higher level of service to patients and lower average length of stay;
- refurbishing level seven of the main building to meet accommodation requirements for the expanding role of the Canberra Clinical School;
- redeveloping the Renal Unit to improve facilities for ambulatory patients, inpatients, day patients and outreach services and establishing outreach and hypertension services in renal medicine to lessen or prevent the complications of diabetes;
- introducing screening for deafness in newborns, with a view to screening all babies at birth or before discharge;
- trialing the feasibility of the nurse practitioner role within health service delivery in the ACT, in the areas of sexual health and wound management;
- expanding programs in ACT Mental Health Services including:
 - the Indigenous Mental Health Workers Program to improve access for indigenous clients by promoting a more culturally aware and responsive mental health system;
 - increasing the availability of psychiatric consultation for General Practitioners;
 - the Older Persons Mental Health Services to better provide assessment and treatment of older persons with mental illnesses;

- extending adolescent mental health services to the residents of the Quamby youth detention centre;
- introducing an Eating Disorders Day Program, which is an intensive day treatment program for adolescents, adults and families affected by eating disorders; and
- commissioning a 10 bed secure extended care facility for clients of ACT Mental Health Services who have unremitting and severe symptoms that prevent them from living in a less restrictive environment;
- developing a Clinical Information System within both ACT public hospitals to provide clinicians with a single point of access to, and a complete whole-of-patient view of clinical information; and
- replacing the Patient Management System based on the need for the hospital to better integrate with providers across the care continuum, support an increased focus on patient health outcomes and to encapsulate integrated patient care models such as case management.
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The Canberra Hospital Statement Of Financial Performance

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
Revenue							
23 170	User Charges - Non ACT Government	25 600	24 954	-3	25 548	26 157	26 780
183 323	User Charges - ACT Government	191 107	203 930	7	206 493	208 678	211 738
4 154	Grants from the Commonwealth	5 130	5 258	2	5 390	5 524	5 663
118	Interest	316	205	-35	219	217	217
1 786	Other Revenue	3 400	1 732	-49	1 774	1 820	1 865
200	Resources Received free of charge	0	200	#	200	200	200
212 751	Total Ordinary Revenue	225 553	236 279	5	239 624	242 596	246 463
Expenses							
121 366	Employee Expenses	128 168	130 503	2	131 748	133 119	134 583
17 718	Superannuation Expenses	17 000	18 469	9	18 604	18 905	19 139
86 730	Administrative Expenses	92 381	96 996	5	98 829	101 988	104 195
10 108	Depreciation and Amortisation	9 700	10 126	4	10 108	10 782	10 782
235 922	Total Ordinary Expenses	247 249	256 094	4	259 289	264 794	268 699
-23 171	Operating Result Before Extraordinary Items	-21 696	-19 815	9	-19 665	-22 198	-22 236
11 295	Injection for Operating Requirements	17 445	11 506	-34	11 506	11 506	11 506
-11 876	Operating Result	-4 251	-8 309	-95	-8 159	-10 692	-10 730
2 741	Increase/(Decrease) in asset revaluation reserve	0	2 839	#	2 869	2 839	2 839
0	Change In Equity Other Than Those Resulting From Transactions With Owners As Owners	0	2 839	#	2 869	2 839	2 839
233 740	Total Equity From Start of Period	236 622	243 597	3	252 658	249 848	241 995
14 882	Capital Injections	11 226	14 531	29	2 480	0	0
239 486	Total Equity At The End of Period	243 597	252 658	4	249 848	241 995	234 104

The Canberra Hospital Statement Of Financial Position

Budget as at 30/6/01 \$'000		Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000
Current Assets							
164	Cash	1 457	25	-98	31	97	59
5 950	Receivables	7 197	7 194	..	7 112	7 110	7 123
3 895	Investments	2 500	0	-100	0	0	51
2 769	Inventories	2 970	2 970	-	2 970	2 970	2 970
1 883	Other	915	915	-	915	915	915
14 661	Total Current Assets	15 039	11 104	-26	11 028	11 092	11 118
Non Current Assets							
0	Investments	3 000	3 000	-	3 000	3 000	3 000
275 611	Property, Plant and Equipment	274 037	288 980	5	288 691	285 678	280 185
7 256	Capital Works in Progress	2 520	2 500	-1	2 480	0	0
282 867	Total Non Current Assets	279 557	294 480	5	294 171	288 678	283 185
297 528	TOTAL ASSETS	294 596	305 584	4	305 199	299 770	294 303
Current Liabilities							
11 747	Creditors	12 744	12 745	..	12 745	12 746	12 747
22	Finance Leases	41	41	-	40	36	32
20 753	Employee Entitlements	22 411	23 481	5	24 920	26 347	27 760
8 123	Other	400	400	-	400	400	400
40 645	Total Current Liabilities	35 596	36 667	3	38 105	39 529	40 939
Non Current Liabilities							
137	Finance Leases	111	88	-21	65	42	19
17 259	Employee Entitlements	15 291	16 171	6	17 181	18 204	19 241
17 396	Total Non Current Liabilities	15 402	16 259	6	17 246	18 246	19 260
58 041	TOTAL LIABILITIES	50 998	52 926	4	55 351	57 775	60 199
239 486	NET ASSETS	243 597	252 658	4	249 848	241 995	234 104
REPRESENTED BY FUNDS EMPLOYED							
136 546	Accumulated Funds	143 708	149 930	4	144 251	133 559	122 829
102 941	Reserves	99 889	102 728	3	105 597	108 436	111 275
239 486	TOTAL FUNDS EMPLOYED	243 597	252 658	4	249 848	241 995	234 104

The Canberra Hospital Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
6 084	CASH AT BEGINNING OF REPORTING PERIOD	3 493	3 957	13	25	31	97
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
217 788	User Charges	233 225	240 391	3	243 548	246 343	250 026
118	Interest Received	316	205	-35	219	217	217
4 154	Grants Received from the Commonwealth	5 130	5 258	2	5 390	5 524	5 663
12 331	Other Revenue	8 373	10 062	20	9 218	9 171	9 364
234 391	Operating Receipts	247 044	255 916	4	258 375	261 255	265 270
	Payments						
137 140	Related to Employees	143 218	147 022	3	147 903	149 576	151 274
86 530	Related to Administration	92 381	96 797	5	98 629	101 788	103 995
11 298	Other	7 636	8 326	9	7 362	7 348	7 511
234 968	Operating Payments	243 235	252 145	4	253 894	258 712	262 780
-577	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3 809	3 771	-1	4 481	2 543	2 490
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
16 308	Purchase of Property, Plant and Equipment	14 530	22 211	53	6 930	2 450	2 450
16 308	Investing Payments	14 530	22 211	53	6 930	2 450	2 450
-16 308	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-14 530	-22 211	53	-6 930	-2 450	-2 450
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
14 882	Capital Injection from Government	11 226	14 531	29	2 480	0	0
14 882	Financing Receipts	11 226	14 531	29	2 480	0	0
	Payments						
22	Repayment of Finance Lease	41	23	-44	25	27	27
22	Financing Payments	41	23	-44	25	27	27
14 860	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	11 185	14 508	30	2 455	-27	-27
-2 025	NET INCREASE/(DECREASE) IN CASH HELD	464	-3 932	-947	6	66	13
4 059	CASH AT THE END OF THE REPORTING PERIOD	3 957	25	-99	31	97	110

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

Comparing the 2000-01 estimated outcome with the original budget, there was an increase of \$12.802m in total revenue, mainly due to an increase in user charges – ACT Government resulting from additional funding provided under the Purchase Agreement with the Department of Health, Housing and Community Care for additional outputs and higher levels of activity. Total expenses for 2000-01 are \$11.327m above budget due to higher costs associated with producing additional outputs and other cost increases.

In 2001-02, total revenue is budgeted to increase by \$10.726m over the estimated outcome for 2000-01 primarily due to an increase in user charges – ACT Government. Total expenses are budgeted to increase by \$8.845m largely due to CPI, EBA increases and the cost of new initiatives.

- user charges – non ACT Government:
 - the increase of \$2.430m in 2000-01 from the original budget is mainly due to an increase in private patient revenue;
 - the decrease of \$0.646m in 2001-02 from the 2000-01 estimated outcome is mainly due to:
 - an accounting adjustment of \$0.927m which increased revenue in 2000-01 by the write-back of liabilities;
 - a one off payment of \$0.3m from the Business Services Bureau in 2000-01; partly offset by
 - expected increases in non-ACT Government revenues in 2001-02 of \$0.581m;
- user charges – ACT Government:
 - the increase of \$7.784m in 2000-01 from the original budget is mainly due to funding provided to meet throughput targets in the Purchase Agreement and higher than budgeted levels of activity and variations to the Purchase Agreement;
 - the increase of \$12.823m in 2001-02 is mainly due to additional funding received for:
 - an increase in insurance premiums (\$3m);
 - screening for deafness in newborns (\$0.186m);
 - eating disorders day program (\$0.350m);
 - indigenous mental health workers (\$0.186m);
 - enhancement and growth of renal services (\$0.313m);
 - psychiatric consultation for GPs (\$0.215m);
 - growth in service demand and performance incentives (\$5m);
 - capital works (\$1.3m); and
 - EBA and cost increases;

- employee expenses and superannuation expenses:
 - the increase of \$6.084m in 2000-01 from the original budget is mainly due to additional costs associated with producing additional throughput as per Purchase Agreement, and higher than budgeted levels of activity;
 - the increase of \$3.804m in 2001-02 from the 2000-01 estimated outcome is mainly due to:
 - enterprise bargaining increases (\$1.861m);
 - secure care facility (\$0.395m); and
 - redundancies (\$0.7m);
 - new initiatives: see user charges - ACT Government above for details, partly offset by
 - savings expected to accrue from the implementation of cookchill (\$0.6m); and
 - an anticipated reduction in the Comcare premium (\$1.141m);
- administrative expenses:
 - the increase of \$5.651m in 2000-01 from the original budget is primarily due to additional costs associated with producing additional throughput as per the Purchase Agreement, and higher than budgeted levels of activity;
 - the increase of \$4.615m in 2001-02 is mainly due to:
 - an increase in insurance premiums (\$3m);
 - anticipated price increases for goods and services (\$2.079m);
 - secure care facility (\$0.264m); partially offset by
 - savings resulting from the energy management project (\$0.4m);
- depreciation and amortisation expenses: the increase of \$0.426m in 2001-02 is mainly due to additional depreciation on plant and equipment and completed Capital Works; and
- injection for operating requirements:
 - the increase of \$6.150m in 2000-01 from the original budget is for additional funding received for:
 - plant and equipment (\$2.850m);
 - computing systems (\$1.3m); and
 - working capital for GST and other payments (\$2m);
 - the decrease of \$5.939m in 2001-02 relates to the one-off effect of the increased operating injections in 2000-01.

Statement of Financial Position

- total assets:
 - the decrease of \$2.932m in 2000-01 from the original budget is mainly due to:
 - a reduction in capital works in progress (\$4.736m); offset by
 - an increase in cash and investments (\$2.898m) due to the deferral of plant and equipment purchase until 2001-02;
 - the increase of \$10.988m in 2001-02 is primarily due to:
 - property, plant and equipment increase of \$14.943m is mainly due to the Clinical School refurbishment (\$3.1m), energy management project (\$2.6m), minor new works (\$2.176m), plant and equipment (\$5.3m), patient management system (\$2m) and Clinical Information system (\$1m); largely offset by
 - cash and investments decreasing by \$3.932m mainly due to an increase in purchase of plant and equipment; and
- other current liabilities: the decrease of \$7.723m in 2000-01 from the original budget is mainly due to reduction in revenue received in advance.

Statement of Cashflows

The major variations within the *Statement of Cashflows* from the 2000-01 budget to original budget and the 2001-02 budget are explained within the *Statement of Financial Performance* and the *Statement of Financial Position*. Other significant variations are as follows:

- capital injection from Government:
 - the decrease of \$3.656m in 2000-01 from the original budget is mainly due to a reduction in capital injection receipts as a result of:
 - the deferral of capital works (\$1.760m);
 - the deferral of electronic service delivery funding (\$0.990m); and
 - unused redundancy funding (\$0.906m).
 - the increase of \$3.305m in 2001-02 is mainly due to:
 - an increase in electronic service delivery funding (\$0.5m);
 - an increase in redundancy funding (\$0.7m); and
 - an increase in capital works funding (\$2.099m).

Capital Works

	Estimated Total Cost \$'000	Expenditure Previous Years \$'000	2001-2002 Estimated Expenditure \$'000	2001-2002 Financing \$'000	Expected Completion Date
Perioperative Services Stage 2	3 930		2 000	2 000	May 2003
Mental Health Services Regional Accommodation	900		900	900	Jun 2002
Building 9 Refurbishment	650		650	650	Apr 2002
Refurb Level 7 for Clinical School Offices and Teaching Rooms	1 600		1 600	1 600	Jun 2002
Renal Outpatients/Outreach Facility	1 050		500	500	Feb 2003
Feasibility Studies	55		55	55	
Minor New Works	2 176		2 176	2 176	Jun 2002
Total New Capital Works	10 361		7 881	7 881	
Work in Progress					
Energy Management Projects	2 600	640	1 960	1 960	Apr 2002
Peri-operative Services Stage 1	850	100	750	0	May 2003
Hennesy House – Secure Care Facilities	2 000	1 100	900	900	Sep 2001
Clinical School Laboratories Refurbishment	3 100	680	2 420	1 900	Apr 2002
Total Work in Progress	8 550	2 520	6 030	4 760	
Total Departmental Capital Works	18 911	2 520	13 911	12 641¹	

Note:

- (1) The difference of \$1.270m between estimated expenditure and financing in 2001-02 is attributable to financing being provided in prior years for two projects, these funds will be used to complete these projects in 2001-02.

2001-02 Supplementary Program

	Estimated Total Cost \$'000
Paediatric Refurbishment Levels 4 and 5	5 600
Post Natal 2A and Ante Natal 2B Consolidation	1 600
Minor New Works	628
Total Supplementary Program	7 828

Commonwealth Grants

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

Name of Grant	Activities Funded by Grant	2001-02 Estimate (\$'000)
High Cost Drugs	Provision of highly specialised drug therapies under section 100 of the National Health Act.	5 258