# Murchison Health Service

Annual Report 2001/2002

Department of Health
Government of Western Australia

# Statement of Compliance

To the Hon Bob Kucera MLA

**MINISTER FOR HEALTH**

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament, the Report of Murchison Health Service for the year ended 30 June 2002.

This report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

Mike Daube
**DIRECTOR GENERAL**
**DEPARTMENT OF HEALTH**
**ACCOUNTABLE AUTHORITY**
14 March 2003

## ANNUAL REPORT

The past year has seen significant changes in the WA health system, in the context of an increasing recognition of its place in to our national health system.

The State Government health system does not exist in isolation. We work alongside other Government and non-Government services in the context of a national health system that remains fragmented and at times competitive. Much of our work and many of our challenges are informed by national and international trends, and decisions taken elsewhere. Nowhere is this clearer than in areas that tend to attract most public attention and place the greatest stresses for our system, such as workforce issues and the pressures on our teaching hospitals. These are understandably seen locally as local problems for local solution, but the reality is that they are significantly influenced by international trends and national policy and funding decisions.

We in Western Australia face all the challenges of contemporary health systems, together with high community expectations and often optimistic or disingenuous expectations that long-standing problems faced by all health systems can be resolved overnight in our State.

Against this backdrop have been steadily implementing change to ensure that the WA Government health system is as well placed as possible to face the challenges of the future. While ever more conscious of the size and complexity of our system and the challenges we face, remain optimistic that with good support and community understanding we can move well towards achieving our common objectives.

Our community enjoys outstanding health and health care by any standards. When we see and hear about problems we face, it is tempting to imagine that our system is failing us overall or that we are doing badly by national or international standards.

Of course there are areas of deficit, but Western Australians enjoy some of the best health and health care in the world. We live longer than people in almost all other countries, and even within Australia some parts of Western Australia are notable for the longevity of their populations.

Our health professionals are as well trained and qualified as those anywhere around the world, and we rightly adopt the most stringent standards in relation to their training and practice.

Those in the system will be more aware than any others of areas in which we can do better, but above all our community should be aware and rightly proud that we have a system in which first class professionals deliver high quality health care to a community with health outcomes that would be envied in almost any other country.

The world of health and health care has changed dramatically in recent years, and especially in the last decade. Around Australia, Governments and health systems are faced with identical problems and pressures including increasing costs of labour, equipment and pharmaceutical products, the changing roles of health professionals, a

very proper emphasis on quality (and the inevitable costs and changes that this will impose on us), the needs of ageing populations and more.

The Department of Health is a vast and complex organisation, employing some 30,000 staff operating from more than 650 sites around the State. It is not a simple agency. We deliver some services ourselves; we work collaboratively with Commonwealth and local Governments; and we fund several hundred non-Government organisations, ranging in size from those such as St John Ambulance Association and the Royal Flying Doctor Service to small groups providing equally important local services.

During 2001/2002 we restructured the Department so that it is now a single unified health system. We now have a State Health Management Team, which works as a single Departmental Executive Committee. The four Metropolitan Areas have been established. Our Country Health Services have been rationalised; and an enormous amount of work has been carried out to move away from silo mentalities and towards a recognition that we must indeed work as a unified system.

During the year, the Department has recognised its responsibilities arising out of matters such as the Douglas Report on King Edward Memorial Hospital, as well as resolving some important industrial negotiations.

As the work of consolidation, always slower than one would hope, develops, my hope is that during the coming year we will be able to address further some of the high profile priorities for both Government and the community – for example coping with winter pressures, reduce waiting lists and valuing and supporting our workforce; that we will be able to demonstrate our values as a health system committed to quality, prevention and remedying disadvantage; that we will be able to focus on the medium and long term planning that are crucial if the needs of the next generation are to be well serviced; and that we will be able to engender an understanding in the community of the national and international context within which our system works. In the latter regard, negotiations on the next phase of the Australian Health Care Agreements will be of fundamental importance.

I would like to convey special appreciation to all the staff and volunteers working within the Department of Health. They know as well as anyone else the pressures we all face, but also the excellent service they provide and the commitment they display on a daily basis.

Mike Daube
DIRECTOR GENERAL

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## Address and Location

**Murchison Health Service Corporate Office**
High St
PO Box 82
MEEKATHARRA WA 6642

☎ *(08) 9981 1005*
℻ *(08) 9981 1176*

The Murchison Health Service is also made up of the following health care units:

**Murchison Primary and Community Health Services**
High St
PO Box 82
MEEKATHARRA WA 6642

☎ *(08) 9980 1292*
℻ *(08) 9980 1805*

**Meekatharra District Hospital**
High Street
PO Box 82
MEEKATHARRA WA 6642

☎ *(08) 9981 1005*
℻ *(08) 9981 1176*

**Murchison Aged Care Services**
High St
PO Box 82
MEEKATHARRA WA 6642

☎ *(08) 9981 1292*
℻ *(08) 9981 1805*

**Mount Magnet Nursing Post**
Welcome St
PO Box 104
MOUNT MAGNET WA 6638

☎ *(08) 9963 4102*
℻ *(08) 9963 4098*

**Cue Nursing Post**
Victoria St
PO Box 7
CUE WA 6640

☎ *(08) 9963 1053*
℻ *(08) 9963 1210*

**Sandstone Nursing Post**
Oroya St
SANDSTONE WA 6639

☎ *(08) 9963 5808*
℻ *(08) 9963 5808*

## Mission Statement

**Our Mission**
To work with our customers, partners and funders to significantly improve the health of people living within the Murchison region of Western Australia.

## Broad Objectives

The following objectives of the Murchison Health Service have been developed in line with the strategic plan and are integral to achieving the Murchison Health Service vision of being recognised as a Centre of Excellence in Primary Health by 2006.

- To lead the development of primary health, focused on customers.
- To lead the development of primary health partnerships.
- To lead the implementation of evidence-based prevention.
- To lead the linkage of prevention and treatment activities across the health continuum, through integration.

## Enabling Legislation

The Murchison Health Service is incorporated under the *Hospitals and Health Services Act 1927*, which provides for the establishment, maintenance and management of public hospitals, and for incidental and other purposes.

The Health Service is directed and controlled by a Board of Management constituted under Section 15 of the *Hospitals and Health Services Act 1927*.

As the Accountable Authority for the Murchison Health Service, the Board of Management is responsible to the Minister for Health, Hon. R. C. Kucera APM MLA, for the general administration of the Health Service.

The Health Service does not operate in coordination with any subsidiary, related or affiliated bodies.

## Ministerial Directives

The Minister for Health did not issue any directives on Health Service operations during 2001/2002.

## Submission of Annual Report

Approval was sought under the *Financial Administration and Audit Act 1985* to extend the Murchison Health Service's deadline for submission of key performance indicators and financial statements to the Auditor General to 14 October 2002.

## Statement of Compliance with Public Sector Standards

In the administration of the Murchison Health Service, I have complied with the *Public Sector Standards in Human Resource Management*, the *Western Australian Public Sector Code of Ethics* and our *Code of Conduct*.

I have put in place procedures designed to ensure such compliance and have undertaken appropriate internal processes to satisfy myself the statement made above is correct.

Such processes include:

- A review of all human resource policies to ensure they adequately incorporate the requirements of Public Sector Standards in Human Resource Management.
- An Internal Checking Process being carried out as an independent audit of the process used to reach decisions and ensure compliance with Public Sector Standards.
- A copy of the new Public Sector *Code of Ethics* being distributed to all employees to ensure they are aware of their obligations.

The applications made for reporting a breach in standards, and the corresponding outcomes for the reporting period are:

- Number of applications lodged — One
- Number of material breaches found — None
- Applications under review — None

An Internal Audit was carried out by external auditors in December 2001. The audit found that controls over Personnel Processes were adequately maintained and that all legislation and operational requirements were met, except in relation to advertising positions, including secondments, in accordance with Public Sector Standards. It was recommended and agreed that management ensure all future positions and secondments are appropriately advertised and that adequate documentation to support decisions be maintained.

Shane Matthews
**ACTING REGIONAL DIRECTOR**
**MIDWEST AND MURCHISON REGION**
6 December 2002

## Advertising and Sponsorship – Electoral Act 1907

The following table lists the expenditure on advertising and sponsorship made by the Murchison Health Service published in accordance with Section 175ZE of the *Electoral Act 1907*.

| CLASS OF EXPENDITURE | 1999/2000 $ | 2000/2001 $ | 2001/2002 $ |
|---|---|---|---|
| Advertising Agencies | – | – | – |
| Market Research Organisations | – | 36,199 | – |
| Polling Organisations | – | – | – |
| Direct Mail Organisations | – | – | – |
| Media Advertising Organisations | – | – | – |
| **TOTAL** | **$0.00** | **$36,199** | **$0.00** |

## Freedom of Information Act 1992

The Murchison Health Service received and dealt with no formal applications under the Freedom of Information guidelines during 2001/2002.

Formal applications are defined as requests which:

- Are in writing.
- Give enough information to enable the requested documents to be identified.
- Give an address in Australia to which notices under the *Freedom of Information Act 1992* can be sent.
- Give any other information or details required under FOI regulations.
- Are lodged at an office of the agency with any application fee required under FOI regulations.

The types of documents held by the Murchison Health Service include:

- Patient medical records.
- Staff employment records.
- Department of Health reports, plans and guidelines.
- Other health-related agency reports.
- Agreements with the Department of Health.
- Statistical data and reports.
- Books relating to health planning and management.
- Books relating to the treatment of illness and disease.
- General administrative correspondence.

In accordance with Part Five of the *Freedom of Information Act 1992*, an information statement detailing the nature and types of documents held by the organisation is available from the:

Information Coordinator
Murchison Health Service
PO Box 82
MEEKATHARRA WA 6642

☎ *(08) 9981 1005*

## Murchison Health Service

**Key Operations and Achievements**

- The Murchison Health Service A Pound of Prevention, A Ton of Cure strategy, was developed.
- The Murchison Health Service structure was re-organised.
- Every site in the Murchison has had major changes to its physical structure.
- Active new partnerships were developed.
- The Murchison Health Service has accessed new funding that increased the total health funding in the region by approximately 20 per cent.
- The Health Service has made a successful start to the five-year strategic plan.

The year 2001/2002 has been one of change, development and growth for the Murchison Health Service, as the organisation has fostered the movement of strategic direction towards becoming a Centre of Excellence in Primary Health. This change of strategic direction was developed in response to the recognition of an urgent need to change health outcomes in the region. An analysis of health outcomes in the Murchison was conducted during 2001 and identified the community as having approximately the second worst health in Western Australia. This provided a starting point for the change.

This year has been the fundamental starting point for the change of direction, with the development of new strategies, new structures, new physical arrangements, new partnerships, new funds, new roles, and new activities.

**Strategy Development**
The Murchison Health Service A Pound of Prevention, A Ton of Cure strategy was developed through board and management discussion, a Board, team leader and partner workshop in September and a senior staff workshop in December.

**Health Service Structure Re-organised**
The re-organisation of the Murchison Health Service structure was implemented in 2001/2002 and involved the creation of three Business Units, identified as Primary Health, Primary Care and Inpatient Services, appointing key personnel and beginning the process of having staff work in new teams.

**Major Changes to Physical Structures**
Every site in the Murchison has had major changes to its physical structure this year in order to match the new teams and activities. These changes include the rebuilding of the old nurses quarters at Meekatharra into a Primary Health worksite, the doubling of the physical premises at Cue to house five primary health staff, and the development of the Cue Family Activity Centre and Toy Library. In Mount Magnet The Cubby, the Mount Magnet community resource centre was developed in partnership with the Department of Community Development and in Sandstone the new Nursing Post was opened.

**Active New Partnerships**
The most significant progress of the Murchison Health Service strategic plan has been the development of partnerships. Active new partnerships have been established with:

- The Meekatharra, Cue and Mount Magnet Shires.
- The Combined Universities Centre for Rural Health.
- Geraldton Regional Aboriginal Medical Service.
- Department of Community Development.
- RUCSN — Rural Children's Support Network.
- Frontier Services.
- Midwest Division of General Practice.
- Disability Services Commission.

These partnerships provide the Health Service with increased resources and increased opportunities to implement the strategy in the region.

**Access to New Funding**
In 2002, the Murchison Health Service has accessed new funding that increased the total health funding in the region by approximately 20 per cent. This year the Murchison Health Service has moved as much funding as possible to service delivery, with particular emphasis on primary health orientated services, and has commenced the process of developing prevention strategies across the Health Service. The Health Service has undertaken a large number of new activities in the region, including:

- Group-based early intervention programs.
- Child at risk program.
- Expanded Telehealth programs.
- The region's first Aboriginal Health Worker Training course.
- Community Development Activity in Meekatharra.

With the implementation of the change in strategic direction being in its initial stages, the Health Service did not expect to see major outcomes from these activities within twelve months. However, discussions during the Country Services Review highlighted the already promising signs in response to this strategy, with some very significant statements being made by participants, including a significant decrease in the number of high-risk child admissions for the first time in 26 years. The Health Service is now in a much better position to address Aboriginal Health issues than it has ever been.

**A Successful Start to the Five-Year Strategic Plan**
The Murchison Health Service's progress in the past 12 months has been impressive, providing a successful start to the five-year strategic plan, and was achieved using the limited resources available.

## Major Capital Projects

### Projects Completed during the Year

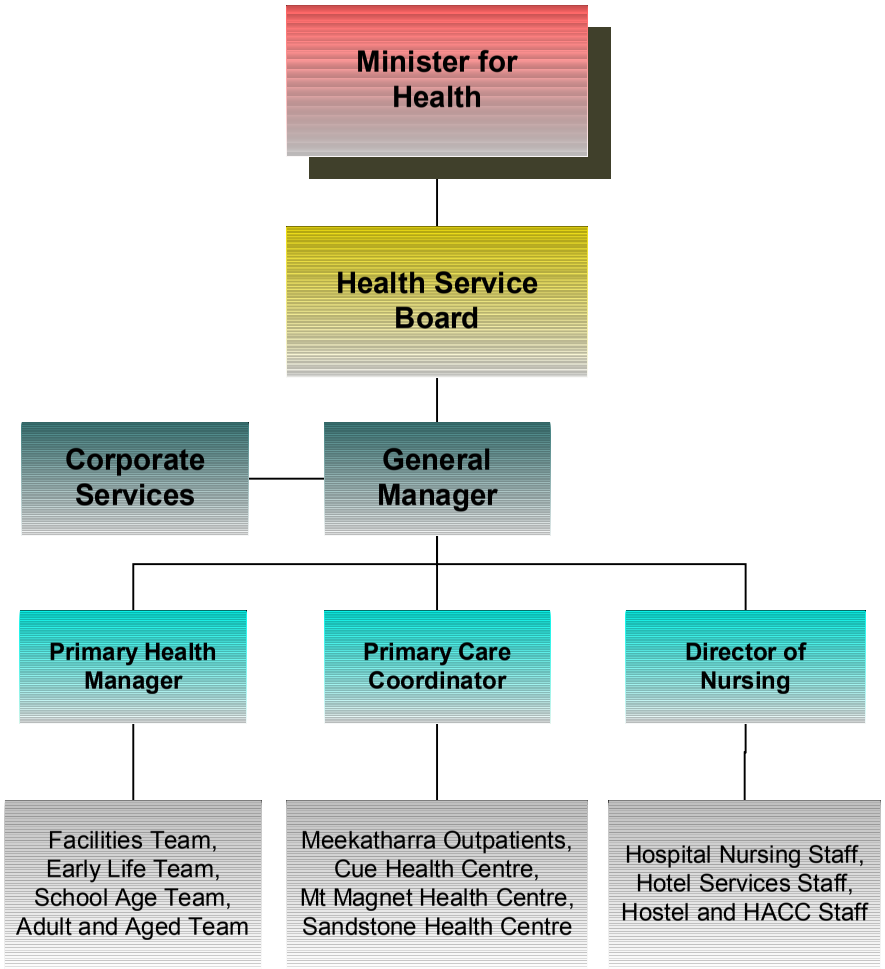
| PROJECT DESCRIPTION | Actual Total Cost | Estimated Total Cost |
|---|---|---|
| Renovation of Primary Health Building, Meekatharra | $82,000 | $82,000 |
| Renovations, Cue Health Centre | $15,000 | $15,000 |
| Medical Records Building | $20,000 | $20,000 |
| Sandstone Nursing Post | $40,000 | $40,000 |

### Projects in Progress

| PROJECT DESCRIPTION | Expected Year of Completion | Estimated Cost to Complete | Estimated Total Cost |
|---|---|---|---|
| Building Staff Accommodation, Meekatharra | 2003 | $175,900 | $260,000 |

# Management Structure

## Organisational Chart



## Accountable Authority

The Murchison Health Service Board represents the Accountable Authority for the Health Service. The board is comprised of the following members:

| Name | Position | Term of Office Expires |
|---|---|---|
| Don Anderson | Chairperson | 30 June 2002 |
| Fran Dowden | Deputy Chairperson | 30 June 2002 |
| Alwyn Bondini | Member | Resigned |
| Bill Atyeo | Member | 28 February 2002 |
| Petronella Pigdon | Member | 30 June 2002 |
| Karen Gilbert | Member | 30 June 2002 |
| Kath Mahony | Member | 30 June 2002 |

Note: The Governor in Executive Council approved the amalgamation of several hospital boards including the Murchison Health Service Board to form one board, with the assigned name WA Country Health Service, with effect from 1 July 2002. Notice to this effect was published in the Government Gazette on 28 June 2002.

## Senior Officers

The senior officers of the Murchison Health Service Board and their areas of responsibility are listed below:

| Area of Responsibility | Title | Name | Basis of Appointment |
|---|---|---|---|
| Health Service Corporate Management | General Manager | Kevin Boots | Term Contract |
| Nursing Services | Director of Nursing | Margaret Fleay | Term Contract |
| Primary Health | Primary Health Manager | Helen Webb | Permanent |
| Financial | Business Support Coordinator | Robert Doohan | Permanent |

## Pecuniary Interests

Members of the Murchison Health Service Board have declared no pecuniary interests other than those reported in the Financial Statements section of this report.

## Demography

The Murchison Health Service delivers services to communities covered by the following local authorities:

- Cue Shire
- Meekatharra Shire
- Mount Magnet Shire
- Sandstone Shire

The following table shows population figures for each local authority within the Murchison region:

| LOCAL AUTHORITY | Population as at 1996* | Population as at 2001* | Projected Population as at 2006* |
|---|---|---|---|
| Cue Shire | 489 | 394 | 603 |
| Meekatharra Shire | 2098 | 1445 | 230 |
| Mount Magnet Shire | 864 | 860 | 802 |
| Sandstone Shire | 169 | 140 | 249 |

*Data sources:

Australian Bureau of Statistics 1996, *Estimated Resident Population by Age and Sex in Statistical Local Areas, WA*, Cat. No. 3203.5.

ABS 2001, *Population Estimates by Age, Sex and Statistical Local Area, WA*, Cat. No. 3235.5.

Ministry of Planning 2000, *Population Projections by Age, Sex and Local Government Area, WA*.

The change during the past five years reflects a decrease in mining activity in towns in this area and a shift towards fly in/fly out positions. The population should now have stabilised and the decrease would not be expected to continue in the future.

The increasing proportion of Aboriginal people in the Murchison community, from 16 per cent of the total population in 1996, to 22 per cent in 2001, supports the change in strategic direction to a primary health model, with an increased need for primary health care, specifically Community Development, Health Promotion and Early Intervention Strategies for the region.

## Available Services

The following is a list of health services and facilities available to the community:

**Direct Patient Services**
Accident and Emergency Services
Acute Medical
Adolescent at Risk Program
Adolescent Drug and Alcohol Harm Minimisation Program
Adolescent Sexuality Program
Bookstart
Child at Risk Management Program
Daily School Clinics
Ear Health
Early Life Nutrition
Family Activity and Resource Centre (Mount Magnet)
Family Activity Centre and Toy Library (Cue)
Geriatrics
Hearing and Vision Screening
Immunisation Program
Maternal Health
Routine Health Screening
School Nutrition Program (Mount Magnet)
SPOTS — Behaviour Assessment and Intervention
Trachoma Screening
Youth Offending Intervention Program

**Community Services**
Aged Care Services
HACC
Hotel Services

**Medical Support Services**
Ear Nose and Throat (Visiting)
Occupational Therapy
Ophthalmology (Visiting)
Outpatient Medical (RFDS and GP)
Paediatric Physiotherapy (Visiting)
Paediatrician (Visiting)
Pathology (Pathcentre)
Physiotherapy
Podiatry (Visiting)
Radiology
Speech Pathology

**Other Support Services**
10,000 Steps to Health Program
Diabetes Clinics
Medical Records
Nutrition Program
Seniors Exercise Program — Bootscooting (Cue)
Women's Health
STI Contact Tracing, Counselling and Treatment

**Specialist Services**
None

**Other Services**
None

## Disability Services

**Our Policy**
The Murchison Health Service is committed to ensuring all people with disabilities can access the facilities provided by and within the Health Service.

**Programs and Initiatives**
The Murchison Health Service has aimed to improve its disability services plan during 2001/2002, according to objectives outlined in the *Disability Services Act 1993.* This goal has been achieved through programs and initiatives run on behalf of the following five key outcome areas:

**Outcome 1: Existing services are adapted to ensure they meet the needs of people with disabilities.**

- The Murchison Health Service is committed to ensuring that people with disabilities are provided with the same access to services and facilities as other members of the community, in accordance with the *Disability Services Act 1993*.
- The Health Service ensures that current policies and practices do not exclude people from services provided.
- A Memorandum of Understanding has recently been developed between the Health Service and the Disability Services Commission to provide increased funding for specific staff education and increased services to disabled people in the community.

**Outcome 2: Access to buildings and facilities is improved.**

- The Murchison Health Service provides clear symbols and directions to assist people find their way, and clear, well-lit directional signs to benefit the whole community.
- Building construction undertaken by the Health Service considers the needs of disabled clients and staff during the planning and construction phases. Where possible, all buildings have ramps, signage, disabled toilets, and wide doors for access.

**Outcome 3: Information about services is provided in formats which meet the communication requirements of people with disabilities.**

- The Murchison Health Service has drafted a Disability Services Policy, which identifies the requirement for the presentation of information to meet the communication needs of people with disabilities.
- All information on functions and services produced by the Health Service uses clear concise language. Alternative formats can be made available on request.

**Outcome 4: Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities.**

- The finalised Disability Services Policy will be incorporated into the orientation program to ensure that all staff are aware of the services and facilities available to people with disabilities. A brochure has been developed to assist in the education of employees regarding the needs of people with disabilities.

- Disability services responsibilities are also highlighted as part of the essential criteria in all Job Description Forms, and thus are an integral part of the recruitment process.
- The Memorandum of Understanding with the Disability Services Commission will increase staff education on the needs of people with disabilities.

**Outcome 5: Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes.**

- Extensive consultation has taken place in the community for people with disabilities, with transport being provided where necessary and home visits being conducted where appropriate.
- The Murchison Health Service supports people with disabilities, their families and carers to attend community consultations.

**Future Direction**
The Murchison Health Service will continue to review and amend its policies, practices and procedures to identify possible barriers experienced by people with disabilities.

## Cultural Diversity and Language Services

**Our Policy**
The Murchison Health Service strives to ensure there is no discrimination against members of the public based upon race, ethnicity, religion, language or culture.

**Programs and Initiatives**
The Murchison Health Service operates in conjunction with the *Western Australian Government Language Services Policy*, and has the following strategies and plans in place to assist people who may experience cultural barriers or communication difficulties while accessing the service's facilities:

- A Language Service Policy has been drafted in accordance with the Cabinet endorsed policy to ensure that language does not continue to be a barrier in the health system, where matters may be complex and potentially serious. This policy encompasses the Department of Health's requirements for health service delivery to people from culturally and linguistically diverse backgrounds and best practice guidelines for caring for these patients.
- The Murchison Health Service is committed to using professional interpreters for patients who do not speak sufficient English to understand information concerning their treatment, when the outcome of poor communication could have a major effect on the patient's health. All Murchison Health Care Workers are aware of their responsibility to determine the patient's need for an interpreter, to provide an interpreter where a need is established, and to ensure the interpreter provided is appropriately qualified.
- The policy also requires staff to utilise the skills of Aboriginal Health Workers to ensure that, where appropriate, a culturally appropriate person communicates with Aboriginal patients.

- This policy is essential to ensuring the health service provides a service which meets the needs of people from culturally and linguistically diverse backgrounds, to facilitate access, equity, communication, responsiveness, effectiveness, efficiency and accountability.

## Youth Services

**Our Policy**
The Murchison Health Service acknowledges the rights and special needs of youth, and endeavours to provide appropriate services, supportive environments and opportunities for young people.

The Murchison Health Service is committed to the following objectives as outlined in *Action: A State Government Plan for Young People, 2000–2003*:

- Promoting a positive image of young people.
- Promoting the broad social health, safety and wellbeing of young people.
- Better preparing young people for work and adult life.
- Encouraging employment opportunities for young people.
- Promoting the development of personal and leadership skills.
- Encouraging young people to take on roles and responsibilities, which lead to active adult citizenship.

**Programs and Initiatives**
The Murchison Health Service has run numerous programs targeting youth groups and introduced a number of innovations such as:

- The development of prevention and intervention programs by the three teams which are integral to primary health in the Murchison, the Early Life Team (0–4), the School Age Group (5–18) and the Adult and Aged Team (19+).
- The School Aged Group are working together to implement programs directed at the school-aged members of the Murchison community.

The major achievements noted from the implementation of prevention and intervention programs by the School Aged Group include the increasing immunisation rate in the Murchison, a noticed decrease in the number of high-risk child admissions and the development of the Youth Offending Intervention program to bring together key staff from local agencies to share information relating to a child referred by the Magistrate for case management.

**Programs and Initiatives**

The Health Service has implemented many programs for young people including daily school clinics, hearing and vision screening, trachoma screening, immunisation program, adolescent sexuality program, adolescent drug and alcohol harm minimisation program, Adolescent at Risk program, youth offending intervention program with the Ministry of Justice and the school nutrition program.

## Employee Profile

The following table shows the number of full-time equivalent staff employed by the Murchison Health Service:

| CATEGORY | 1999/2000 | 2000/2001 | 2001/2002 |
|---|---|---|---|
| Nursing Services | 22.92 | 20.52 | 17.49 |
| Administration and Clerical* | 10.37 | 10.54 | 11.11 |
| Medical Support* | 6.87 | 7.32 | 3.00 |
| Hotel Services* | 13.07 | 11.15 | 11.34 |
| Maintenance | 2.97 | 4.41 | 4.02 |
| Medical (salaried) | 0.00 | 0.00 | 0.00 |
| Other | 0.00 | 0.00 | 0.00 |
| **TOTAL** | **56.20** | **53.94** | **46.96** |

*Note these categories include the following:

- **Administration and Clerical** — health project officers, ward clerks, receptionists and clerical staff.
- **Medical Support** — physiotherapists, speech pathologists, medical imaging technologists, pharmacists, occupational therapists, dietitians and social workers.
- **Hotel Services** — cleaners, caterers and patient service assistants.

## Recruitment Practices

The recruitment and retention of competent and experienced staff continued to be a challenge for the Health Service in 2001/2002. As a result, there was considerable reliance on nursing agencies to recruit registered and enrolled nurses.

In line with the change of strategic direction, the Health Service was fortunate to successfully recruit a Primary Health Manager to lead the Primary Health Team in the development of preventative programs.

## Staff Development

Staff development activities during 2001/2002 included:

- Diabetes Education.
- Evidence Based Practice.
- Cultural Awareness.
- Alcohol and Drug.
- Senior First Aid.
- Satellite Sleep Project.
- Family Sensitivity Training.
- Sexual Health Workshop.

- Family Sensitivity Training.
- Sexual Health Workshop.
- Team Building Events.
- Food Cent$ Training.
- Therapy Assistant Training.
- Trachoma Screening Training.
- Health Worker Training.
- Domestic Violence Inservice.
- X-Ray Inservice.
- Change Management Workshop.
- Dealing with Difficult People/Dealing with Conflict Workshop.
- Roadwise Advanced Road Safety Course.
- Computer education for competency in basic computing, word processing, internet and email.
- Patient Care Assistant Training.
- Understanding Diabetes Workshop.
- Occupational Safety and Health Representatives Course.
- Infection Control Course.

## Industrial Relations Issues

There were no significant industrial relations issues experienced by the Health Service during 2001/2002. Senior management participated in various activities supportive of a fair and reasonable outcome for all parties involved in Enterprise Bargaining and Award negotiations.

## Workers' Compensation and Rehabilitation

The following table shows the number of workers' compensation claims made through the Murchison Health Service:

| CATEGORY | 1999/2000 | 2000/2001 | 2001/2002 |
|---|---|---|---|
| Nursing Services | 4 | 3 | 1 |
| Administration and Clerical* | 1 | 1 | 0 |
| Medical Support* | 0 | 1 | 0 |
| Hotel Services* | 0 | 1 | 1 |
| Maintenance | 1 | 2 | 3 |
| Medical (salaried) | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| **TOTAL** | **6** | **8** | **5** |

*Note these categories include the following:

- **Administration and Clerical** — health project officers, ward clerks, receptionists and clerical staff.
- **Medical Support** — physiotherapists, speech pathologists, medical imaging technologists, pharmacists, occupational therapists, dietitians and social workers.
- **Hotel Services** — cleaners, caterers and patient service assistants.

An Occupational Safety and Health Committee initiative has involved a comprehensive education process to highlight the duties of employees with regards to workplace safety.

The OSH At Work incident management system was implemented to facilitate training, the monitoring of incidents and hazards, and to allow for data analysis.

## Equity and Diversity Outcomes

**Our Policy**
The ability of an organisation to provide high quality health services to the general public is closely related to workforce diversity. That diversity needs to be tapped for planning, decision-making and service delivery.

The Murchison Health Service aims to achieve equity and diversity in the workplace by eliminating any discrimination in employment based upon grounds of sex, marital status, pregnancy, family status, race, religious or political conviction, or age, and by promoting equal opportunity for all people.

**Programs and Initiatives**
The Murchison Health Service aims to promote equal opportunity for all persons, according to the *Equal Opportunity Act 1984*. This goal is achieved through activities and programs run on behalf of the following outcomes:

**Outcome 1 — The organisation values EEO and diversity, and the work environment is free from racial and sexual harassment.**

- All policies and processes developed and implemented by the Murchison Health Service support equal opportunity in employment. The Equal Employment Opportunity Policy was revised during the year, and a summary brochure prepared to highlight the health service's support and commitment to Equal Opportunity, and to increase employee knowledge of the Equal Opportunity Act, Commission, Complaints, Exceptions and Equity and Diversity.
- In partnership with the Geraldton Regional Aboriginal Medical Service, the health service has continued the development of the Murchison Aboriginal Cultural Awareness orientation and annual program. Two presentations were conducted, across the region, to nursing staff. At the completion of the pilot program, the Cultural Awareness training will be presented to all staff.

**Outcome 2 — Workplaces are free from employment practices that are biased or discriminate unlawfully against employees or potential employees.**

- All job description forms refer to the employee's responsibility and understanding of equal opportunity principles in the workplace, as an essential criterion. This facilitates an environment which promotes an acceptance of all people. The Orientation process further highlights the importance of EEO.
- There have been no reports of discrimination or harassment in the Health Service during the year, reflecting the organisation's and employees' commitment towards, and understanding of, Equal Opportunity.

**Outcome 3 — Employment programs and practices recognise and include strategies for EEO groups to achieve workforce diversity.**

- The Murchison Health Service is currently working towards preparing an Equity and Diversity Plan in line with the state government initiative to promote and encourage the creation of a public sector workforce which is representative of the Western Australian community at all levels of employment.

- The Murchison Health Service is committed to actively encouraging Aboriginal people to gain employment in specific, community empowering roles, such as Aboriginal Health Workers. In partnership with the Combined Universities Centre for Rural Health, and the Kimberley and Geraldton Regional Aboriginal Medical Service, the Health Service organised an Aboriginal Health Worker training course for the Murchison region, which commenced in 2002.
- Other training programs for EEO groups include a Child Care Certificate 2 program and a Certificate 2 in Aged Care training, which have been run locally during the year.

**EEO Indicators**

The following table indicates strategic plans or processes the Department of Health aims to have in place across the health system to achieve equity and diversity in the workplace, and the level to which the Murchison Health Service has been able to meet these goals:

| Plan or Process | Level of Achievement |
|---|---|
| EEO Management Plan | Under Review |
| Organisational plans reflect EEO | Implemented |
| Policies and procedures encompass EEO requirements | In Progress |
| Established EEO contact officers | Under Review |
| Training and staff awareness programs | Under Review |
| Diversity | Under Review |

## Marketing

Community awareness of the Murchison Health Service was achieved through the following activities:

- Quarterly bulk mail outs, including details of visiting services and health service information updates.
- Regular articles in community newspapers and newsletters, including updates on the Pound of Prevention strategy, Murchison Health Service partnerships, training initiatives, services and Primary Health programs.
- Country Health Service Consultation Forums were conducted in Meekatharra and Mount Magnet to facilitate community input into the Health Service and educate the community on Health Service initiatives and outcomes.
- Opening of the Mental Health Building and the Primary Health Building.
- Primary Health Manager Presentation to Cue Parliament, the Shire of Sandstone and Cue, the Pastoralists and Graziers Association and the Country Women's Association.
- Various presentations of the Murchison Health Service Strategic direction by the Acting General Manager.

## Publications

There were no publications issued by the Murchison Health Service during 2001/2002

.

## Research and Development

Student placements form an integral part of the research and development component associated with the Murchison Health Service change in strategic direction, in collaboration with the Combined Universities Centre for Rural Health. This provides students with opportunities for applied research that is in line with Murchison Health Service objectives and the aims of primary health care.

Research and Development projects, which commenced during the year include:

**Housing Issues in the Murchison Region**
Remote areas are characterised by a range of unique housing challenges. These include the provision of housing for the Aboriginal population, meeting the housing needs of minority groups, such as the elderly, young people, the disabled and victims of domestic violence, fluctuations in demand for housing in mining areas subject to 'boom-bust' cycles. The purpose of the topic is to investigate these issues in the towns of Meekatharra, Cue and Mount Magnet.

Research methods used include ABS Census of Population and Housing for information on housing trends, tenure and local demography, interviews with local government representatives, Ministry of Housing, Department of Community Development, Home and Community Care, Murchison Hostel and informal discussions and observations.

**Economic and Employment Change in the Murchison Region**
The purpose of this topic is to provide an overview of the major economic and employment changes affecting the towns of Meekatharra, Cue and Mount Magnet. Traditionally, these towns have acted as service centres for mining and pastoral industries. More recently, tourism has become an important source of employment and economic activity.

Research methods include an analysis of ABS Census data, reports and publication from the Mid West Development Commission, a survey of local businesses and informal conversations and observations.

**The Implications of Fly-In, Fly-Out Mining on Towns in the Murchison Region**
Over recent years, mining companies with operations in remote areas have tended towards fly in/fly out operations, rather than basing employees permanently in remote towns. One of the major issues for small towns is that many of the potential economic benefits associated with mining simply bypass local businesses. This study examines the implications of fly in/fly out mining on Meekatharra, Cue and Mount Magnet from the perspective of local residents, business owners, public service providers and mining companies.

Research methods include the use of background information from the ABS and other published material, interviews with mining companies in Perth, a survey of local businesses, interviews with representatives from local government, the Department of Minerals and Energy and the Mid West Development Commission.

**Working in Remote Areas: Issues Facing Professionals**
One of the problems facing remote communities is attracting and retaining professional staff. This project will involve determining the problems facing professionals working in remote areas, the barriers to attracting staff and the problem of staff retention.

Research methods include interviews with staff from the Murchison Health Service, schools in each of the towns, local government and state government departments, and informal conversations and observations.

**Young People's Attitudes towards Risky Behaviour**
This study will focus on young people at school in Meekatharra and Mount Magnet, and examine their attitudes towards various forms of risky behaviour. Issues that might be of interest include sex, drugs and alcohol, and the use of vehicles and firearms. The project will also examine the extent to which various health and safety promotional strategies have modified the behaviour of young people.

Research methods include focus groups with students at schools in Meekatharra and Mount Magnet, interviews with staff of the Murchison Health Service, Department of Community Development, and the Youth Centre, and informal interviews and observations.

**Preventative Health Care in the Murchison Region**
This project will investigate the issues associated with preventative health care in Meekatharra, Cue and Mount Magnet, considering health risks and attitudes towards health prevention.

Research methods include a questionnaire survey of residents, interviews with staff from Murchison Health Service, informal interviews and observations.

## Evaluations

As an integral component of the Murchison Health Service's A Pound of Prevention, A Ton of Cure strategic plan, the Combined Universities Centre for Rural Health, in collaboration with the Health Service, is undertaking an evaluation of the change process. This is a long-term evaluation that operates on several fundamental levels, including the strategy level, the organisational level, and the community level.

Two important features associated with the evaluation strategy include pragmatic feedback activities and student placements. The former allows the results of evaluation activities to be immediately available to Health Service staff while the latter creates linkages with and between university departments and provides students with opportunities for applied research that are in line with Murchison Health Service objectives and the aims of primary health care.

**Evaluation Area**

Strategy

**Purpose of Evaluation**

- To obtain an overall description of the organisation change, strategies and review measurement issues to assess the change process.

**Main Outcomes**

- The work environment fully supports the implementation of a primary health model.
- The Health Service is fully aware of the impact of boundary delineation, funding arrangements and job stability.

**Action Taken or Proposed**

- A Balanced Scorecard is being developed by the Health Service in collaboration with CUCRH to implement and monitor the strategy.
- The Health Service is creating a bi-monthly newsletter that describes staff achievements and concerns in terms of the organisational strategy. The newsletter will also include specific responses to each concern in order to demonstrate that staff do, in fact, have a voice and that voice is heard.

**Evaluation Area**

Murchison Health Service Organisation

**Purpose of Evaluation**

- To review staff perceptions, work patterns, the structure of the change and management issues to assess the change process.

**Main Outcomes**

- All changes are systematically applied so the strategy is driven agency-wide and not by a few key individuals.
- There is excellent communication and an awareness of activities, across teams within the health service.
- Staff have a great sense of input into and ownership of changes.

**Action Taken or Proposed**

- There is a broad range of activities between the Health Service and partner agencies being developed to promote staff development, including work-related fellowships and research opportunities. These activities will encourage staff to develop program-oriented evaluation activities of their own. This will allow staff to measure whether or not their activities and specific primary health-related programs are having an effect, thus providing motivation and enhancing a sense of ownership.

**Evaluation Area**

Community

**Purpose of Evaluation**

- To review community perceptions, the structure of the change and management issues, to assess the change process.

**Main Outcomes**

- The community is well informed of the principles associated with primary health, and the changes to the health service.

- The community has significant input and a sense of ownership with the primary health approach.

**Action Taken or Proposed**

- The Health Service and CUCRH have adopted an ongoing study of community perspectives and issues.
- Students will participate in community-based research projects with the goal of understanding the social, cultural and economic context of the community and the factors that influence health and health care delivery. Their activities and findings will provide a basis for reports which will be distributed among the community to increase community awareness and identify community strengths and/or weaknesses with respect to primary health care goals.

## Risk Management

**Our Policy**
The Murchison Health Service aims to achieve the best possible practice in the management of all risks that threaten to adversely impact upon the Health Service itself, its patients, staff, assets, functions, objectives, operations, or upon members of the public.

**Strategies and Initiatives**

- Successful risk management strategies initiated during 2001/2002 include:
- Implementation of the OSH At Work and Accident Incident Management System (AIMS) to enable the efficient aggregation and analysis of data to identify baseline incident rates, trends and patterns of incidents, and contributing factors.
- Progress towards developing a register of risks, following a risk identification and assessment exercise to be carried out by management.
- Review and implementation of policies in response to identified areas of potential risk, including Customer Complaints, Release of Patient Information, Managing Change, Employee Grievances, Equal Employment Opportunities, Manual Handling and Transport.

**Future Direction**
The Murchison Health Service will continue to review its risk management and quality improvement processes in keeping with the above policy.

## Internal Audit Controls

The Murchison Health Service has established a system of internal controls as a means of providing reasonable assurance that assets are safeguarded, proper accounting records are maintained, and financial information is reliable.

There were no significant audit findings highlighted during the Internal Audit conducted by Stanton Partners in December 2001. An action plan was developed to address the minor audit issues raised.

## Waste Paper Recycling

Due to the remote location of the Murchison Health Service it is not economical to transport used paper to Perth for recycling. The Health Service does not consume enough paper to make it viable to pay the transport costs involved. Where practical, the Health Service uses recycled products and encourages staff to recycle paper in-house.

## Pricing Policy

The Murchison Health Service raises a number of fees and charges to recover the estimated cost of providing certain services, except where a public service obligation exists.

A daily bed fee is raised against all patients other than those treated under the public health system. These fees contribute towards the cost of services required to treat patients. The only exception to this is professional medical services, which are provided privately by medical practitioners.

No fees are raised against registered public and private outpatients of the hospital.

## Client Satisfaction Surveys

Favourable satisfaction ratings have been associated with favourable health outcomes. In addition, if a patient's perception of health service provision is favourable they will be more likely to seek timely help, assistance or treatment. The Department of Health has produced Client Satisfaction Survey Questionnaires for various health service client groups with special forms for parents to answer on behalf of their children. The questionnaires have been standardised and have demonstrated valid and reliable results over time.

Each year a number of client groups are selected to answer questions about their experiences within the health system. The survey process is managed by the Department of Health with questionnaires being posted to patients during a specified survey period. Details of the responses to individual questions are shown below and audited aggregate results of these surveys are shown in the Key Performance Indicator section (page **Error! Bookmark not defined.**) of this report.

AUDITOR GENERAL

**To the Parliament of Western Australia**

**MURCHISON HEALTH SERVICE**
**PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2002**

**Scope**
I have audited the key effectiveness and efficiency performance indicators of the Murchison Health Service for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Board was responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. The key performance indicators reflect the progress made to date as part of the staged process to develop more enhanced measurement of the performance of the Murchison Health Service.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Health Service's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis taking into account the ongoing development of the key performance indicators.

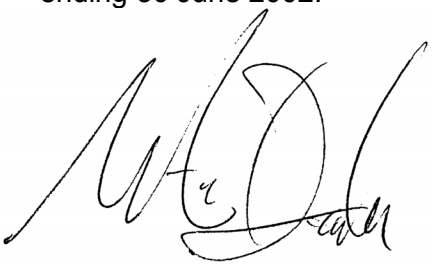
**Audit Opinion**
In my opinion, the key effectiveness and efficiency performance indicators of the Murchison Health Service are relevant and appropriate for assisting users to assess the Health Service's performance and fairly represent the indicated performance for the year ended June 30, 2002.

D D R PEARSON
AUDITOR GENERAL
February 28, 2003

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

**MURCHISON HEALTH SERVICE**
**CERTIFICATION OF PERFORMANCE INDICATORS**
**FOR THE YEAR ENDED 30 JUNE 2002**

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Murchison Health Service and fairly represent the performance of the Health Service for the financial year ending 30 June 2002.



Mike Daube
ACCOUNTABLE AUTHORITY
**Director General of Health**

November 2002

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## Background

The Performance Indicators reported in the following pages address the extent to which the strategies and activities of the Health Service have contributed to the required health outcomes and outputs, viz.,

**OUTCOME 1 - Improvement in health by a reduction in the incidence of preventable disease, injury, disability, premature death and the extent and impact of drug abuse.**

**Output 1** - Prevention and promotion services aim to improve the health of Western Australians by reducing the incidence of preventable disease, injury, disability, premature death and the extent and impact of drug abuse.

**OUTCOME 2 - Restoration of the health of people with acute illness.**

**Output 2 -** Diagnosis and treatment services aim to improve the health of Western Australians by restoring the health of people with acute illness.

**OUTCOME 3 - Improvement in the quality of life for people with chronic illness and disability.**

**Output 3 -** Continuing care services are provided to improve the quality of life for those who need continuing care.

The different service activities, which relate to the components of the outcome, are outlined below.

*Output 1:* *Prevention and Promotion*

- Community and Public health services
- Mental health services
- Drug abuse strategy coordination, treatment and prevention services

*Output 2:* *Diagnosis and Treatment*

- Hospital services (emergency, outpatient & in-patient)
- Nursing posts
- Community health services (post discharge care)
- Mental health services

*Output 3:* *Continuing Care*

- Services for frail aged and disabled people (eg, Aged Care Assessments, in-patient respite, outpatient services for chronic pain and disability, Nursing Home Type hospital care)
- Services for the terminally ill (eg, in-patient palliative care)
- Mental health services

There are some services, such as Community Health, which address all three of the outputs. Current information systems do not easily allow the distinction to be made between the three and this is therefore an important area for future development. To assure consistency in reporting and evaluation the Health Service has, during the year, continued to develop clear guidelines for the collection and interpretation of data for performance reporting. Whilst steps have been taken to minimise inconsistencies, some still exist.

## General Approach

One of the aims of the Health Service has been to deliver activity, equitably distributed to, and accessible by, all sectors of the community.

For most of those performance indicators of health service delivery which target the

- reduction of the incidence of preventable disease, injury, disability and premature death and
- the improvement of the quality of life of people with chronic illness and disability,

the graphs used indicate performance for those who live in each catchment area irrespective of where service is provided and whether service is delivered in private or public hospitals.

For most services restoring the health of those with acute illness, performance is graphed according to where the service has been provided, irrespective of where people live and only includes service delivered by the public sector.

The indicators for these intervention strategies are the first step in a staged process leading to more comprehensive and meaningful measurement and reporting of performance in the above. Further indicators are being developed to assist in measurement, management and reporting.

## Comparative Results

In certain cases results for other Health Services are assessed as being helpful in illustrating the performance of the Health Service being principally reported, ie the subject matter of the Report.

In the labelling of graphs, the technique has been used in which the results of the principally reported Health Service is always placed first (on the left), using UPPER CASE lettering.

After leaving a space, those results for comparative Health Services are shown to the right of this and use Lower Case identification to differentiate clearly between principal and comparative Health Services.

## Output Measures

The four output measures are of quantity, quality, timeliness and cost. These are direct measures of performance, but are not to be confused with Key Performance Indicators of Efficiency and Effectiveness.

***Quantity*** measures describe outputs in terms of how much, or how many are performed and require a unit of measurement to be defined.

***Quality*** measures usually reflect service standards based on customer needs. The dimensions of quality as an output measure include: accuracy; completeness; accessibility; continuity; and a customer acceptability of the output.

***Timeliness*** measures provide parameters for how often, or within what time frame, outputs will be produced.

***Cost*** measures reflect the full accrual cost to an agency of producing each output.

Hospitals and Health Services are required to report output measures of quantity, quality, timeliness and cost together with a comparison between actual and target performance.

## Assessing the Performance of the Health Service

It is not only the KPIs and Output Measures which readers of this report should examine when assessing the performance of the Health Service. The Key Performance Indicators, Financial Statements and Hospitals/Health Services reports, all provide information relevant to assessment of Health Service performance for 2001/02.

## Glossary of Terms

***Performance Indicator*** *– information about output performance or outcome achievement, usually expressed as a unit, index or ratio.*
***Efficiency Indicator*** *– a performance indicator that relates an output to the level of resource input required to produce it.*
***Effectiveness Indicator*** *– a performance indicator which provides information on the extent to which a government desired outcome has been achieved through the funding and production of an agreed output.*

| MEDIAN WAITING TIMES FOR COMMUNITY AND ALLIED HEALTH SERVICES (HOSPITAL AND COMMUNITY BASED) | KPI 1.1 |
|---|---|

Timely and easy access to health services is effective in reducing the incidence of preventable diseases and premature death by providing clinically appropriate treatment of illness and injury.

Access to health services are provided on the basis of clinical need but situations where clients are waiting longer than the average may reflect sub-optimal practices or under-resourcing within the organisation.

This indicator measures the median (middlemost) waiting time in weeks that clients waited from the date of referral or initial presentation for their first occasion of service. It must be noted that the time waiting for first available appointment in each of the specialties may differ. This indicator highlights different waiting times for different specialities.

Availability of practitioners for rural Health Services vary significantly from year to year and are in some situations available for some parts of the year and not able to be provided continuously; all of which make comparisons from one year to another of limited value.

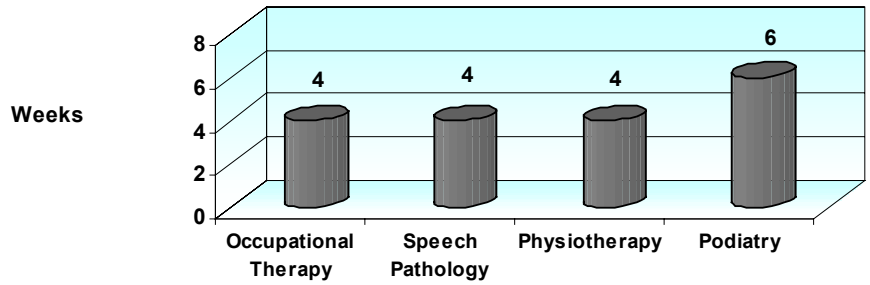
Different Health Services for which peer comparisons are appropriate for other Output 1 Indicators operate such a different range and mix of clinics that comparisons here are of limited value.

Community health services are available in Meekatharra, Cue and Mt Magnet on a daily basis with members of the Murchison Primary Health Outreach Team operating in each area.

The waiting times for community and allied health services are a result of a shortage of allied health professionals in the area.

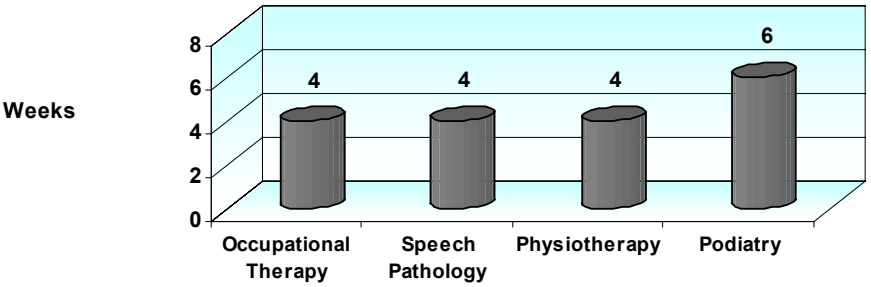
During the year, the health service employed two Occupational Therapists and a Speech Pathologist who live locally, on a part-time basis to service the community. This should reduce the waiting times for these services in the future.

KPI 1.1 - Median Waiting Times for Community & Allied Health Service (In Weeks)
(Data Collected for Sample Period of 3 Months During Financial Year 2001/02)



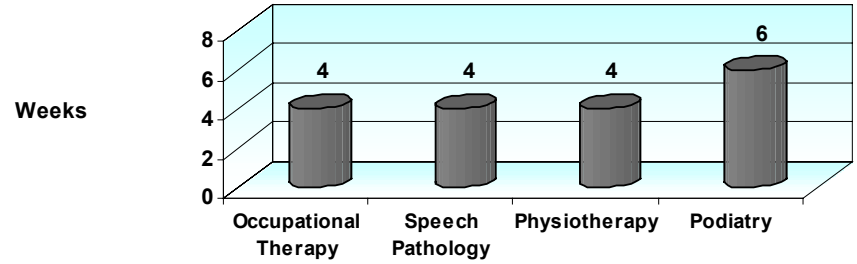

CUE - CHILD CLINICS

KPI 1.1 - Median Waiting Times for Community & Allied Health Services (In Weeks)
(Data Collected for Sample Period of 3 Months During Financial Year 2001/02)

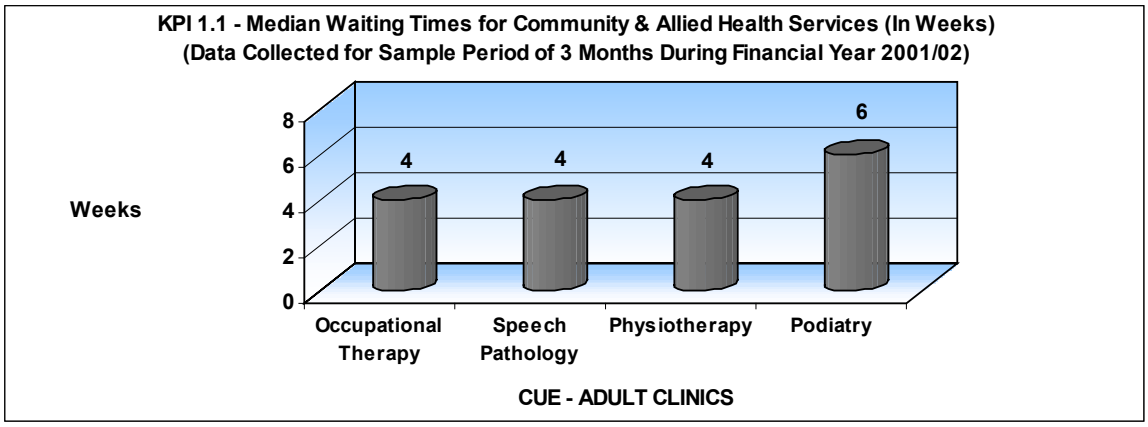


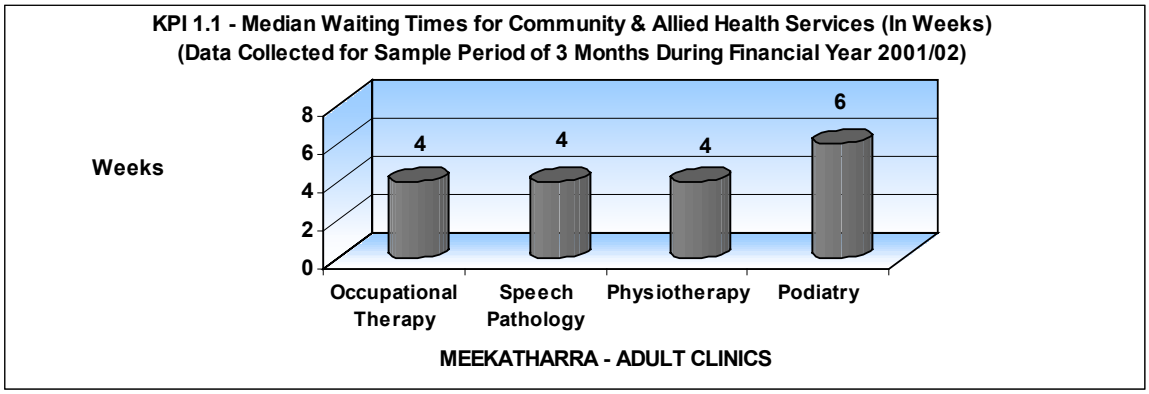

MEEKATHARRA - CHILD CLINICS

KPI 1.1 - Median Waiting Times for Community & Allied Health Services (In Weeks)
(Data Collected for Sample Period of 3 Months During Financial Year 2001/02)




MT MAGNET - CHILD CLINICS


KPI 1.1 - Median Waiting Times for Community & Allied Health Services (In Weeks)
(Data Collected for Sample Period of 3 Months During Financial Year 2001/02)
Weeks
8
6
4
2
0
4
4
4
6
Occupational Therapy
Speech Pathology
Physiotherapy
Podiatry
CUE - ADULT CLINICS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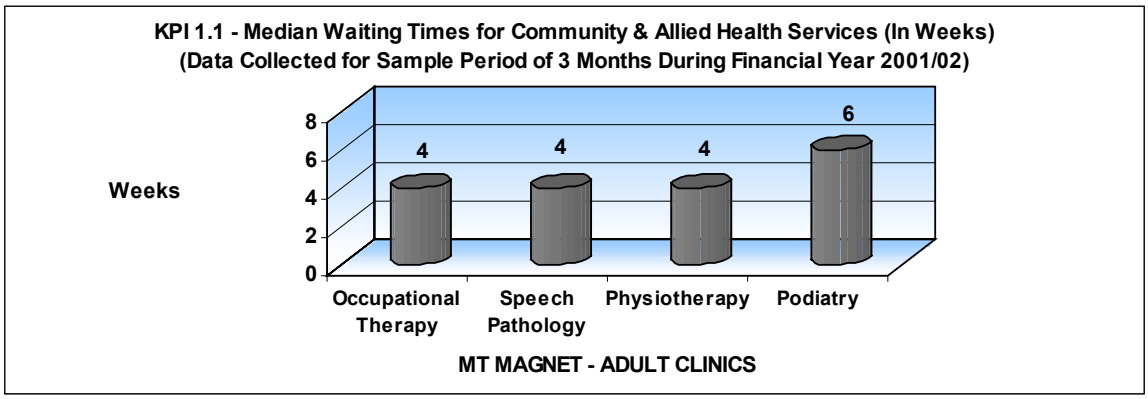
MEEKATHARRA - ADULT CLINICS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Weeks
8
6
4
2
0
4
4
4
6
Occupational Therapy
Speech Pathology
Physiotherapy
Podiatry
MT MAGNET - ADULT CLINICS

| RATE OF SCREENING IN CHILDREN | KPI 1.2 |
|---|---|

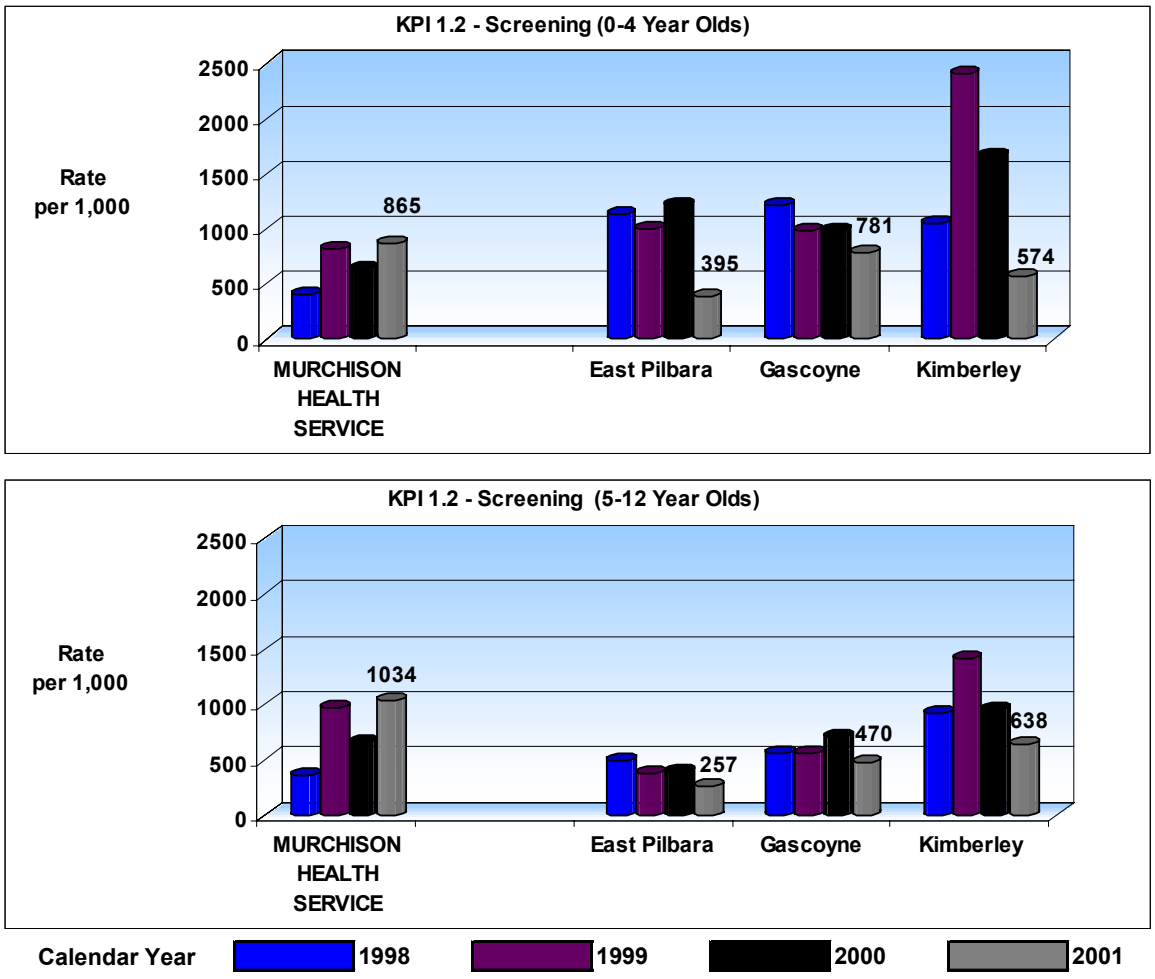
The community sets a very high priority on ensuring that the health and well being of children are safeguarded. Screening programs designed to detect disability and disease in the early stages of childhood development can prevent long-term disability. These programs not only restore children to good health when they become ill, but also help to maintain a state of 'wellness' that allows them to develop to their full potential. The State promotes a program of health monitoring at specific intervals in the period from birth to adolescence in accordance with the National Health and Medical Research Council's (NH&MRC) Minimum Screening Schedule.

The consequences of any illness or disability not detected by routine screening programs for children are more likely to be permanently disabling or even contribute to their premature death.

This indicator measures the rate of NH&MRC screening, by 0-4 and 5-12 year age groups of the resident child population in the catchment for the health service.

The Murchison Health Service focuses on a primary health model, including the development of a primary health outreach early life team and school age group. This focus has resulted in increased rates of screening.

**Note:** A rate in excess of 1,000 per thousand can occur due to the same child attending more than once a year.



| RATE OF CHILDHOOD IMMUNISATION | KPI 1.5 |
|---|---|

Vaccine preventable diseases are associated with considerable morbidity and mortality, and vaccination is effective in reducing the incidence of these diseases in the community. Through this adoption of the National Immunisation Schedule, health system effectiveness in providing vaccination coverage at key milestones (12 and 24 months of age) can be assessed.

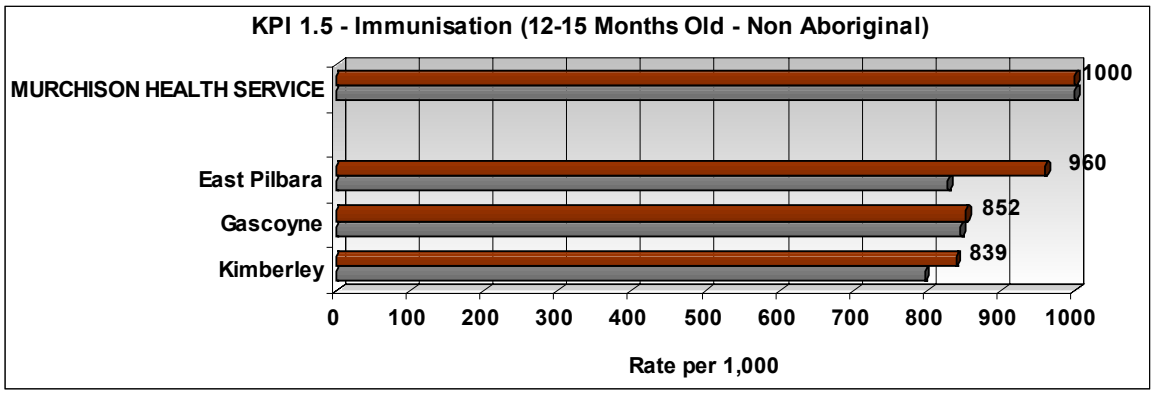
Without access to immunisation for children the consequences of any illness or disability are likely to be more disabling and more likely to contribute to a premature death.

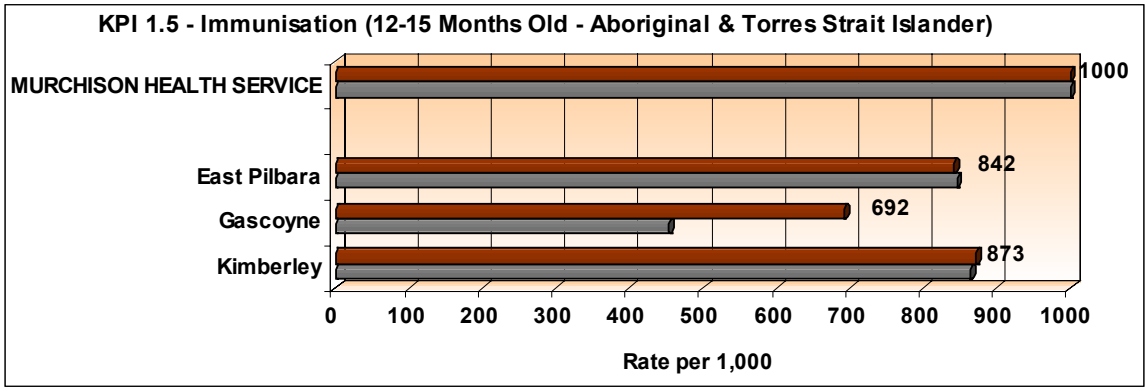
This indicator measures the rate of immunisation against particular diseases, by age group, of the resident child population in the catchment for the Health Service.

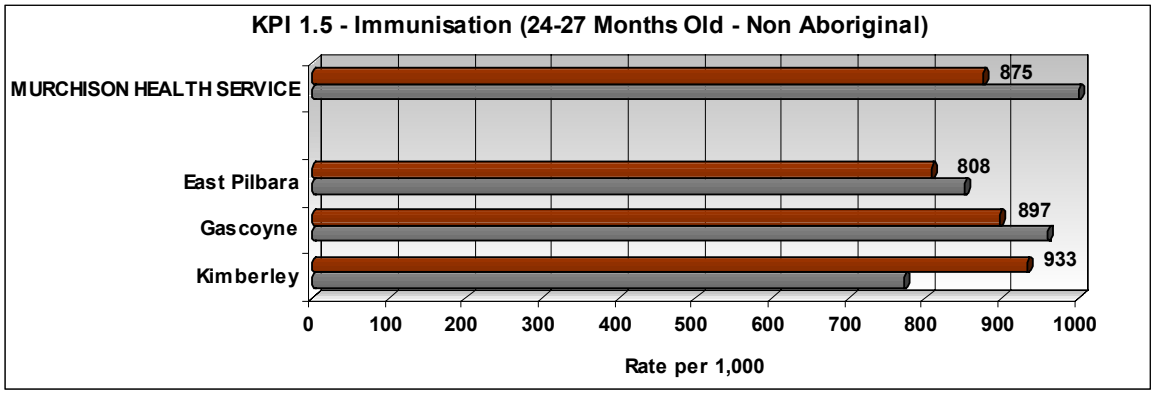
In calculating the rate of Immunisation, the number of Immunisations refer to the number of children who were fully vaccinated in accordance with the National Health and Medical Research Council (NH&MRC) standard vaccination schedule.

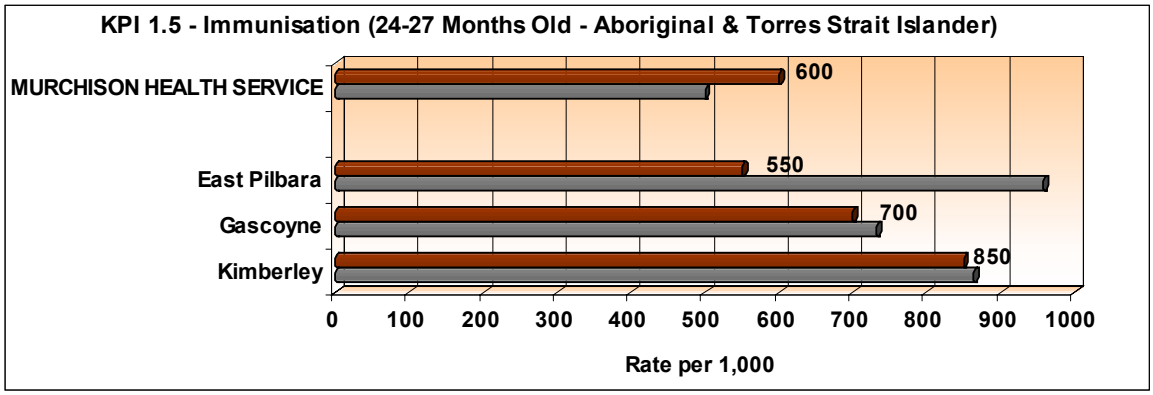
All infants born after May 2000 (but not before) were to be vaccinated against Hepatitis B at birth and again at 12 months. This effectively created 2 classes of immunised infants in that age group (12-15 months). It also means that there will be some discrepancies with the 24-27 month age group of the children shown even up to the calendar year 2002. The data shown for calendar year 2002 is from the first six months of the 2001/02 financial year and is therefore appropriate for this Report.

76.9% of children aged 24-27 months were fully immunised during the year. There was a slight increase in the number of Aboriginal children immunised.


KPI 1.5 - Immunisation (12-15 Months Old - Non Aboriginal)
MURCHISON HEALTH SERVICE
East Pilbara
Gascoyne
Kimberley
1000
960
852
839
0 100 200 300 400 500 600 700 800 900 1000
Rate per 1,000


KPI 1.5 - Immunisation (12-15 Months Old - Aboriginal & Torres Strait Islander)
MURCHISON HEALTH SERVICE
East Pilbara
Gascoyne
Kimberley
1000
842
692
873
0 100 200 300 400 500 600 700 800 900 1000
Rate per 1,000


KPI 1.5 - Immunisation (24-27 Months Old - Non Aboriginal)
MURCHISON HEALTH SERVICE
East Pilbara
Gascoyne
Kimberley
875
808
897
933
0 100 200 300 400 500 600 700 800 900 1000
Rate per 1,000


KPI 1.5 - Immunisation (24-27 Months Old - Aboriginal & Torres Strait Islander)
MURCHISON HEALTH SERVICE
East Pilbara
Gascoyne
Kimberley
600
550
700
850
0 100 200 300 400 500 600 700 800 900 1000
Rate per 1,000


Calendar Year
2001
2002

| RATE OF REFERRAL AS A RESULT OF CHILDHOOD SCREENING SCHEDULE | KPI 1.13 |
|---|---|

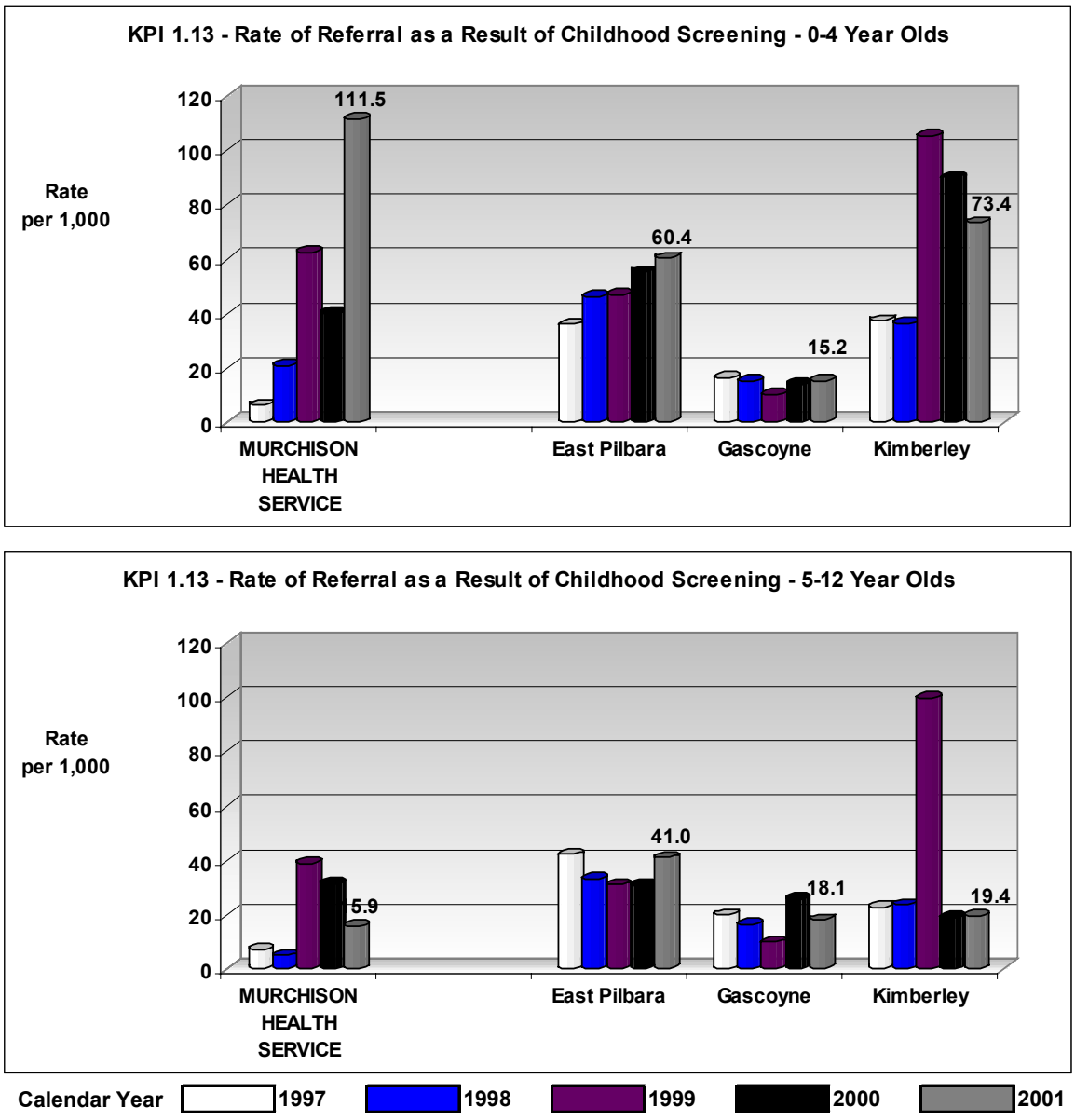
The community sets a very high priority on ensuring that the health and well being of children are safeguarded. It is important not only to restore them to good health when they become ill but also to maintain a state of 'wellness' that allows them to develop to full potential.

The State promotes a program of health monitoring at specific intervals in the period from birth to adolescence in accordance with the National Health and Medical Research Council's (NH&MRC) Minimum Screening Schedule. This program includes appropriate referral for children needing further assessment and treatment. Timely referral can improve health outcomes for children in preventing disease or disability in later years.

This indicator measures the rate of referral after NH&MRC screening, by 0-4 and 5-12 year age groups of the resident child population in the catchment for the health service.

During the year, the rate of referral (per 1,000) as a result of childhood screening in the Murchison, for children aged 0-4 was 111.49.

The rate of referrals of children aged 0-4 in the Murchison has increased, from 12 referrals in 2000/01 to 33 in 2001/02, as a result of the continued efforts of the Primary Health Outreach Early Life Team.



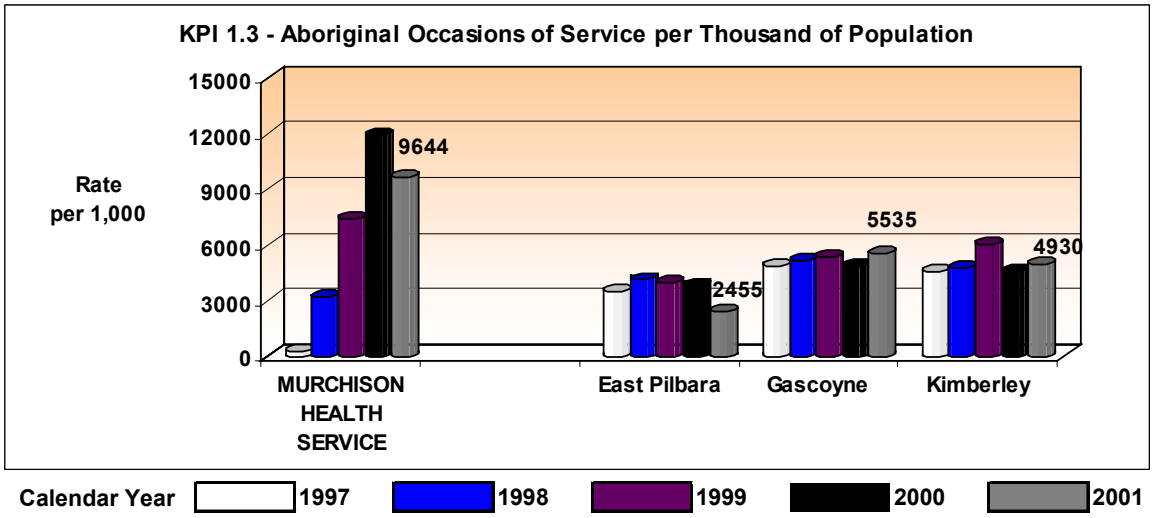
| RATE OF SERVICE PROVISION BY COMMUNITY HEALTH STAFF TO ABORIGINAL PEOPLE | KPI 1.3 |
|---|---|

The lower level of health experienced by Aboriginal people has been of ongoing concern not just to the local community but to the world at large. National and State policies focus attention and resources on the area in an attempt to bring the health of Aboriginal people to a state that is comparable to the rest of Australia.

It is assumed that with poorer health, Aboriginal people will need to access health services at least as frequently as non-Aboriginal people. However, it must be noted that cultural differences which make them reluctant or unable to access available services and the inconsistent reporting of Aboriginality could mean that the number of services credited to the population may display inconsistent patterns.

A rate in excess of 1,000 occurs when individuals attend more than once in a year.

The figures on Aboriginal occasions of service for 2000 were overstated. There has been a steady increase in the occasions of service to Aboriginal people over the last few years.



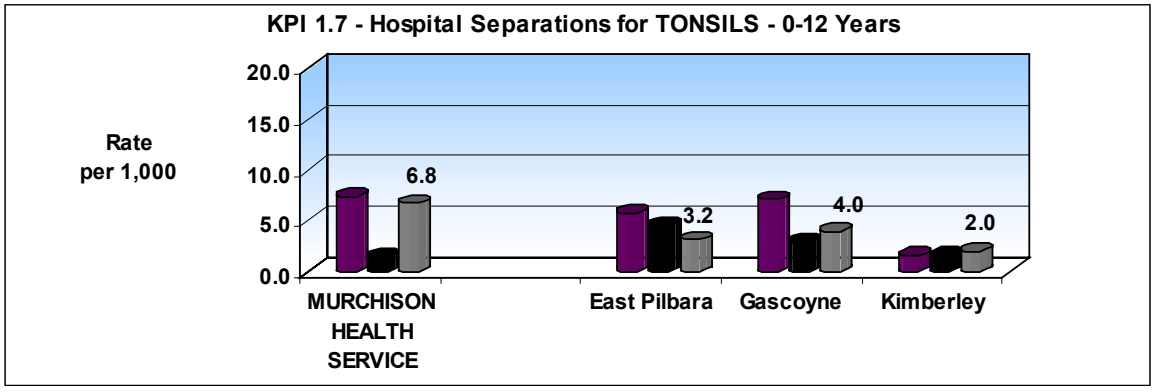
## HOSPITAL SEPARATIONS FOR TONSILLECTOMIES & GROMMETS — KPI 1.7

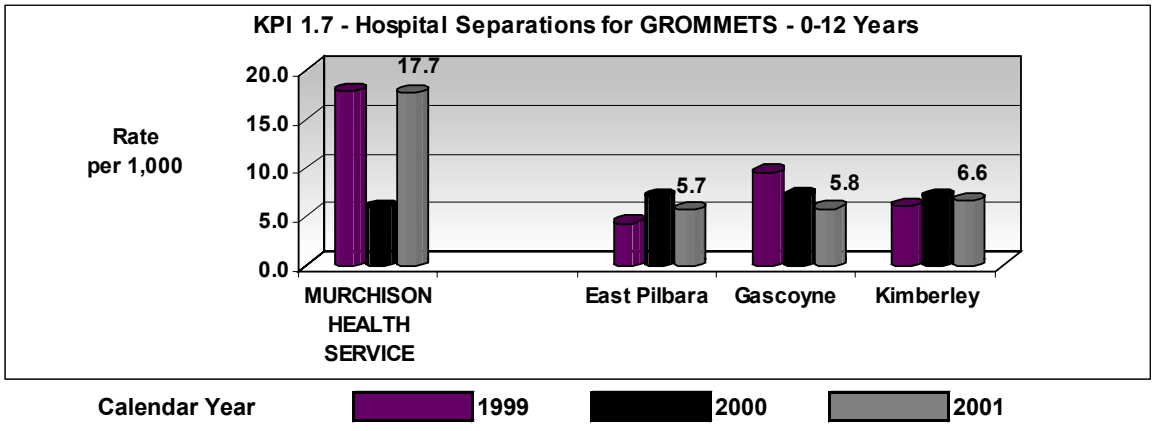
Current evidence suggests many tonsillectomies and grommet insertions are unnecessary and 'watchful waiting' and presurgery testing may be effective in reducing inappropriate surgery.

Successful management and treatment of children with chronic infections by community health staff could be anticipated to reduce the level of surgical intervention. As the success of this intervention program cannot be measured directly, an indirect measure of its success can be estimated by determining the rate of hospitalisation for these procedures.

Comparison of the rate of hospitalisation for tonsillectomies and grommet insertions with other comparable areas can help identify those areas where improvements in primary care could be necessary.

Both of the conditions for which these procedures are performed, are ones which have a high number of patients treated either in hospital or the community. It would be expected that hospital admissions would decrease as performances and quality of service in the many different health areas increases.



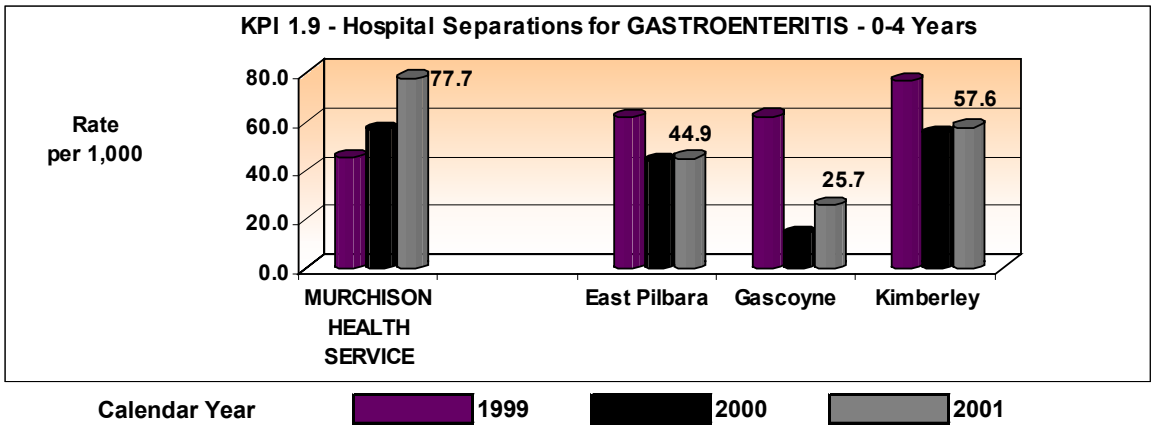
## HOSPITAL SEPARATIONS FOR GASTROENTERITIS IN CHILDREN | KPI 1.9

Public health and environmental health programs are aimed at maintaining safe water and sewerage disposal systems, and establishing and enforcing effective food processing and handling practices.

Effective delivery of these programs reduces the rate of transmissible disease like gastroenteritis, of which severe cases can result in hospitalisation.

An indirect measure of the success of community and public health prevention strategies is the rate of hospitalisation due to gastroenteritis. Improved primary management will reflect a decrease in the number of admissions for this condition.

Comparison of the rate of hospitalisation for gastroenteritis with other comparable areas can help identify those areas where improvements in primary care could be necessary.



## HOSPITAL SEPARATIONS FOR RESPIRATORY CONDITIONS | KPI 1.10

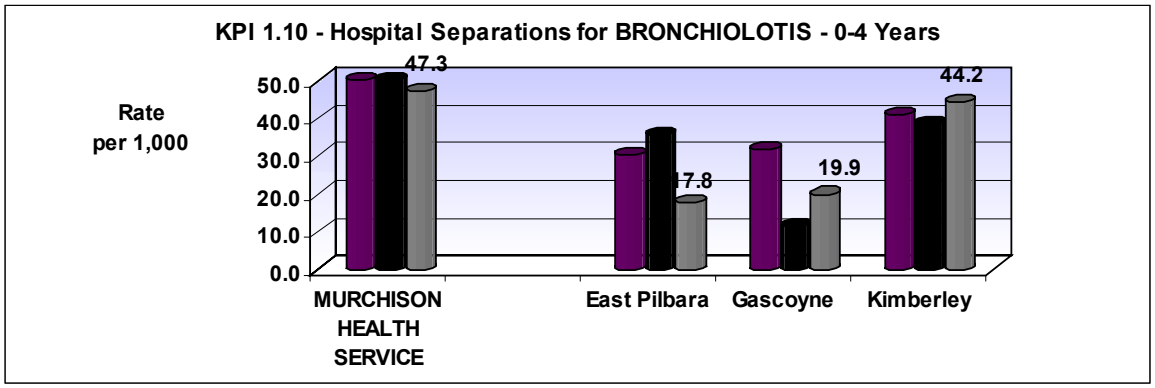
Respiratory illness is one of the most common reasons for hospital admission in children and young adults. Improved primary health and community health strategies, such as health monitoring, education and risk prevention can assist in reducing the incidence and prevalence of conditions such as acute asthma, acute bronchitis, bronchiolitis and croup.

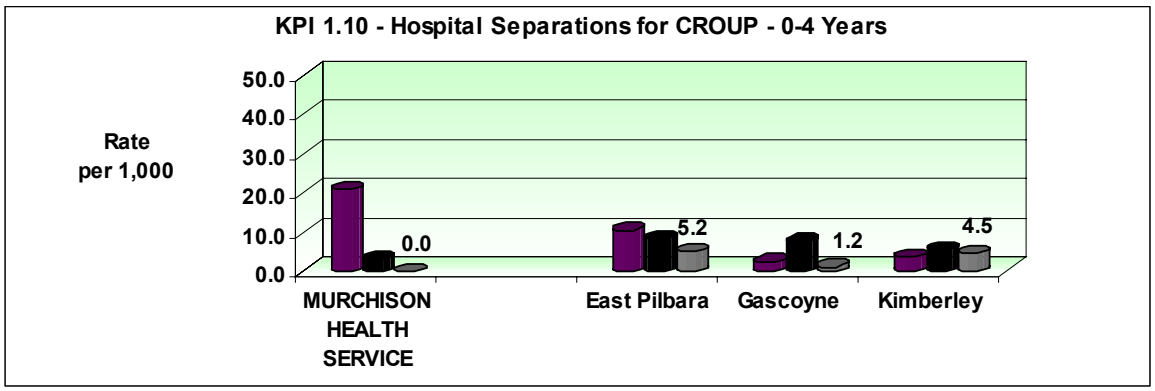
Improved primary management will reflect a decrease in the number of admissions for these conditions. Comparison of the rate of hospitalisation for respiratory illness with other comparable areas can help identify those areas where improvements in primary care could be necessary.

**Bronchiolitis**
The graph shows individuals aged 0-4. Of those individuals aged 5-12 and 13-18, none were hospitalised this year.

**Croup**
The graph shows individuals aged 0-4. Of those individuals aged 5-12 and 13-18, none were hospitalised this year.

**Acute Bronchitis**
Only 1 individual aged 0-4 at a rate of 3.4 per thousand was hospitalised this year, 1 individual being admitted aged 5-12 meant a rate of 2.3 per thousand and no individuals aged 13-18 were admitted.




Calendar Year 1999 2000 2001

| HOSPITAL ADMISSIONS FOR ASTHMA | KPI 3.7 |
|---|---|

Hospitalisation for Respiratory Conditions like Bronchitis, Croup would generally include patients who have asthma. However, because of its importance as a condition in WA, hospitalisation for acute Asthma also reported separately to provide a more exact view of Asthma hospitalisation.

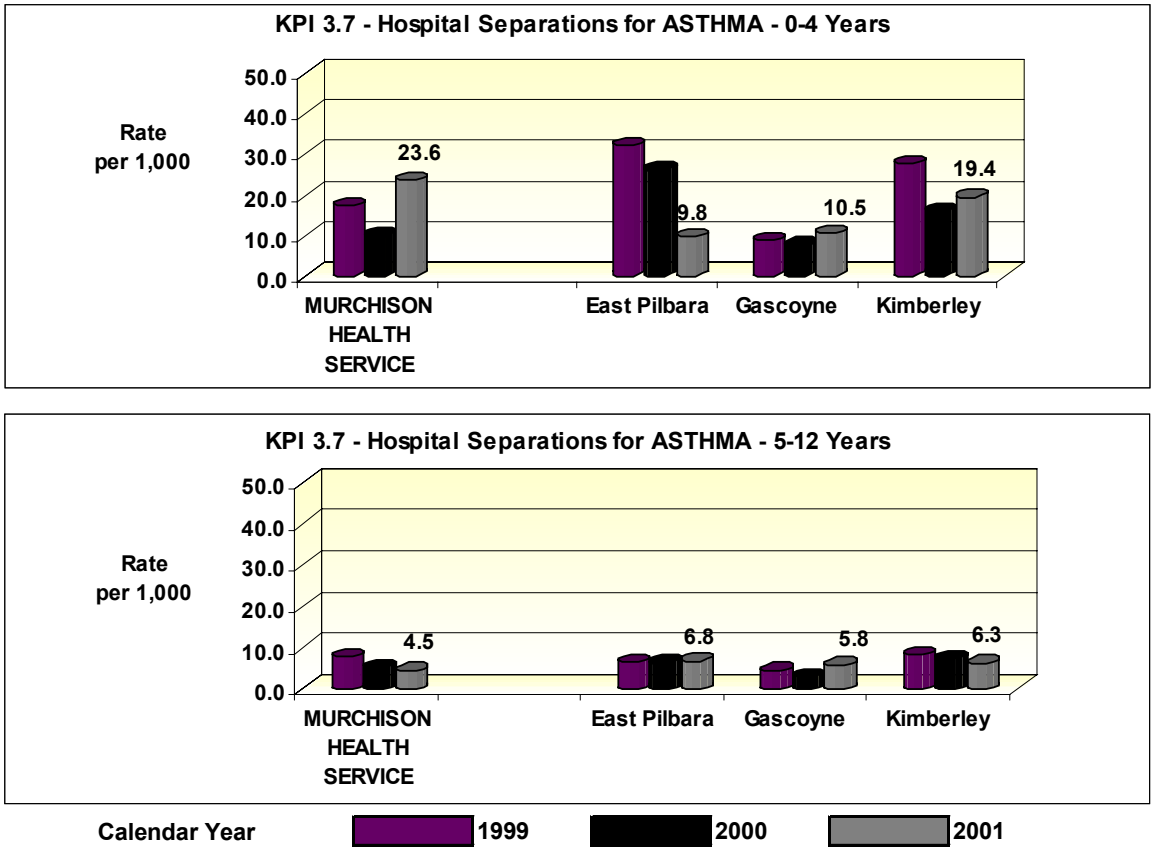
Hospitalisation for Asthma is part of managing this chronic condition. It is being reported in Output 1, instead of Output 3, in order to highlight the focus on measuring the effectiveness of Prevention and Promotion services for the condition.

The number of patients who are admitted to hospital per 1,000 population for treatment of Asthma may be an indication of improved primary care or community health strategies - for example, health education.

It is important to note however, that other factors - such as allergic and climatic responses for example - may influence the number of people hospitalised with Asthma. This condition is one which has a high number of patients treated either in hospital or in the community. It would be expected that hospital admissions for Asthma may decrease as performance and quality of service increases thus indicating an improvement in the quality of life of people with a chronic illness.

No individuals aged 13-18 were hospitalised this year, only 1 individual being admitted aged 19-34 at a rate of 0.9 per thousand and 1 individual aged 35 years and over at a rate of 0.6 per thousand.

The results are within the acceptable range for these indicators.



| COST PER OCCASION OF SERVICE OF COMMUNITY HEALTH SERVICE | KPI 1.14 |
|---|---|

Community health occasions of service measure the provision of primary and community health services undertaken by a range of health service professionals in a community setting, with a focus on improving the overall health of the State population. Child health nursing, clinical psychology, occupational and speech therapy are some examples of the types of community-based services provided under this Indicator. It provides a measure of, on average, how cost effective these activities are over time.

A wide range of interventions by practitioners from many specialties are used, singularly and in combination, to effect changes in the health of individuals, their families and their communities. These interventions are quantified as occasions of service but can cover a wide range of services in terms of time and complexity.

This indicator measures the average cost of an occasion of service for the particular use of programs that each health service provides. Given what has been said above, it is only useful for broad comparisons of trends and must be considered in conjunction with an understanding of current program delivery priorities.

This is the first year that the Murchison Health Service has prepared the average cost per occasion of community health service performance indicator, therefore there is no comparison of costs. The cost reflects the Murchison Health Service direction towards the primary health model, with the creation of the Primary Health Outreach Team to focus on community health programs.

| HEALTH SERVICE | COST PER OCCASION OF COMMUNITY HEALTH SERVICE |
|---|---|
| Murchison Health Service | $33.75 |

**NOTE:**

- This is the first year that this indicator has been reported. It is expected that over time the collection of Community Health data and the reporting of this indicator will become more refined.
- The figures used to calculate the cost per community occasion of service were based on 6 months (July to December 2001) expenditure and activity data.

| EMERGENCY DEPARTMENT WAITING TIMES | KPI 2.18 |
|---|---|

Access to health services must be provided on the basis of clinical need and if a hospital has large numbers of patients waiting longer than the accepted standards, or transfers a significant percentage of those patients to another facility, it may be that there are "gaps" in its ability to provide emergency services. This may reflect sub-optimal practices, under-resourcing and/or poor recognition of the need for hospital and community services.

In smaller rural communities in Western Australia, medical services are predominantly provided by solo or small group medical practices. In these areas standards for availability and provision of services applicable to larger towns and cities may not be met due to the heavy demand for services and due to periods of time when the GP is not in the town.

Furthermore, in small health care units, measuring waiting times has either not been regularly performed or the information systems in place collectively pool the data for all health care professionals attending patients in each of the triage categories.

When patients first enter an Emergency Department, they are assessed by nursing staff and allocated a triage code between 1 and 5 that indicates their urgency. This code provides an indication of how quickly patients should be reviewed by medical staff. In rural areas however, where a medical practitioner is not available (eg; GP out of town etc), timely review by Nursing staff should be measured (and clearly documented in the explanatory notes).

Data relevant to this indicator should be linked to data on the transfer of patients to other health care units, for example, larger hospitals and tertiary metropolitan centres.

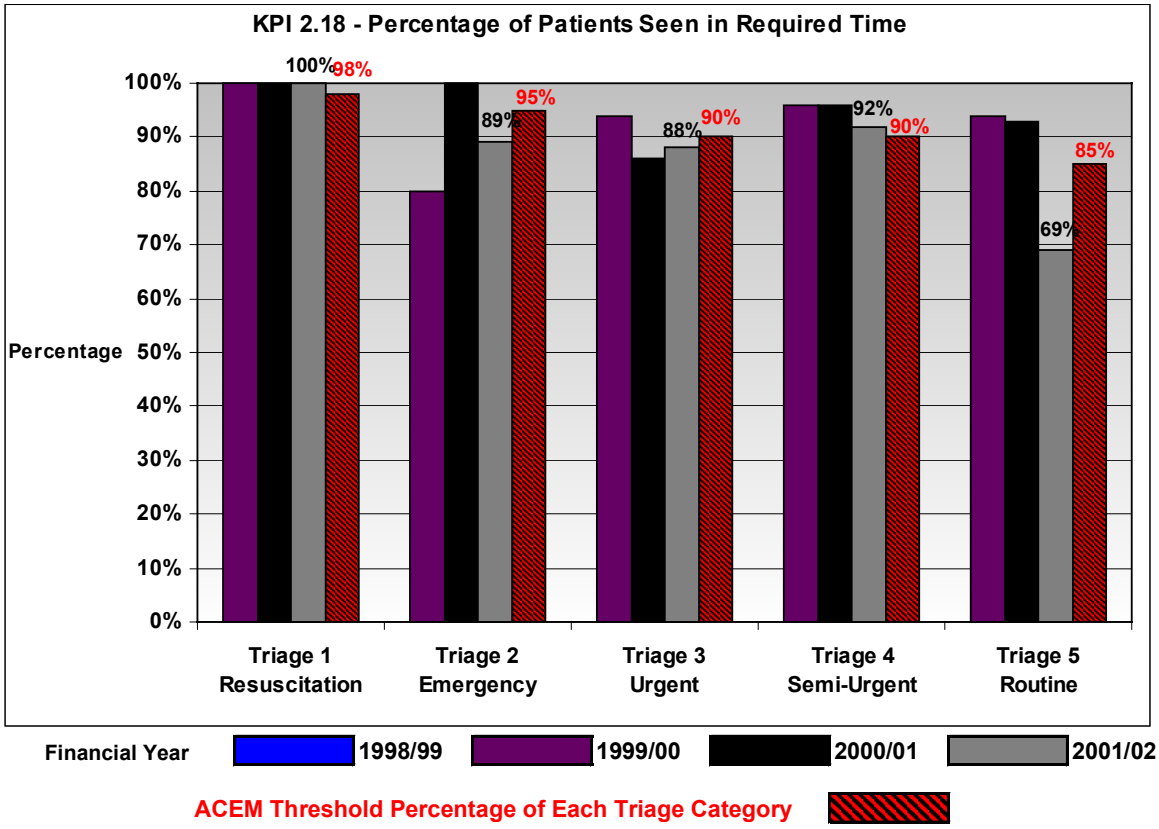
This indicator assesses what percentage of patients in each triage category were seen within the time periods recommended by the Australasian College for Emergency Medicine (ACEM) – in rural areas, this may include for example, telephone advice given by GP.

| TRIAGE CATEGORY | TYPE OF PATIENT | REQUIRED TIME TO BE FIRST SEEN (By Practitioner) | ACEM THRESHOLD FOR PERCENTAGE SEEN WITHIN REQUIRED TIME |
|---|---|---|---|
| Triage 1 | Resuscitation | Immediately | 98% |
| Triage 2 | Emergency | Within 10 Minutes | 95% |
| Triage 3 | Urgent | Within 30 Minutes | 90% |
| Triage 4 | Semi-Urgent | Within 60 Minutes | 90% |
| Triage 5 | Non-Urgent | Within 120 Minutes | 85% |

The significant decrease in non-urgent patients seen within 120 minutes, from 93% in 2000/01 to 69% in 2001/02, relates to issues particularly associated with remote area hospitals. These issues include heavy demand on services, doctors not in town and the measuring and recording waiting times not being regularly performed.

Throughout 2001/02, the Murchison Health Service has continued to have problems recruiting and retaining permanent nursing staff, which has resulted in heavy reliance on agency staff, a significant staff turnover and unfamiliarity with recording systems.

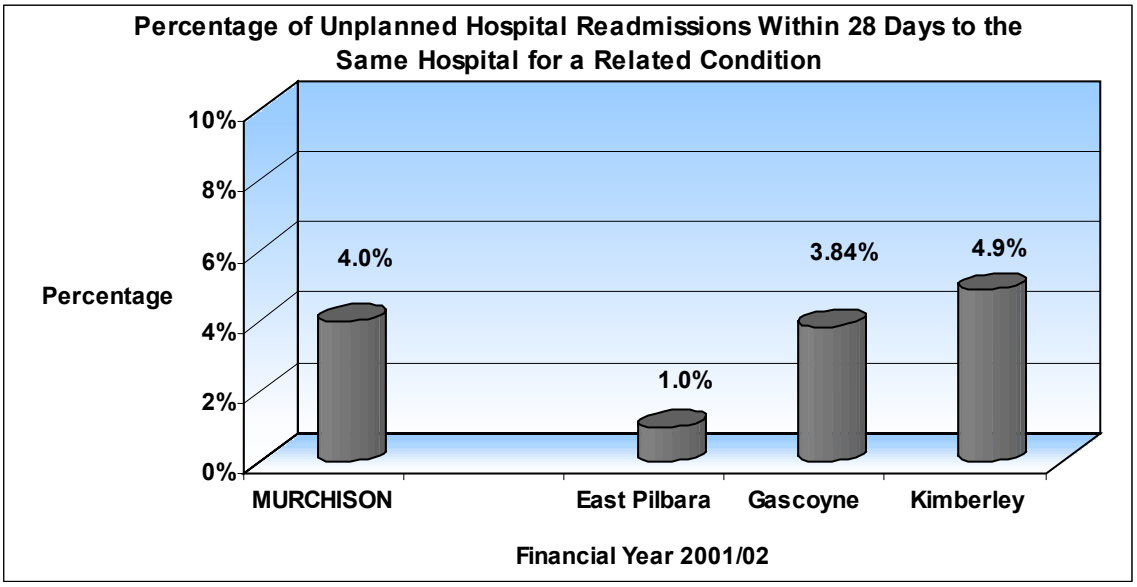
In 2000/01, there were only 539 cases not seen within the appropriate timeframe, of these 489 (or 90.7%) were recorded with a known triage category but an unknown time seen.



| UNPLANNED HOSPITAL READMISSIONS WITHIN 28 DAYS TO THE SAME HOSPITAL FOR A RELATED CONDITION | KPI 2.34 |
|---|---|

Good medical and/or surgical intervention together with good discharge planning will decrease the likelihood of unplanned hospital readmissions. Unplanned readmissions necessitate patients spending additional periods of time in hospital as well as utilising additional hospital resources.

A low unplanned readmission rate suggests that good clinical practice is in operation. Although there are some conditions which may require numerous admissions to enable the best level of care to be given, in most of these cases readmission to hospital would be planned.



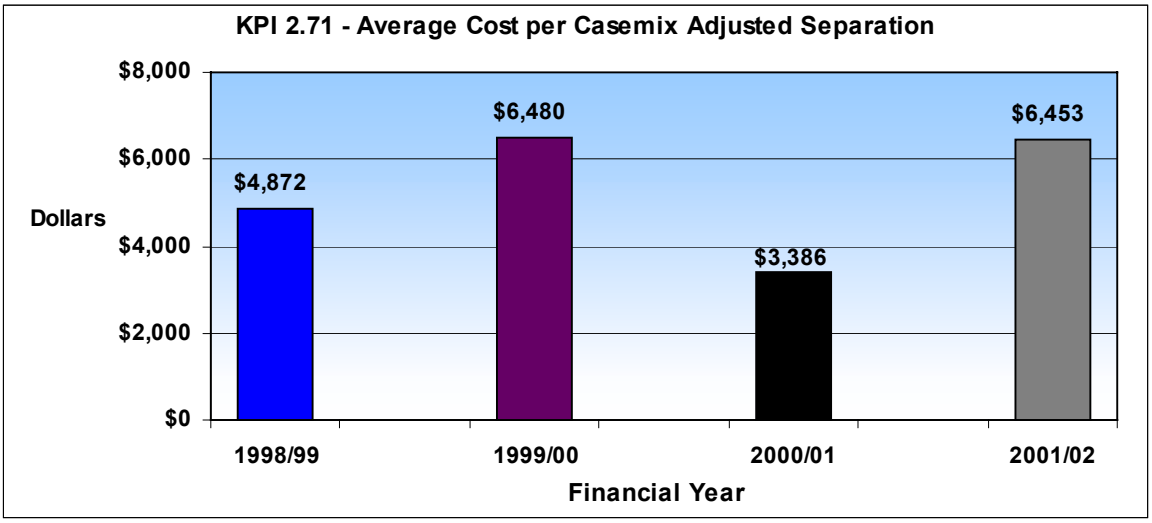
| AVERAGE COST PER CASEMIX ADJUSTED SEPARATION FOR RURAL NON-TEACHING HOSPITALS | KPI 2.71 |
|---|---|

The use of casemix in hospitals is a recognised methodology for adjusting actual activity data to reflect the complexity of service provision and the use of resources. Hence the number of separations in a hospital may be adjusted from an actual number of 50,000 to 60,000 by a casemix index of 1.2 to reflect that very complex services have been provided. In Australia, hospitals utilise the Australian Diagnostic Related Groups (AN-DRGs) Version 4.2 to which cost weights are allocated. In Western Australia, cost weight allocations utilise scaled central episodes.

The use of a casemix index together with expenditure data allows a reasonable comparison between hospitals on the efficient use of resources in providing inpatient services.

This indicator measures the average cost of a casemix-adjusted separation.

The increase, in relation to prior year expenditure, is a result of an increased use of agency nurses, due to nurse shortages and increases in other incidental costs.



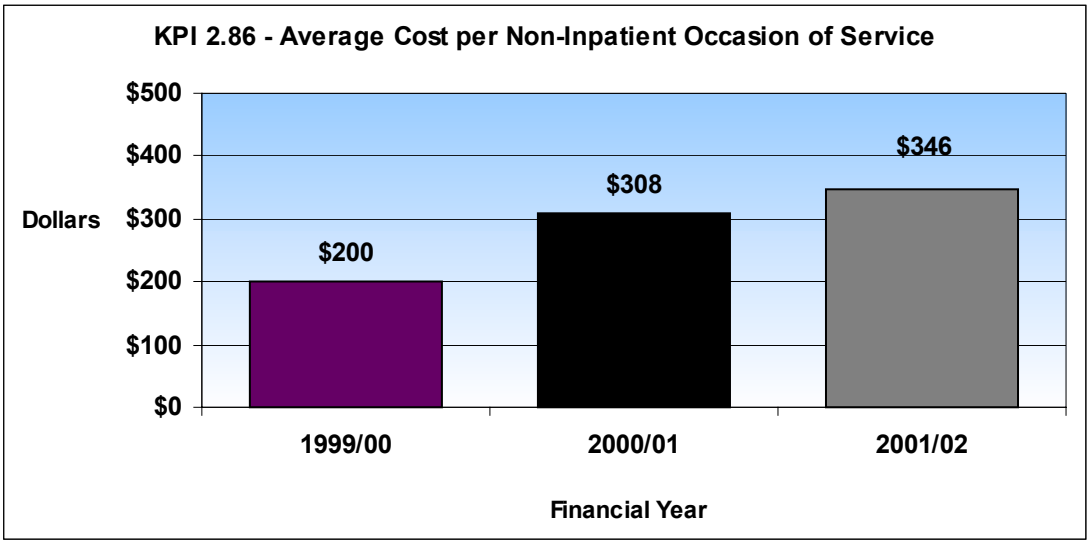
| AVERAGE COST PER NON-INPATIENT OCCASION OF SERVICE | KPI 2.86 |
|---|---|

The effective use of hospital resources can help minimise the overall costs of providing health care or can provide for more patients to be treated for the same cost.

Excessive costs in providing non-inpatient services compared to other hospitals may indicate the inefficient use of resources.

This indicator measures the average cost per non-inpatient occasion of service.

The changes in costs reflect an increased investment by the Murchison Health Service in an enhanced primary health care focus.



| AVERAGE COST PER NON-INPATIENT OCCASION OF SERVICE IN NURSING POSTS | KPI 2.87 |
|---|---|

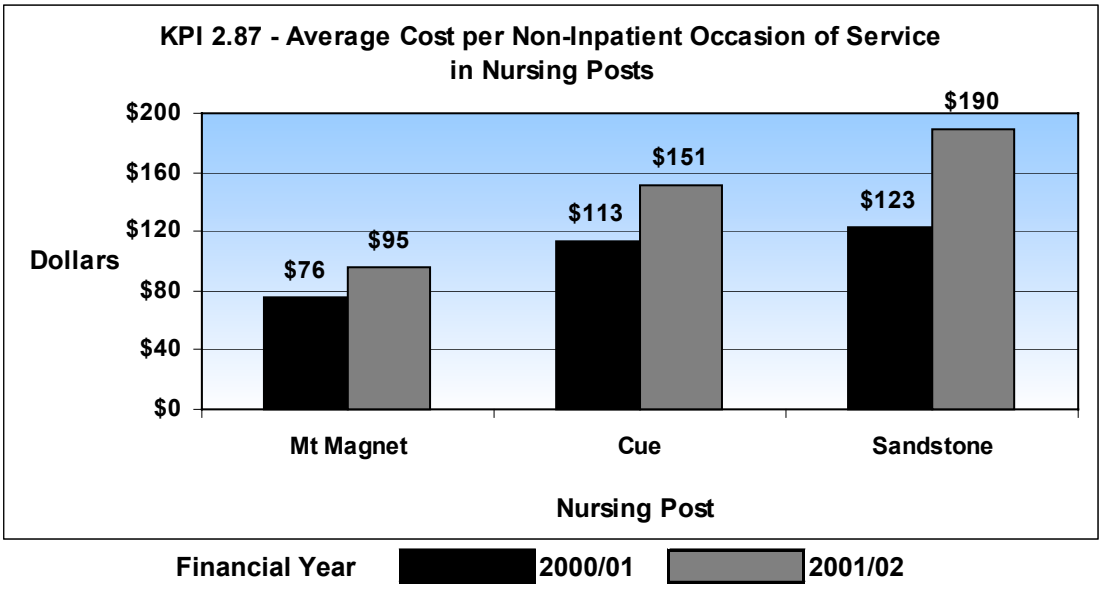
Individuals attend Nursing Posts which provide non-inpatient services in locations which are some distance away from the nearest hospital. These Nursing Posts provide care which is designed to contribute to people's restoration from acute illness.

The efficiency with which Nursing Posts deliver activity to patients is known to be closely related to patients actually experiencing optimal benefit from their particular event of care.

The effective use of Nursing Post resources can help minimise the overall costs of providing health care or can provide for more patients to be treated for the same cost.

Excessive costs in providing non-inpatient services compared to other nursing posts may indicate the inefficient use of resources.

This indicator measures the average cost per non-inpatient occasion of service.



### KPI 3.7 : Hospital separations for Asthma

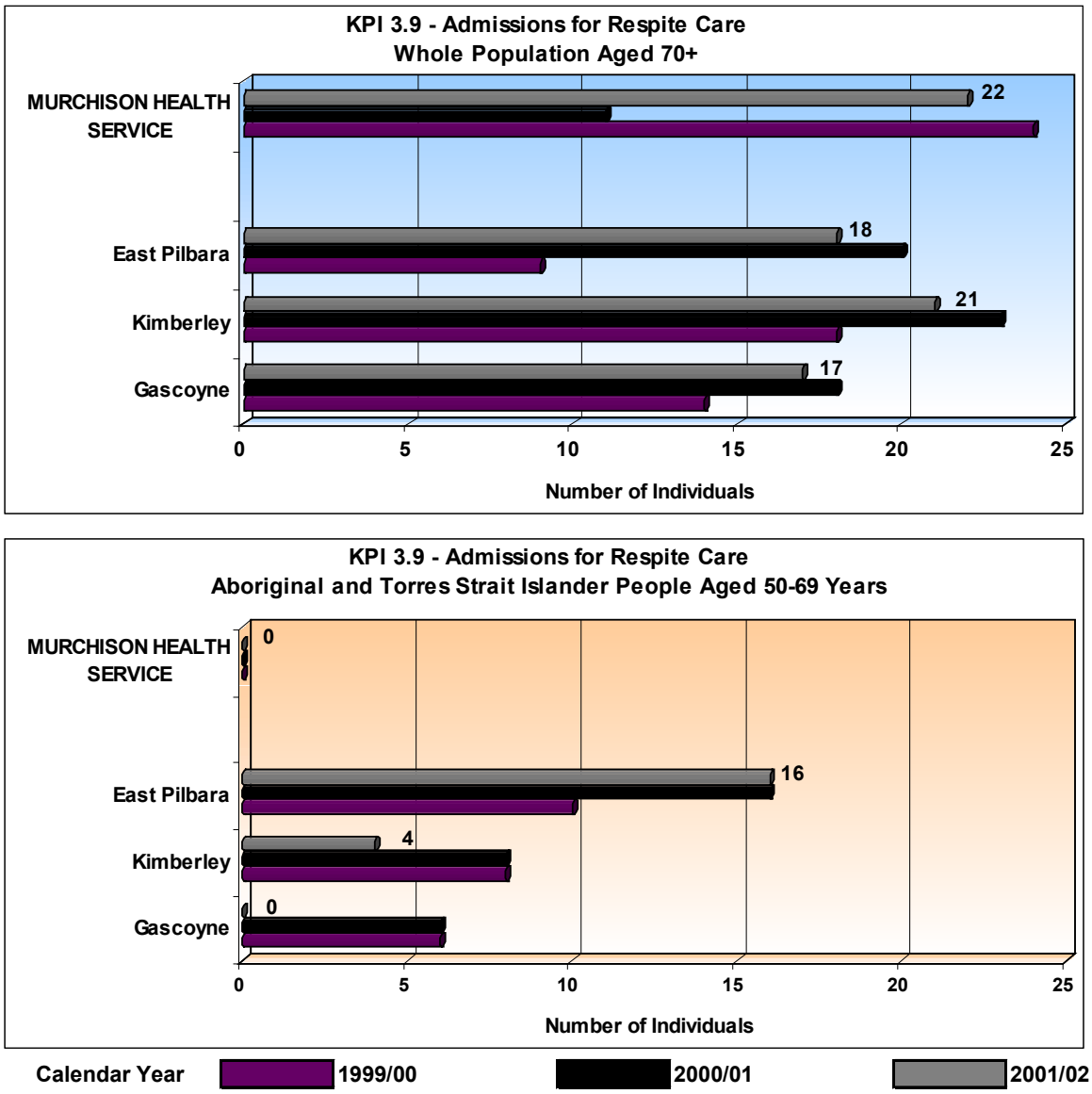
Hospitalisation for acute Asthma is part of managing chronic conditions. The indicator has been moved to Output 1 from Output 3 in order to highlight the focus on measuring the effectiveness of Prevention and Promotion services for the condition.

| NUMBER OF INDIVIDUALS WITHIN TARGETED AGE GROUP ADMITTED FOR RESPITE CARE | KPI 3.9 |
|---|---|

Some people with chronic illness and disability are cared for at home or in a family member's home with the support of local community services including Home & Community Care (HACC). To enable the carer to have a break from the continual carer role, short-term care may be provided in country facilities. This short-term (or Respite) care may be provided on a planned (and sometimes on an emergency) basis for day(s) or night(s) to enable the carer to have a break. Without access to this type of service more people with chronic illness may require permanent Nursing Home Type Care earlier.

The number of individuals within the targeted age group, ie. over 70 years for non Aboriginal patients and over 50 years for Aboriginal patients, is measured against the total population in the catchment area. This shows the proportion of the eligible population that receives Respite Care in the Health Service.

There were no Aboriginal or Torres Strait Islander people within the targeted age group admitted for respite care this year.



AUDITOR GENERAL

**To the Parliament of Western Australia**

## MURCHISON HEALTH SERVICE
### FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

**Scope**

I have audited the accounts and financial statements of the Murchison Health Service for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Board.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Health Service to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Health Service's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

**Murchison Health Service**
**Financial Statements for the year ended June 30, 2002**

**Audit Opinion**

In my opinion,

(i) the controls exercised by the Murchison Health Service provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and

(ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Health Service at June 30, 2002 and its financial performance and its cash flows for the year then ended.

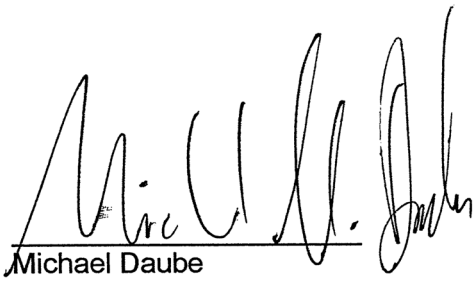
D D R PEARSON
AUDITOR GENERAL
February 28, 2003

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

**CERTIFICATION OF THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 30 JUNE 2002**

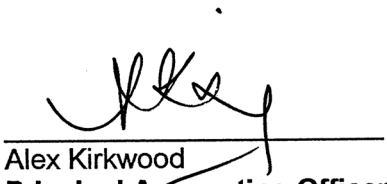
The accompanying financial statements of the Murchison Health Service have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the twelve months ending 30 June 2002 and the financial position as at 30 June 2002.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Michael Daube
**Director General of Health**
**Accountable Authority for**
**Murchison Health Service**

30 August 2002



Alex Kirkwood
**Principal Accounting Officer**
**Murchison Health Service**

30 August 2002

# Statement of Financial Performance
For the year ended 30 June 2002

| | Note | 2001/02 $ | 2000/01 $ |
|---|---|---|---|
| **COST OF SERVICES** | | | |
| **Expenses from Ordinary Activities** | | | |
| Employee expenses | | 2,511,917 | 2,365,786 |
| Fees for visiting medical practitioners | | 57,519 | 87,993 |
| Superannuation expense | | 152,079 | 153,639 |
| Patient support costs | 2 | 410,533 | 437,854 |
| Patient transport costs | | 158,311 | 143,562 |
| Bad & Doubtful Debts | | 0 | (809) |
| Repairs, maintenance and consumable equipment expense | | 163,679 | 233,977 |
| Depreciation expense | 3 | 407,116 | 255,652 |
| Net loss on disposal of non-current assets | 4 | 0 | 6,602 |
| Capital user charge | 5 | 472,600 | 0 |
| Other expenses from ordinary activities | 6 | 824,766 | 682,173 |
| **Total cost of services** | | 5,158,520 | 4,366,429 |
| **Revenues from Ordinary Activities** | | | |
| Patient charges | 7 | 72,423 | 59,899 |
| Commonwealth grants and contributions | 8 | 0 | 1,972 |
| Donations revenue | 9 | 12,540 | 1,921 |
| Other revenues from ordinary activities | 10 | 216,878 | 377,397 |
| **Total revenues from ordinary activities** | | 301,841 | 441,189 |
| **NET COST OF SERVICES** | | **4,856,679** | **3,925,240** |
| **Revenues from Government** | | | |
| Output appropriations | 11 | 4,689,601 | 3,271,843 |
| Capital appropriations | 11 | 0 | 225,465 |
| Liabilities assumed by the Treasurer | | 0 | 151,191 |
| Resources received free of charge | 12 | 26,500 | 18,000 |
| **Total revenues from government** | | 4,716,101 | 3,666,499 |
| **Change in net assets** | | **(140,578)** | **(258,741)** |
| Net increase / (decrease) in asset revaluation reserve | 21 | 5,913,350 | 549,200 |
| **Total revenues, expenses and valuation adjustments recognised directly in equity** | | 5,913,350 | 549,200 |
| **Total changes in equity other than those resulting from transactions with WA State Government as owners** | | **5,772,772** | **290,459** |

*The Statement of Financial Performance should be read in conjunction with the notes to the financial statements.*

# Statement of Financial Position
As at 30th June 2002

| | Note | 2001/02 $ | 2000/01 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash assets | 13 | 29,473 | 36,895 |
| Receivables | 14 | 71,508 | 40,209 |
| Inventories | 16 | 48,006 | 45,452 |
| Prepayments | | 18 | 6,092 |
| **Total current assets** | | 149,005 | 128,648 |
| **NON-CURRENT ASSETS** | | | |
| Amounts receivable for outputs | 15 | 261,800 | 0 |
| Property, plant and equipment | 17 | 11,618,938 | 6,036,243 |
| Construction works in progress | | 83,391 | 0 |
| **Total non-current assets** | | 11,964,129 | 6,036,243 |
| **Total assets** | | **12,113,134** | **6,164,891** |
| **CURRENT LIABILITIES** | | | |
| Payables | | 174,002 | 139,250 |
| Accrued salaries | 18 | 41,143 | 34,713 |
| Provisions | 19 | 233,415 | 298,817 |
| **Total current liabilities** | | 448,560 | 472,780 |
| **NON-CURRENT LIABILITIES** | | | |
| Provisions | 19 | 16,597 | 61,059 |
| **Total non-current liabilities** | | 16,597 | 61,059 |
| **Total liabilities** | | **465,157** | **533,839** |
| **Net Assets** | | **11,647,977** | **5,631,052** |
| **EQUITY** | | | |
| Contributed equity | 20 | 244,153 | 0 |
| Asset revaluation reserve | 21 | 6,462,550 | 549,200 |
| Accumulated surplus / (deficiency) | 22 | 4,941,274 | 5,081,853 |
| **Total Equity** | | **11,647,977** | **5,631,053** |

*The Statement of Financial Position should be read in conjunction with the notes to the financial statements.*

# Statement of Cash Flows
For the year ended 30 June 2002

| | Note | 2001/02 $ Inflows (Outflows) | 2000/01 $ Inflows (Outflows) |
|---|---|---|---|
| **CASH FLOWS FROM GOVERNMENT** | | | |
| Output appropriations | 23(c) | 4,060,201 | 3,271,843 |
| **Net cash provided by Government** | | 4,060,201 | 3,271,843 |
| | | | |
| **Utilised as follows:** | | | |
| | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Payments** | | | |
| Supplies and services | | (1,715,539) | (1,518,747) |
| Employee costs | | (2,563,179) | (2,350,090) |
| GST payments on purchases | | (172,982) | (129,798) |
| GST payments to taxation authority | | 0 | 114,333 |
| | | | |
| **Receipts** | | | |
| Receipts from customers | | 60,006 | 58,094 |
| Commonwealth grants and contributions | | 0 | 1,972 |
| Donations | | 12,540 | 3,966 |
| GST receipts on sales | | 16,558 | 1,309 |
| GST receipts from taxation authority | | 144,845 | 10,310 |
| Other receipts | | 214,625 | 373,781 |
| **Net cash (used in) / provided by operating activities** | 23(b) | (4,003,126) | (3,434,870) |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for purchase of non-current assets | 17 | (64,497) | (19,368) |
| **Net cash (used in) / provided by investing activities** | | (64,497) | (19,368) |
| | | | |
| **Net increase / (decrease) in cash held** | | (7,422) | (182,395) |
| | | | |
| Cash assets at the beginning of the reporting period | | 36,895 | 219,290 |
| | | | |
| **Cash assets at the end of the reporting period** | 23(a) | 29,473 | 36,895 |

*The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.*

**Note 1 SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect are disclosed in individual notes to these financial statements.

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at valuation.

(b) Output Appropriations

Output Appropriations are recognised as revenues in the period in which the Health Service gains control of the appropriated funds. The Health Service gains control of appropriated funds at the time those funds are deposited into the Health Service's bank account or credited to the holding account held at the Department of Treasury and Finance.

(c) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities", transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position. All other transfers have been recognised in the Statement of Financial Performance. Prior to the current reporting period, capital appropriations were recognised as revenue in the Statement of Financial Performance. Capital appropriations which are repayable to the Treasurer are recognised as liabilities.

(d) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(e) Valuation of Non-Current Assets

The Health Service has applied the transitional provisions in AASB 1041 "Revaluation of Non-Current Assets" for land and buildings, and as a consequence assets are reported at cost, valuation and fair value. Fair value is the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

i) Land and Non-Clinical Buildings

The revaluations of land and non-clinical buildings have been undertaken by the Valuer General's Office in Western Australia, on the following bases:

| | |
|---|---|
| Land (clinical site) | Market value for Current use |
| Land (non-clinical site) | Market value for Highest and best use |
| Buildings (non-clinical) | Market value for Highest and best use |

Recent valuations on this basis are equivalent to fair value.

ii) Clinical Buildings

The valuations of clinical buildings (eg hospitals) have been carried out at five yearly intervals by the Department of Health in conjunction with the Department of Housing and Works using "as constructed" drawings. The clinical buildings are valued at "Replacement Capital Value", which is defined as the cost to replace buildings constructed at current building costs with current materials on a greenfield site. All building costs are Perth based and include elements of electrical, mechanical and plumbing services. Loose and free standing furniture and equipment together with specialised medical equipment are excluded from this valuation. Buildings are depreciated using weighted average age to determine the net carrying values. Recent valuations on this basis are equivalent to fair value.

(f) Depreciation of Non-current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated on the reducing balance basis, using rates which are reviewed annually. Useful lives for each class of depreciable assets are:

| | |
|---|---|
| Buildings | 50 years |
| Computer equipment | 5 to 15 years |
| Furniture and fittings | 5 to 50 years |
| Motor vehicles | 4 to 10 years |
| Other mobile plant | 10 to 20 years |
| Other plant and equipment | 4 to 50 years |

(g) Leases

The Health Service has entered into a number of operating lease arrangements for the rent of buildings and equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased items.

The Health Service has no contractual obligations under finance leases.

(h) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(i) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

(j) Inventories

Inventories are valued on a weighted average cost basis at the lower of cost and net realisable value.

(k) Payables

Payables, including accruals not yet billed, are recognised when the Health Service becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(l) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Health Service considers the carrying amount approximates net fair value.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised at an amount equal to the net proceeds received. Borrowing costs expense is recognised on a time proportionate basis.

(n) Provisions

Employee Entitlements

i) Annual and Long Service Leave

The liability for annual leave represents the amount which the Health Service has a present obligation to pay resulting from employees' services up to the reporting date. The liability has been calculated on current remuneration rates and includes related on-costs.

The liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including related on-costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government securities to obtain the estimated future cash outflows.

The methods of measurement of the liabilities are consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

ii) Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The liability for future payments under the Pension Scheme are provided for at reporting date.

The unfunded employer's liability in respect of the pre-transfer benefit for employees who transferred from the Pension Scheme to the Gold State Superannuation Scheme is assumed by the Treasurer. A revenue "Liabilities assumed by the Treasurer" equivalent to the change in this unfunded liability is recognised in the Statement of Financial Performance.

From 1 July 2001 employer contributions were paid to the GESB in respect of the Gold State Superannuation Scheme and West State Superannuation Scheme. Prior to 1 July 2001, the unfunded liability in respect of these schemes was assumed by the Treasurer. An amount equivalent to the employer contributions which would have been paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme if the Health Service had made concurrent employer contributions to those schemes, was included in superannuation expense. This amount was also included in the revenue item "Liabilities assumed by the Treasurer".

The note disclosure required by paragraph 51(e) of AAS30 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Health Service. Accordingly, deriving the information for the Health Service is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

iii) Deferred Salary Scheme

With the written agreement of the Health Service, an employee may elect to receive, over a four-year period, 80% of the salary they would otherwise be entitled to receive. On completion of the fourth year, an employee will be entitled to 12 months leave and will receive an amount equal to 80% of the salary they were otherwise entitled to in the fourth year of deferment. An employee may withdraw from this scheme prior to completing a four-year period by written notice. The employee will receive a lump sum payment of salary forgone to that time.

The liability for deferred salary scheme represents the amount which the Health Service is obliged to pay to the employees participating in the deferred salary scheme. The liability has been calculated on current remuneration rates in respect of services provided by the employees up to the reporting date and includes related on-costs.

(o) Revenue Recognition

Revenue from the sale of goods, disposal of other assets and the rendering of services, is recognised when the Health Service has passed control of the goods or other assets or has delivered the services to the customer.

(p) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Health Service obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(q) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(r) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current reporting period.

(s) Foreign Currency Translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at reporting date are translated at exchange rates current at reporting date. Exchange gains and losses are brought to account in determining the result for the year.

| **Note 2 Patient support costs** | **2001/02 $** | **2000/01 $** |
|---|---|---|
| Medical supplies and services | 108,669 | 130,750 |
| Domestic charges | 31,440 | 36,947 |
| Fuel, light and power | 193,956 | 214,776 |
| Food supplies | 68,139 | 47,986 |
| Purchase of external services | 8,329 | 7,395 |
| | 410,533 | 437,854 |

| **Note 3 Depreciation expense** | **2001/02 $** | **2000/01 $** |
|---|---|---|
| Buildings | 324,440 | 173,053 |
| Computer equipment and software | 18,208 | 16,038 |
| Furniture and fittings | 12,534 | 11,449 |
| Motor vehicles | 4,539 | 7,257 |
| Other plant and equipment | 47,395 | 47,855 |
| | 407,116 | 255,652 |

| **Note 4 Net profit / (loss) on disposal of non-current assets** | **2001/02 $** | **2000/01 $** |
|---|---|---|
| **Profit / (Loss) on disposal of non-current assets:** | | |
| Computer equipment and software | 0 | (5,660) |
| Other plant and equipment | 0 | (942) |
| | 0 | (6,602) |

| **Note 5 Capital user charge** | **2001/02 $** | **2000/01 $** |
|---|---|---|
| | 472,600 | 0 |

A capital user charge rate of 8% has been set by the Government for 2001/02 and represents the opportunity cost of capital invested in the net assets of the Health Service used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis by the Department of Health on behalf of the Health Service.

| Note 6 Other expenses from ordinary activities | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Workers compensation insurance | 63,624 | 60,518 |
| Other employee expenses | 173,531 | 120,429 |
| Motor vehicle expenses | 135,825 | 127,201 |
| Insurance | 27,171 | 24,903 |
| Communications | 102,679 | 60,579 |
| Printing and stationery | 46,327 | 29,413 |
| Rental of property | 33,645 | 13,114 |
| Audit fees - external | 26,500 | 18,000 |
| Bad and doubtful debts expense | 757 | 0 |
| General Administration | 115,314 | 228,016 |
| Other | 99,393 | 0 |
| | 824,766 | 682,173 |

| Note 7 Patient charges | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Inpatient charges | 39,584 | 17,129 |
| Outpatient charges | 32,839 | 42,770 |
| | 72,423 | 59,899 |

| Note 8 Commonwealth grants and contributions | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Immunisation | 0 | 1,972 |
| | 0 | 1,972 |

| Note 9 Donations revenue | 2001/02 $ | 2000/01 $ |
|---|---|---|
| General public contributions | 12,540 | 1,921 |
| | 12,540 | 1,921 |

| Note 10 Other revenues from ordinary activities | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Rent from properties | 21,888 | 23,911 |
| Boarders' accommodation | 59,753 | 62,162 |
| Recoveries | 14,127 | 11,092 |
| Use of hospital facilities | 0 | 1,280 |
| Alcohol & Drug Project Officer | 60,000 | 45,000 |
| Other | 61,110 | 233,952 |
| | 216,878 | 377,397 |

| Note 11 Government appropriations | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Output appropriations (I) | 4,689,601 | 3,271,843 |
| Capital appropriations (II) | 0 | 225,465 |
| | 4,689,601 | 3,497,308 |

(I) Output appropriations are accrual amounts as from 1 July 2001, reflecting the full price paid for outputs purchased by the Government. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the estimated depreciation expense for the year and any agreed increase in leave liability during the year.

(II) Capital appropriations were revenue in 2000/01 (year ended 30 June 2001). From 1 July 2001, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.

| Note 12 Resources received free of charge | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Resources received free of charge has been determined on the basis of the following estimates provided by agencies. | | |
| Office of the Auditor General | | |
| - Audit services | 26,500 | 18,000 |

Where assets or services have been received free of charge or for nominal consideration, the Health Service recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

| Note 13 Cash assets | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Cash on hand | 550 | 396 |
| Cash at bank - general | 22,148 | 32,172 |
| Cash at bank - donations | 6,775 | 4,327 |
| | 29,473 | 36,895 |

| Note 14 Receivables | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Patient fee debtors | 30,451 | 18,959 |
| GST receivable | 21,545 | 13,949 |
| Other receivables | 24,512 | 11,544 |
| | 76,508 | 44,452 |
| Less: Provision for doubtful debts | (5,000) | (4,243) |
| | 71,508 | 40,209 |

| Note 15 Amounts receivable for outputs | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Non-current | 261,800 | 0 |

This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

| Note 16 Inventories | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Supply stores - at cost | 2,261 | 11,592 |
| Pharmaceutical stores - at cost | 30,196 | 20,759 |
| Engineering stores - at cost | 15,549 | 13,101 |
| | 48,006 | 45,452 |

| Note 17 Property, plant and equipment | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Land | | |
| At valuation - 30th June 2000 | 84,700 | 84,700 |
| | 84,700 | 84,700 |
| Buildings | | |
| Clinical: | | |
| At cost (i) | 446,098 | 446,098 |
| Accumulated depreciation | (22,958) | (22,958) |
| | 423,140 | 423,140 |
| At valuation - 30th June 2000 | 11,256,414 | 11,256,414 |
| Accumulated depreciation | (653,164) | (6,242,074) |
| | 10,603,250 | 5,014,340 |
| Computer equipment and software | | |
| At cost | 129,864 | 104,769 |
| Accumulated depreciation | (78,380) | (60,172) |
| | 51,484 | 44,597 |
| Furniture and fittings | | |
| At cost | 292,064 | 280,142 |
| Accumulated depreciation | (159,408) | (146,874) |
| | 132,656 | 133,268 |
| Motor vehicles | | |
| At cost | 51,369 | 51,369 |
| Accumulated depreciation | (43,802) | (39,263) |
| | 7,567 | 12,106 |
| Other plant and equipment | | |
| At cost | 881,978 | 842,534 |
| Accumulated depreciation | (565,837) | (518,442) |
| | 316,141 | 324,092 |
| Total of property, plant and equipment | 11,618,938 | 6,036,243 |

**Land and buildings**

(i) Land, clinical buildings and non-clinical buildings that are yet to revalued are carried at their cost of acquisition.

(ii) Land, clinical buildings and non-clinical buildings have been subject to a recent revaluation and are carried at their fair value.

(iii) Land, clinical buildings and non-clinical buildings are yet to be revalued at fair value.

**Payments for non-current assets**

Payments were made for purchases of non-current assets during the reporting period as follows:

| | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Paid as cash by the Health Service from output appropriations | 64,497 | 19,368 |
| Paid by the Department of Health | 11,964 | 0 |
| Gross payments for purchases of non-current assets | 76,461 | 19,368 |

**Reconciliations**
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year are set out below.

| | 2001/02 $ |
|---|---|
| Land | |
| Carrying amount at start of year | 84,700 |
| Additions | 0 |
| Disposals | 0 |
| Revaluation increments / (decrements) | 0 |
| Write-off of assets | 0 |
| Carrying amount at end of year | 84,700 |
| Buildings | |
| Carrying amount at start of year | 5,437,480 |
| Additions | 0 |
| Disposals | 0 |
| Revaluation increments / (decrements) | 5,913,350 |
| Depreciation | (324,440) |
| Write-off of assets | 0 |
| Carrying amount at end of year | 11,026,390 |
| Computer equipment and software | |
| Carrying amount at start of year | 44,597 |
| Additions | 25,095 |
| Disposals | 0 |
| Depreciation | (18,208) |
| Write-off of assets | 0 |
| Carrying amount at end of year | 51,484 |
| Furniture and fittings | |
| Carrying amount at start of year | 133,268 |
| Additions | 11,922 |
| Disposals | 0 |
| Depreciation | (12,534) |
| Write-off of assets | 0 |
| Carrying amount at end of year | 132,656 |
| Motor vehicles | |
| Carrying amount at start of year | 12,106 |
| Additions | 0 |
| Disposals | 0 |
| Depreciation | (4,539) |
| Write-off of assets | 0 |
| Carrying amount at end of year | 7,567 |
| Other plant and equipment | |
| Carrying amount at start of year | 324,092 |
| Additions | 39,444 |
| Disposals | 0 |
| Depreciation | (47,395) |
| Write-off of assets | 0 |
| Carrying amount at end of year | 316,141 |

| **Note 18 Accrued salaries** | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Amounts owing for: | 41,143 | 34,713 |
| Nursing staff | | |
| 7 x days from 24 June to 30 June 2002 | | |
| (2001: 6 days from 25 June to 30 June 2001) | | |
| Non-nursing staff | | |
| 7 days from 24 June to 30 June 2002 | | |
| (2001: 6 days from 25 June to 30 June 2001) | | |

| Note 19 Provisions | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Current liabilities: | | |
| Annual leave | 152,425 | 208,947 |
| Long service leave | 80,990 | 84,043 |
| Superannuation | 0 | 5,827 |
| | 233,415 | 298,817 |
| Non-current liabilities: | | |
| Long service leave | 16,597 | 61,059 |
| | 16,597 | 61,059 |
| Total employee entitlements | 250,012 | 359,876 |

The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.

The Health Service considers the carrying amount of employee entitlements approximates the net fair value.

| Note 20 Contributed equity | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Balance at beginning of the year | 0 | 0 |
| Capital contributions (i) | 244,153 | 0 |
| Balance at end of the year | 244,153 | 0 |

(i) From 1 July 2001, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.

| Note 21 Asset revaluation reserve | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Balance at beginning of the year | 549,200 | 0 |
| Net revaluation increments / (decrements) : | | |
| Land | (549,200) | 0 |
| Buildings | 6,462,550 | 549,200 |
| Balance at end of the year | 6,462,550 | 549,200 |

(i) Revaluation increments and decrements are offset against one another within the same class of non-current assets.

(ii) Any net increment is credited directly to the asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement previously recognised as an expense.

(iii) Any net decrement is recognised as an expense in the Statement of Financial Performance, except to the extent that any decrement reverses a revaluation increment previously credited to the asset revaluation reserve.

(iv) The increase in the reserve for the financial year reflects revaluations that occurred as at 30th June 2000 that were incorrectly reported in that financial and subsequent financial years.

| Note 22 Accumulated surplus / (deficiency) | 2001/02 $ | 2000/01 $ |
|---|---|---|
| Balance at beginning of the year | 5,081,853 | 5,340,594 |
| Change in net assets | (140,578) | (258,741) |
| Balance at end of the year | 4,941,275 | 5,081,853 |

| Note 23 Notes to the statement of cash flows | 2001/02 $ | 2000/01 $ |
|---|---|---|
| a) **Reconciliation of cash** | | |
| Cash assets at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows: | | |
| Cash assets (Refer note 13) | 29,473 | 36,895 |
| b) **Reconciliation of net cash flows used in operating activities to net cost of services** | | |
| Net cash used in operating activities (Statement of Cash Flows) | (4,003,126) | (3,434,870) |
| Increase / (decrease) in assets: | | |
| GST receivable | 7,596 | 13,946 |
| Other receivables | 24,460 | 2,807 |
| Inventories | 2,554 | 61 |
| Prepayments | (6,074) | 21 |
| Decrease / (increase) in liabilities: | | |
| Doubtful debts provision | (757) | (1,064) |
| Payables | (34,752) | (93,824) |
| Accrued salaries | (6,430) | 4,940 |
| Provisions | 109,864 | (7,706) |
| Non-cash items: | | |
| Depreciation expense | (407,116) | (255,652) |
| Profit / (loss) from disposal of non-current assets | 0 | (6,602) |
| Capital user charge paid by Department of Health | (472,600) | 0 |
| Superannuation liabilities assumed by the Treasurer | 0 | (151,191) |
| Resources received free of charge | (26,500) | (18,000) |
| Other | (43,798) | 21,894 |
| Net cost of services (Statement of Financial Performance) | (4,856,679) | (3,925,240) |
| c) **Notional cash flows** | | |
| Output appropriations as per Statement of Financial Performance | 4,689,601 | 3,271,843 |
| Capital appropriations as per Statement of Financial Performance | 0 | 225,465 |
| Capital appropriations credited directly to Contributed Equity | 244,153 | 0 |
| | 4,933,754 | 3,497,308 |
| Less notional cash flows: | | |
| Items paid directly by the Department of Health for the Health Service and are therefore not included in the Statement of Cash Flows: | | |
| Capital user charge | 472,600 | 0 |
| Capital subsidy | 139,153 | 225,465 |
| Other non cash adjustments to output appropriations | 261,800 | 0 |
| | 873,553 | 225,465 |
| Output appropriations as per Statement of Cash Flows | 4,060,201 | 3,271,843 |

| Note 24 Revenue, public and other property written off or presented as gifts | 2001/02 $ | 2000/01 $ |
|---|---|---|
| a) Revenue and debts written off. | 0 | 724 |
| b) Public and other property written off. | 0 | 14,468 |

All of the amounts above were written off under the authority of the Accountable Authority.

**Note 25 Remuneration of members of the accountable authority and senior officers**

Remuneration of senior officers
The number of Senior Officers (other than members of the Accountable Authority), whose total of fees, salaries, superannuation and other benefits for the reporting period, fall within the following bands are:

| | 2001/02 | 2000/01 |
|---|---|---|
| $70,001 - $80,000 | 0 | 1 |
| $80,001 - $90,000 | 1 | 0 |
| Total | 1 | 1 |
| | $ | $ |
| The total remuneration of senior officers is: | 85,921 | 72,450 |

**Note 26 Explanatory statement**

a) **Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.**

Details and reasons for significant variations between actual results and the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or $10,000.

| | 2001/02 $ | 2000/01 $ | Variation $ |
|---|---|---|---|
| Repairs and Maintenance<br>The Murchison Health Service received Commonwealth Funding for the repairs of a building for the Primary Health team and for the building of a health centre in Wiluna. | 369,720 | 233,977 | 135,743 |
| Capital User Charge<br>This is the first year this expense has been shown | 472,600 | 0 | 472,600 |
| Donations Revenue<br>The Health Service has received more donations than was received than the previous year due to the Primary Health Team sending requests out and received. | 12,540 | 1,921 | 10,619 |
| Other Revenues<br>Last year the Murchison Health Service received reimbursement for expenses paid out for the Mental Health Department and this year these expenses were paid from Geraldton. | 217,599 | 377,397 | (159,798) |

b) **Significant variations between estimates and actual results for the financial year.**
Section 42 of the Financial Administration and Audit Act requires the Health Service to prepare annual budget estimates. Details and reasons for significant variations between these estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% of budget or $10,000.

| | 2001/02 Actual $ | 2001/02 Estimate $ | Variation $ |
|---|---|---|---|
| Visiting Medical Practitioners<br>The Murchison Health service did not receive the expected specialists that it had anticipated for the 2001/2002 financial year. | 55,577 | 90,000 | (34,423) |
| Patient support Costs<br>Increase was due to the increase in Insurance payments, also a Primary Health Team commenced this year and related expenses to them expenses, also the number of non-admitted outpatients increased in the year. | 436,110 | 385,000 | 51,110 |
| Repairs and Maintenance<br>The Murchison Health Service Repairs and Maintenance increase was due to Repairs to a building for a Primary Health Team and additions to a Health Centre in Wiluna. | 369,720 | 312,000 | 57,720 |
| Patient Charges<br>The Murchison Health Service received increase patient charges due to an increase in workers compensation cases. | 72,479 | 57,000 | 15,479 |
| Other Revenue<br>The Murchison Health Service received funds throughout the 2001/2002 financial year for different projects. | 217,599 | 100,000 | 117,599 |

**Note 27 Commitments for Expenditure**

There were no commitments for capital expenditure and operating leases.

**Note 28 Contingent liabilities**

At the reporting date, the Health Service is not aware of any contingent liabilities.

**Note 29 Events occurring after reporting date**

The Murchison Health Service will cease to exist as a legal entity as at 1 July 2002. The health service will be amalgamated with other health services to form the WA Country Health Service on 1 July 2002. The amalgamation was gazetted on 28 June 2002.

**Note 30 Related bodies**

A related body is a body which receives more than half its funding and resources from the Health Service and is subject to operational control by the Health Service. Related bodies are generally government agencies which have no financial administration responsibilities.

The Health Service had no related bodies during the reporting period.

**Note 31 Affiliated bodies**

An affiliated body is a body which receives more than half its funding and resources from the Health Service and is not subject to operational control by the Health Service. Affiliated bodies are generally non-government agencies, such as charitable, welfare and community interest groups which receive financial support from government.

The Health Service had no affiliated bodies during the reporting period.

**Note 32 Financial instruments**

a) **Interest rate risk exposure**
The following table details the Health Service's exposure to interest rate risk as at the reporting date:

| | Weighted average effective interest rate % | Variable interest rate $000 | Fixed interest rate maturities: Less than 1 year $000 | 1 to 5 years $000 | Over 5 years $000 | Non interest bearing $000 | Total $000 |
|---|---|---|---|---|---|---|---|
| **As at 30th June 2002** | | | | | | | |
| **Financial Assets** | | | | | | | |
| Cash assets | 0.0% | 2 | 0 | 0 | 0 | 27 | 29 |
| Receivables | | 0 | 0 | 0 | 0 | 72 | 72 |
| | | 2 | 0 | 0 | 0 | 99 | 101 |
| **Financial Liabilities** | | | | | | | |
| Payables | | 0 | 0 | 0 | 0 | 174 | 174 |
| Net financial assets / (liabilities) | | 2 | 0 | 0 | 0 | (75) | (73) |
| **As at 30th June 2001** | | | | | | | |
| **Financial Assets** | | | | | | | |
| Cash assets | 0.0% | 37 | 0 | 0 | 0 | 37 | 74 |
| Receivables | | 0 | 0 | 0 | 0 | 40 | 40 |
| | | 37 | 0 | 0 | 0 | 77 | 114 |
| **Financial Liabilities** | | | | | | | |
| Payables | | 0 | 0 | 0 | 0 | 139 | 139 |
| Net financial assets / (liabilities) | | 37 | 0 | 0 | 0 | (62) | (25) |

b) **Credit risk exposure**
All financial assets are unsecured. Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets, the carrying amounts represent the Health Service's maximum exposure to credit risk in relation to those assets.

c) **Net fair values**
The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

**Note 33 Output information**

| | Prevention & Promotion | | Diagnosis & Treatment | | Continuing Care | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2001/02 | 2000/01 | 2001/02 | 2000/01 | 2001/02 | 2000/01 | 2001/02 | 2000/01 |
| **COST OF SERVICES** | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Expenses from Ordinary Activities** | | | | | | | | |
| Employee expenses | 661 | 639 | 1,743 | 1,540 | 108 | 187 | 2,512 | 2,366 |
| Fees for visiting medical practitioners | 15 | 24 | 40 | 57 | 2 | 7 | 58 | 88 |
| Superannuation expense | 40 | 41 | 106 | 100 | 7 | 12 | 152 | 154 |
| Patient support costs | 108 | 118 | 285 | 285 | 18 | 35 | 411 | 438 |
| Patient transport costs | 42 | 39 | 110 | 93 | 7 | 11 | 158 | 144 |
| Repairs, maintenance and consumable equipment expense | 43 | 63 | 114 | 152 | 7 | 18 | 164 | 234 |
| Depreciation expense | 107 | 69 | 283 | 166 | 18 | 20 | 407 | 256 |
| Net loss on disposal of non-current assets | 0 | 2 | 0 | 4 | 0 | 1 | 0 | 7 |
| Capital user charge | 124 | 0 | 328 | 0 | 20 | 0 | 473 | 0 |
| Other expenses from ordinary activities | 217 | 184 | 572 | 444 | 35 | 54 | 825 | 681 |
| **Total cost of services** | 1,357 | 1,179 | 3,580 | 2,843 | 222 | 345 | 5,159 | 4,366 |
| **Revenues from Ordinary Activities** | | | | | | | | |
| Patient charges | 19 | 16 | 50 | 39 | 3 | 5 | 72 | 60 |
| Commonwealth grants and contributions | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 2 |
| Donations revenue | 3 | 1 | 9 | 1 | 1 | 0 | 13 | 2 |
| Other revenues from ordinary activities | 57 | 102 | 151 | 246 | 9 | 30 | 217 | 377 |
| **Total revenues from ordinary activities** | 79 | 119 | 209 | 287 | 13 | 35 | 302 | 441 |
| **NET COST OF SERVICES** | **1,277** | **1,060** | **3,371** | **2,555** | **209** | **310** | **4,857** | **3,925** |
| **Revenues from Government** | | | | | | | | |
| Output appropriations | 1,233 | 883 | 3,255 | 2,130 | 202 | 258 | 4,690 | 3,272 |
| Capital appropriations | 0 | 61 | 0 | 147 | 0 | 18 | 0 | 225 |
| Liabilities assumed by the Treasurer | 0 | 41 | 0 | 98 | 0 | 12 | 0 | 151 |
| Resources received free of charge | 7 | 5 | 18 | 12 | 1 | 1 | 27 | 18 |
| **Total revenues from government** | 1,240 | 990 | 3,273 | 2,387 | 203 | 290 | 4,716 | 3,666 |
| **Change in net assets** | (37) | (70) | (98) | (168) | (6) | (20) | (141) | (259) |

**Note 33 Output information (continued)**

Output groups as defined in the budget papers are as follows:

**Prevention and Promotion**
Prevention and promotion services aim to improve the health of Western Australians by reducing the incidence of preventable disease, injury, disability and premature death. Services provided in this output include community health services; screening services; communicable disease management; health regulation and control; and community information and education.

* **Community Health Services**
  Community health services include a range of community based services with the focus on improving the overall health of Western Australians. This is achieved by developing health promotion and prevention activities, supporting early child development, enhancing and ensuring universal access to community services, building capacity and assessing determinants of health as they relate to inequality.

* **Screening Services**
  Screening services assist in the early identification and intervention of disease or conditions that can lead to long-term disability or premature death.

* **Communicable Disease Management**
  Communicable disease management includes a range of strategies which aim to reduce the incidence and effects of communicable diseases.

* **Health Regulation and Control**
  Health regulation and control is used to prevent and/or reduce the risk of disease, injury or premature death in those areas where health risk factors can be managed.

* **Community Information and Education**
  A key strategy to prevent disease, injury or premature death is the provision of community information and education. The purpose of these services is to promote a healthy lifestyle and educate Western Australians about appropriate preventive health behaviours.

**Diagnosis and Treatment**
The objective for the diagnosis and treatment services is to improve the health of Western Australians by restoring the health of people with acute illness. The services provided to diagnose and treat patients include emergency services; ambulatory or outpatient services and services for those people who are admitted to hospitals. Services provided in this output include admitted care, ambulatory care and emergency services.

* **Admitted Care**
  The types of services admitted patients may receive include obstetric care, services to cure illness or provide definitive treatment of injury, surgery, relief of symptoms or a reduction of severity of injury or illness (excluding palliative care), protection against exacerbation and/or complication of an illness and/or injury which could threaten life or normal functions, and diagnostic or therapeutic procedures.

* **Ambulatory Care**
  Ambulatory care includes same day procedures, outpatient attendance, pre-admission assessments and home-based treatment and care. With these services patients do not undergo the formal hospital admission process.

* **Emergency Services**
  Emergency services are provided to treat people with sudden onset of illness or injury of such severity and urgency that they need immediate medical help which is either, not available from their General Practitioner, or for which their General Practitioner has referred them for treatment. Emergency departments provide a range of services from immediate resuscitation to urgent medical advice. An emergency department patient may subsequently undergo a formal admission process and would then be classified as an admitted patient, or be treated and discharged directly from the Emergency department without admission.

**Continuing Care**
Services provided to improve the quality of life for those who need continuing care. Services provided in this output include home care and residential services.

* **Home Care**
  Community based care and support to maintain and enhance, as far as possible, people's quality of life (eg home nursing, home help, transport service, home maintenance, delivered meals, respite care); care and support for terminally ill people and their families and carers (eg hospice services and palliative care); and care and support for people with long term disabilities to ensure an optimal quality of life.

* **Residential Care**
  Residential aged care services are for people assessed as being no longer able to live in their own home (eg nursing home services, nursing home type services in public hospitals and hostel services).