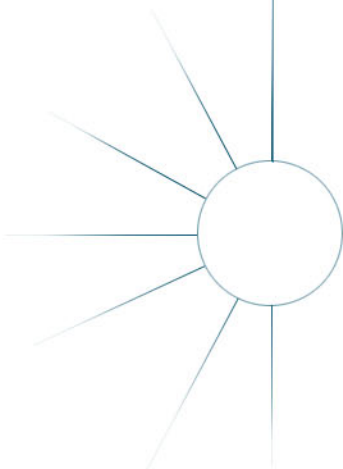




Brookton Health Service



Annual Report 2001/2002



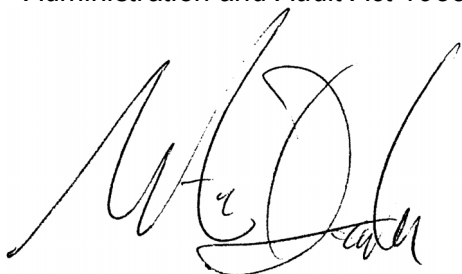
Statement of Compliance

To the Hon Bob Kucera MLA

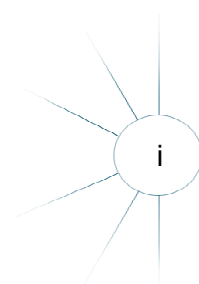
MINISTER FOR HEALTH

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 Brookton 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

Director General's Overview

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

Statement of Compliance

Director General's Overview

Report on Operations

About Us

Address and Location	1
Mission Statement	1
Broad Objectives.....	1

Compliance Reports

Enabling Legislation.....	2
Ministerial Directives	2
Submission of Annual Report.....	2
Statement of Compliance with Public Sector Standards.....	3
Advertising and Sponsorship — Electoral Act 1907	4
Freedom of Information Act 1992.....	5

Achievements and Highlights

Brookton Health Service	6
Major Capital Projects.....	6

Management Structure

Organisational Chart.....	7
Accountable Authority	8
Senior Officers	8
Pecuniary Interests	8

Our Community

Demography	9
Available Services.....	10
Disability Services.....	11
Cultural Diversity and Language Services.....	12
Youth Services.....	12

Our Staff

Employee Profile.....	13
Recruitment Practices.....	13
Staff Development	14
Industrial Relations Issues	14
Workers' Compensation and Rehabilitation.....	15
Equity and Diversity Outcomes	16

Keeping the Public Informed

Marketing.....	18
Publications	18

Research Projects

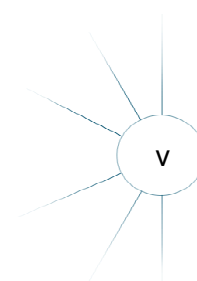
Research and Development.....	19
Evaluations	19

Safety and Standards

Risk Management.....	20
Internal Audit Controls	20
Waste Paper Recycling.....	20
Pricing Policy	21

Financial Statements

Auditor General's Opinion	22
Certification Statement	24
Audited Financial Statements	25



Address and Location

Brookton Health Service
9 Lennard St
BROOKTON WA 6306

PO Box 58
BROOKTON WA 6306

☎ (08) 9642 1100
☎ (08) 9642 1355
✉ brooktonhealth@westnet.com.au

Mission Statement

Our Mission

To provide skilled and compassionate care to people suffering from a wide range of physical and intellectual disabilities, while also respecting the individual needs and expectations of patients and residents.

Broad Objectives

The objectives of the Brookton Health Service are:

- To maintain the highest possible standard of care, according to the Residential Aged Care Services standards.
- To treat all patients and residents with respect, regardless of race, colour, creed, social or economic status.
- To provide a pleasant, home-like environment where residents feel comfortable and secure.
- To promote a quality of life and independence of thought and activity consistent with individual resident's needs and abilities.
- To remain abreast of current knowledge and health practice by promoting staff education and training.
- To foster a harmonious working environment where management and staff cooperate together for the benefit of patients and residents.

Enabling Legislation

The Brookton 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 Brookton 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 Brookton 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 Brookton 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.

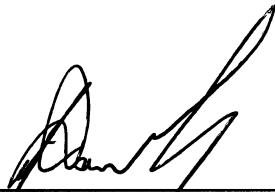
Such processes include:

- Adopting the policy and procedures documented in the Upper Great Southern Health Service's administration manual, with regards to public sector standards and the *Code of Ethics*.

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

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

The Brookton Health Service has not been investigated or audited by the Office of the Public Sector Standards Commissioner for the period to 30 June 2002.



Kim Darby
**ACTING REGIONAL DIRECTOR
WHEATBELT REGION**
December 2002

Advertising and Sponsorship – Electoral Act 1907

The following table lists the expenditure on advertising and sponsorship made by the Brookton 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	–	–	–
Polling Organisations	–	–	–
Direct Mail Organisations	–	–	–
Media Advertising Organisations	–	–	–
TOTAL	\$0.00	\$0.00	\$0.00

Freedom of Information Act 1992

The Brookton 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.

Applications are usually received from existing or former patients wanting to read or have a copy of their medical record, while others are from lawyers, authorised next of kin or authorised agencies.

The types of documents held by the Health Service include:

- Patient and resident 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:

Sue Hodgekiss
Information Coordinator
Brookton Health Service
9 Lennard St
BROOKTON WA 6306

☎ (08) 9642 1100

Brookton Health Service

The Brookton Health Service is an accredited facility operating under the Commonwealth Nursing Homes Agreement. It provides long-term health care to residents, and offers respite care to people who live or have immediate family in Brookton and the surrounding districts. The Health Service also provides a range of community and allied health services, as well as a 24-hour accident and emergency facility.

Key Operations and Achievements

- Receiving support from the Upper Great Southern Health Service.
- Performing speech therapy assessments on school children in the surrounding districts.
- Updating various equipment items.
- Construction of a purpose-built facility.

Receiving Support from the Upper Great Southern Health Service

Operations at the Brookton Health Service continued during 2001/2002 with added managerial and human resource support from the Upper Great Southern Health Service.

Performing Speech Therapy Assessments

A speech therapy assessment program for local school children was run during 2001/2002. Assessments were conducted on all school children in the surrounding districts.

Updating Equipment Items

The Health Service has updated a number of equipment items, including the purchase of two new patient hoists and some pressure-care mattresses. The Occupational Therapy Department has also purchased several general equipment items for use by residents.

Construction of a New Nursing Home

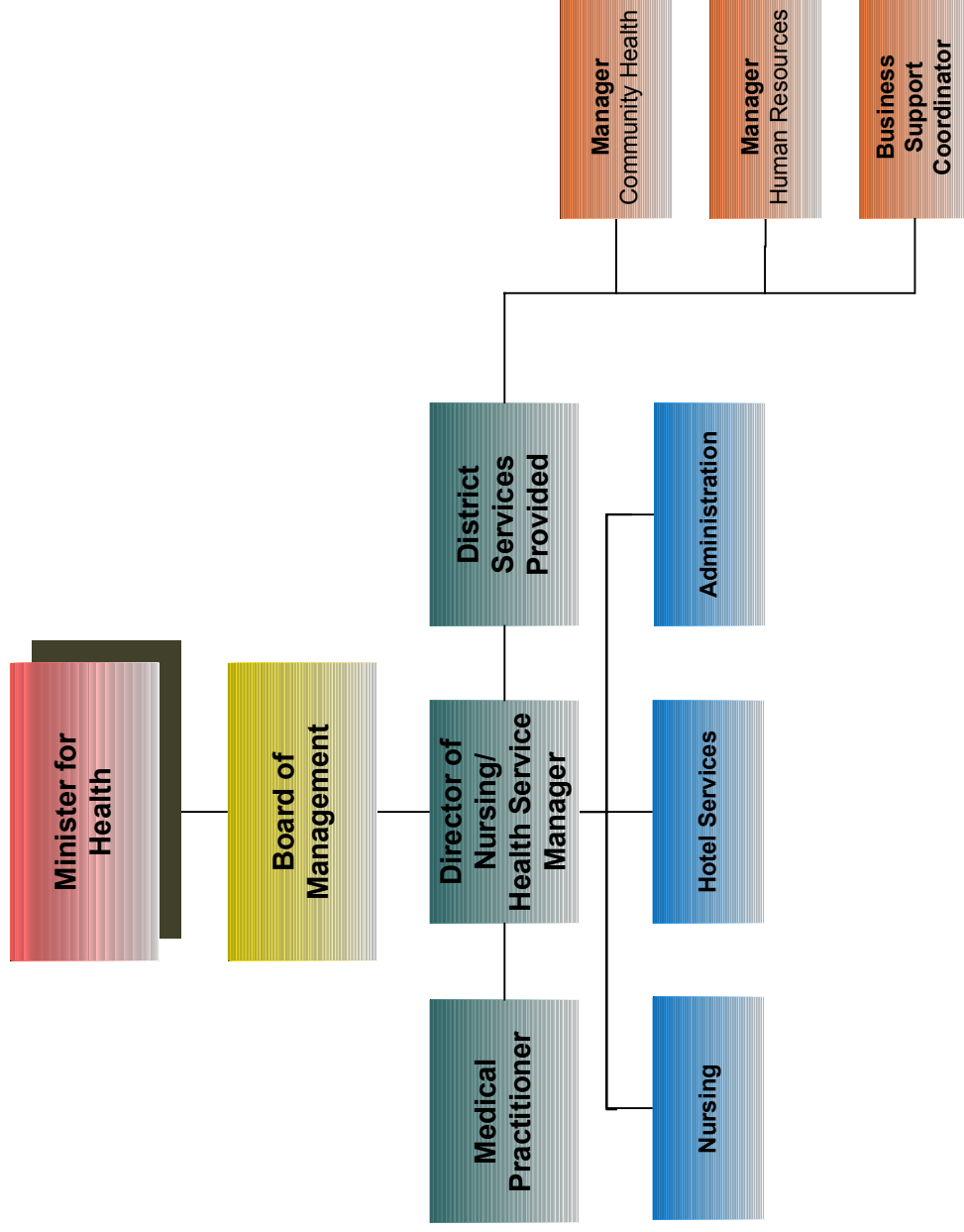
The new purpose-built facility for the Health Service — designed as a nursing home for the people with disabilities and the frail aged — is scheduled for completion in September 2002. The facility will be privately run by the Brookton Shire.

Major Capital Projects

The Brookton Health Service did not complete or make progress on any major capital projects during 2001/2002.

Management Structure

Organisational Chart



Accountable Authority

The Brookton 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
Rita Hobbs	Chairperson	30 June 2002
Rosalie Pech Eva	Deputy Chairperson	30 June 2002
Dianna Eva	Member	30 June 2002
Murray Hall	Member	30 June 2002
Eric Pech	Member	30 June 2002
Vera Pridham	Member	30 June 2002
Neil Walker	Member	30 June 2002

Note: The Governor in Executive Council approved the amalgamation of several hospital boards including the Brookton 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 Brookton Health Service and their areas of responsibility are listed below:

Area of Responsibility	Title	Name	Basis of Appointment
Health Unit and Clinical Management	Director of Nursing/Health Service Manager	Judith Butler	Permanent
Business Support Services	Business Support Manager	Stan Sherry	Permanent

Pecuniary Interests

Senior officers at the Brookton Health Service have declared no pecuniary interests other than those reported in the Financial Statements section of this report.

Demography

The Brookton Health Service delivers services to communities covered by the following local authority:

- Brookton Shire

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

LOCAL AUTHORITY	Population as at 1996*	Population as at 2001*	Projected Population as at 2006*
Brookton Shire	972	1023	1012

*Data sources:

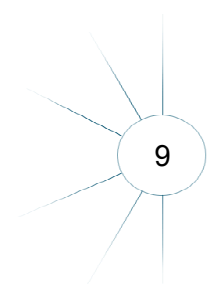
Australian Bureau of Statistics 1996, *Estimated Resident Population by Age and Sex in Statistical Local Areas, WA*, Cat. No. 3203.5.

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*.

Brookton Shire is largely a wheat and sheep farming district, with health services being provided for local farming communities.

The services provided by the Brookton Health Service cover a wider area than the Brookton Shire, with some in-house residents originally from the Central Wheatbelt and Great Southern regions. Some residents have been admitted from metropolitan hospitals and institutions, largely due to having family living in close proximity to the Brookton Health Service.



Available Services

The main facility provided by the Brookton Health Service is long-term residential care of the disabled and frail aged.

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

Direct Patient Services

Accident and Emergency
Palliative Care

Community Services

Antenatal Classes
Child Health
Falls Prevention Program
Health Promotion
Hotel Residents' Meals
Meals on Wheels
Nursing Post (24 hour)
Primary Health Care
Young Mother's Group

Medical Support Services

Ambulance Service (24 hour)
Immunisation Clinics
Occupational Therapy
Permanent Therapy Assistant
Physiotherapy
Sexual Assault Representative
Social Work (as required)
Specimen Collection Pathologist
Speech pathology (as required)

Other Support Services

Hotel Services
Medical Records

Specialist Services

Visiting specialist services are provided in the areas of:

Podiatry

Other Services

None

Disability Services

Our Policy

The Brookton 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 Brookton 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.

- A new nursing home is scheduled for completion in September 2002. It will be privately run by the Brookton Shire.

Outcome 2: Access to buildings and facilities is improved.

- A wider access ramp with hand railing has been added to assist the disabled and frail aged upon entering the Health Service.
- Trees in the Health Service's public car park have made safer by lopping off dead branches.
- Designated disabled parking bays have been allocated.

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

- An information chart detailing the range of facilities provided by the Health Service is available in large print for public access. An internal newsletter is also available upon request.
- Signposting around the Health Service's facilities has been improved during 2001/2002.

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

- On-going training in disability services is conducted at the Brookton Nursing Home for all staff.

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

- Brookton Nursing Home staff liaise with residents and resident's relatives for input into decision-making processes, and to record grievances.

Future Direction

The Brookton 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 Brookton 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 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 experience cultural barriers or communication difficulties while accessing the service's facilities:

- A telephone interpreter service is available for access when it is required.

The Health Service has not otherwise adopted a formal Language Services Policy.

Youth Services

Our Policy

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

The 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 Brookton Health Service is predominantly an aged care facility, and as such has not actively developed youth programs and initiatives at this stage.

Employee Profile

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

CATEGORY	1999/2000	2000/2001	2001/2002
Nursing Services	13.32	14.31	15.84
Administration and Clerical*	1.65	1.46	1.79
Medical Support*	0.70	0.70	1.00
Hotel Services*	6.92	7.44	6.38
Maintenance	—	—	—
Medical (salaried)	—	—	—
Other	—	—	—
TOTAL	22.59	23.91	25.01

*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 Brookton Health Service Board has followed the guidelines set out in the *Public Sector Standards in Human Resource Management* regarding recruitment and selection practices for the employment of staff.

These guidelines state the minimum standard of merit, equity and probity is met for recruitment, selection and appointment of staff if:

- A proper assessment matches a candidate's skills, knowledge and abilities with the work-related requirements of the job and the outcomes sought by the public sector body, which may include diversity.
- The process is open, competitive, and free of bias, unlawful discrimination, nepotism or patronage.
- Decisions are transparent and capable of review.

Staff Development

The Brookton Health Service supports staff development and training. Staff are assisted and encouraged to attend internal and external training relevant to their duties. Around one per cent of the salaries and wages budget was used to fund staff training during 2001/2002.

Industrial Relations Issues

The following wage adjustments have been made at the Brookton Health Service during 2001/2002, according to the relevant Enterprise Bargaining Agreement or organisation as shown in the table below:

EBA	Date Implemented	Wage Adjustment
Australian Nursing Federation	2 May 2002	4.5%
Hospital Salaried Officers Association of WA	19 July 2001	3.0%
	12 November 2001	2.8%
Enrolled Nurses and Nursing Assistants Enterprise Agreement 1999	9 July 2001	2.0%
	6 January 2002	3.0%

Workers' Compensation and Rehabilitation

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

CATEGORY	1999/2000	2000/2001	2001/2002
Nursing Services	0	0	0
Administration and Clerical*	0	0	0
Medical Support*	0	0	0
Hotel Services*	0	0	0
Maintenance	0	0	0
Medical (salaried)	0	0	0
Other	0	0	0
TOTAL	0	0	0

*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 is currently operating at the Brookton Health Service. The committee coordinates a cooperative approach towards occupational safety and health, and has helped minimise the incidence of workers' compensation claims.

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 Brookton 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 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 employees receive EEO training as part of the Health Service's staff orientation program. This program is accompanied by EEO information handed to employees as part of their employment documentation.
- Staff training in EEO principles and practice is ongoing.

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

- There have been no claims against discrimination or harassment at the Brookton Health Service during 2001/2002.

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

- Workforce diversity achievements are incorporated into the EEO Management Plan. The plan also includes appropriate measures intended to achieve equality of opportunity within the Health Service.

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 Brookton Health Service has been able to meet these goals:

Plan or Process	Level of Achievement
EEO Management Plan	District-wide plan developed
Organisational plans reflect EEO	Implemented
Policies and procedures encompass EEO requirements	Implemented
Established EEO contact officers	Officers appointed
Training and staff awareness programs	Implemented
Diversity	Implemented

Marketing

The Brookton Health Service raised public awareness of its facilities by printing information in the *Brookton Telegraph* and the *Home News*, and by distributing an outpatients survey to community members.

Publications

The Brookton Health Service produced no external publications during 2001/2002.

Research and Development

The Brookton Health Service carried out no major research and development programs during 2001/2002.

Evaluations

The Brookton Health Service carried out no major evaluations during 2001/2002.

Risk Management

Our Policy

The Brookton 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 or in operation during 2001/2002 include:

- Regularly placing risk management issues on the agenda of executive committee meetings.
- Forming a separate risk management committee made up of Health Service board members.
- Having procedures in place allowing for the periodic assessment and treatment of risks.
- Developing and approving a risk management policy through the Brookton Health Service Board, and training staff in relation to this policy.
- Using hazard forms as of 2001/2002 to identify risks in the workplace.

Future Direction

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

Internal Audit Controls

The Brookton Health Service Board 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. A finance and audit committee made up of board members oversees the operation of internal audit functions, and ensures management addresses any findings arising from internal and external audit reports.

There were no significant audit findings identified during 2001/2002.

Waste Paper Recycling

The Brookton Health Service does not produce enough waste paper or other recyclable products to make it an economical or viable option to transport the material to Perth for recycling. The remote rural location of the Health Service also impedes recycling practices.

No records were kept of the amount of waste paper recycled during 2001/2002 as a result.

Pricing Policy

The Brookton 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 Health Service.



AUDITOR GENERAL

To the Parliament of Western Australia

**BROOKTON HEALTH SERVICE
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002**

Scope

I have audited the accounts and financial statements of the Brookton 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.

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

Audit Opinion

In my opinion,

- (i) the controls exercised by the Brookton 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.

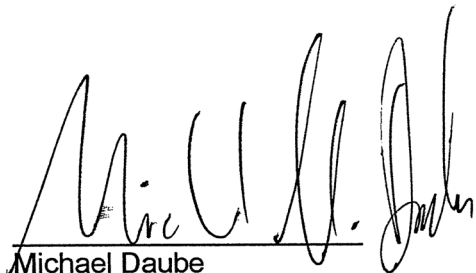


D D R PEARSON
AUDITOR GENERAL
February 28, 2003

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

The accompanying financial statements of the Brookton 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
Brookton Health Service**

30 August 2002



Alex Kirkwood
**Principal Accounting Officer
Brookton 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		974,436	929,243
Fees for visiting medical practitioners		92	114
Superannuation expense		70,979	67,695
Patient support costs	3	148,177	117,694
Patient transport costs		8,482	7,788
Repairs, maintenance and consumable equipment expense		36,129	33,779
Depreciation expense	4	24,272	22,225
Capital user charge	5	59,193	0
Other expenses from ordinary activities	6	88,637	81,735
Total cost of services		1,410,397	1,260,272
Revenues from Ordinary Activities			
Patient charges	7	194,250	191,371
Commonwealth grants and contributions	8	785,121	656,939
Donations revenue	9	455	360
Interest revenue		7,542	11,670
Other revenues from ordinary activities	10	20,176	18,377
Total revenues from ordinary activities		1,007,544	878,717
NET COST OF SERVICES		402,853	381,555
Revenues from Government			
Output appropriations	11	450,393	180,900
Capital appropriations	11	0	20,330
Liabilities assumed by the Treasurer	12	0	66,079
Resources received free of charge	13	7,500	10,000
Total revenues from government		457,893	277,309
Change in net assets before extraordinary items		55,040	(104,246)
Change in net assets		55,040	(104,246)
Total changes in equity other than those resulting from transactions with WA State Government as owners		55,040	(104,246)

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	14	142,300	96,404
Receivables	15	25,731	22,792
Prepayments		4,828	0
Total current assets		172,859	119,196
NON-CURRENT ASSETS			
Amounts receivable for outputs	16	24,300	0
Property, plant and equipment	17	635,274	640,263
Total non-current assets		659,574	640,263
Total assets		832,433	759,459
CURRENT LIABILITIES			
Payables		16,235	33,799
Accrued salaries	18	18,980	14,553
Provisions	19	161,571	110,178
Total current liabilities		196,786	158,530
NON-CURRENT LIABILITIES			
Provisions	19	28,052	48,374
Total non-current liabilities		28,052	48,374
Total liabilities		224,838	206,904
Net Assets		607,596	552,555
EQUITY			
Accumulated surplus / (deficiency)	20	607,595	552,555
Total Equity		607,595	552,555

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	21(c)	366,900	180,900
Capital contributions (2000/01 appropriation)	21(c)	0	19,000
Net cash provided by Government		<u>366,900</u>	<u>199,900</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(366,291)	(219,391)
Employee costs		(943,136)	(907,215)
GST payments on purchases		(21,948)	(19,403)
Receipts			
Receipts from customers		195,533	191,404
Commonwealth grants and contributions		785,121	656,939
Donations		455	360
Interest received		7,542	11,670
GST receipts on sales		2,452	764
GST receipts from taxation authority		19,497	18,646
Other receipts		19,053	19,539
Net cash (used in) / provided by operating activities	21(b)	<u>(301,722)</u>	<u>(246,687)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of non-current assets	17	(19,283)	(21,469)
Net cash (used in) / provided by investing activities		<u>(19,283)</u>	<u>(21,469)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (used in) / provided by financing activities		<u>0</u>	<u>0</u>
Net increase / (decrease) in cash held		45,896	(68,256)
Cash assets at the beginning of the reporting period		96,404	164,660
Cash assets at the end of the reporting period	21(a)	<u>142,300</u>	<u>96,404</u>

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

Notes to the Financial Statements

For the year ended 30 June 2002

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.

Notes to the Financial Statements

For the year ended 30 June 2002

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 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 not valued as Brookton Health Service is on an imprest system from Narrogin Hospital.

(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.

Notes to the Financial Statements

For the year ended 30 June 2002

(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).

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.

(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.

Notes to the Financial Statements

For the year ended 30 June 2002

Note 2 Administered trust accounts	2001/02	2000/01
	\$	\$
Funds held in these trust accounts are not controlled by the Health Service and are therefore not recognised in the financial statements.		
a) The Health Service administers a trust account for the purpose of holding patients' private moneys.		
A summary of the transactions for this trust account is as follows:		
Opening Balance	10,628	5,606
Add Receipts		
- Patient Deposits	106,617	105,632
- Interest	11	102
	<u>117,256</u>	<u>111,340</u>
Less Payments		
- Patient Withdrawals	107,091	100,712
Closing Balance	<u>10,164</u>	<u>10,628</u>
	2001/02	2000/01
	\$	\$
Note 3 Patient support costs		
Medical supplies and services	12,327	8,714
Domestic charges	27,733	20,177
Fuel, light and power	37,693	43,273
Food supplies	53,358	45,530
Purchase of external services	17,066	0
	<u>148,177</u>	<u>117,694</u>
	2001/02	2000/01
	\$	\$
Note 4 Depreciation expense		
Buildings	16,964	17,485
Computer equipment and software	1,192	1,507
Furniture and fittings	1,759	1,278
Other plant and equipment	4,357	1,955
	<u>24,272</u>	<u>22,225</u>
	2001/02	2000/01
	\$	\$
Note 5 Capital user charge		
	<u>59,193</u>	<u>0</u>
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.		
	2001/02	2000/01
	\$	\$
Note 6 Other expenses from ordinary activities		
Workers compensation insurance	27,596	28,906
Other employee expenses	2,733	0
Motor vehicle expenses	3,713	4,956
Communications	9,088	13,601
Printing and stationery	1,407	3,616
Audit fees - external	7,500	8,000
Other	36,600	22,657
	<u>88,637</u>	<u>81,735</u>
	2001/02	2000/01
	\$	\$
Note 7 Patient charges		
Inpatient charges	<u>194,250</u>	<u>191,371</u>
	<u>194,250</u>	<u>191,371</u>

Notes to the Financial Statements

For the year ended 30 June 2002

	2001/02	2000/01
	\$	\$
Note 8 Commonwealth grants and contributions		
Grant for nursing homes	785,121	656,939
	<u>785,121</u>	<u>656,939</u>
Note 9 Donations revenue		
General public contributions	455	360
	<u>455</u>	<u>360</u>
Note 10 Other revenues from ordinary activities		
Recoveries	15,304	10,351
Use of hospital facilities	4,172	466
Other	700	7,560
	<u>20,176</u>	<u>18,377</u>
Note 11 Government appropriations		
Output appropriations (I)	450,393	180,900
Capital appropriations (II)	0	20,330
	<u>450,393</u>	<u>201,230</u>
(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 Liabilities assumed by the Treasurer		
Superannuation	0	66,079
The change in funding arrangement for the Gold State Superannuation Scheme and the West State Superannuation Scheme has resulted in the decrease in "Liabilities assumed by Treasurer".		
Note 13 Resources received free of charge		
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	7,500	8,000
Department of Health		
- Computer	0	2,000
	<u>7,500</u>	<u>10,000</u>

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.

Notes to the Financial Statements

For the year ended 30 June 2002

Note 14 Cash assets	2001/02	2000/01
	\$	\$
Cash on hand	100	100
Cash at bank - general	48,782	5,762
Cash at bank - donations	93,418	90,542
	<u>142,300</u>	<u>96,404</u>
Note 15 Receivables	2001/02	2000/01
	\$	\$
Patient fee debtors	21,319	22,602
GST receivable	0	(7)
Other receivables	4,412	197
	<u>25,731</u>	<u>22,792</u>
Less: Provision for doubtful debts	<u>0</u>	<u>0</u>
	<u>25,731</u>	<u>22,792</u>
Note 16 Amounts receivable for outputs	2001/02	2000/01
	\$	\$
Current	0	0
Non-current	24,300	0
	<u>24,300</u>	<u>0</u>
<p>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.</p>		
Note 17 Property, plant and equipment	2001/02	2000/01
	\$	\$
Land		
At valuation - June 1999 (i)	<u>30,000</u>	<u>30,000</u>
	30,000	30,000
Buildings		
<u>Clinical:</u>		
At valuation - June 1999 (i)	2,160,000	2,160,000
Accumulated depreciation	<u>(1,611,491)</u>	<u>(1,594,527)</u>
	548,509	565,473
Computer equipment and software		
At cost	8,446	8,446
Accumulated depreciation	<u>(5,663)</u>	<u>(4,471)</u>
	2,783	3,975
Furniture and fittings		
At cost	45,347	31,404
Accumulated depreciation	<u>(19,286)</u>	<u>(17,527)</u>
	26,061	13,877
Other plant and equipment		
At cost	47,731	42,391
Accumulated depreciation	<u>(19,810)</u>	<u>(15,453)</u>
	27,921	26,938
Total of property, plant and equipment	<u>635,274</u>	<u>640,263</u>
Land and buildings		
(i) 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	19,283	21,469
Paid by the Department of Health	0	2,000
Gross payments for purchases of non-current assets	<u>19,283</u>	<u>23,469</u>

Notes to the Financial Statements

For the year ended 30 June 2002

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	30,000	
Carrying amount at end of year	<u>30,000</u>	
Buildings		
Carrying amount at start of year	565,473	
Depreciation	<u>(16,964)</u>	
Carrying amount at end of year	<u>548,509</u>	
Computer equipment and software		
Carrying amount at start of year	3,975	
Depreciation	<u>(1,192)</u>	
Carrying amount at end of year	<u>2,783</u>	
Furniture and fittings		
Carrying amount at start of year	13,877	
Additions	13,943	
Depreciation	<u>(1,759)</u>	
Carrying amount at end of year	<u>26,061</u>	
Other plant and equipment		
Carrying amount at start of year	26,938	
Additions	5,340	
Depreciation	<u>(4,357)</u>	
Carrying amount at end of year	<u>27,921</u>	
Note 18 Accrued salaries	2001/02	2000/01
	\$	\$
Amounts owing for:	18,980	14,553
Nursing staff		
7 days from 24 June to 30 June 2002		
(2001: 5 days from 26 June to 30 June 2001)		
Non-nursing staff		
5 days from 24 June to 30 June 2002		
(2001: 3 days from 28 June to 30 June 2001)		
Note 19 Provisions	2001/02	2000/01
	\$	\$
Current liabilities:		
Annual leave	124,602	77,551
Long service leave	<u>36,969</u>	<u>32,627</u>
	<u>161,571</u>	<u>110,178</u>
Non-current liabilities:		
Long service leave	<u>28,052</u>	<u>48,374</u>
	<u>28,052</u>	<u>48,374</u>
Total employee entitlements	<u>189,623</u>	<u>158,553</u>
The Health Service considers the carrying amount of employee entitlements approximates the net fair value.		
Note 20 Accumulated surplus / (deficiency)	2001/02	2000/01
	\$	\$
Balance at beginning of the year	552,555	656,801
Change in net assets	<u>55,040</u>	<u>(104,246)</u>
Balance at end of the year	<u>607,595</u>	<u>552,555</u>

Notes to the Financial Statements

For the year ended 30 June 2002

Note 21 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 14)	142,300	96,404
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)	(301,722)	(246,687)
Increase / (decrease) in assets:		
GST receivable	8	(7)
Other receivables	2,932	(1,210)
Prepayments	4,828	(140)
Decrease / (increase) in liabilities:		
Payables	17,563	(14,267)
Accrued salaries	(4,427)	(4,227)
Provisions	(31,071)	(17,383)
Non-cash items:		
Depreciation expense	(24,272)	(22,225)
Capital user charge paid by Department of Health	(59,193)	0
Superannuation liabilities assumed by the Treasurer	0	(66,079)
Resources received free of charge	(7,500)	(10,000)
Other	1	670
Net cost of services (Statement of Financial Performance)	(402,853)	(381,555)
	2001/02	2000/01
	\$	\$
c) Notional cash flows		
Output appropriations as per Statement of Financial Performance	450,393	180,900
Capital appropriations as per Statement of Financial Performance	0	20,330
	450,393	201,230
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	(59,193)	0
Other non cash adjustments to output appropriations	(24,300)	(1,330)
	(83,493)	(1,330)
Output appropriations as per Statement of Cash Flows	366,900	199,900
Note 22 Revenue, public and other property written off or presented as gifts	2001/02	2000/01
	\$	\$
The Health Service did not have cause to write off any amounts during the financial year.	0	0

Notes to the Financial Statements

For the year ended 30 June 2002

Note 23 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
\$40,001 - \$50,000	0	1
\$80,001 - \$90,000	1	0
Total	1	1
	\$	\$
	84,921	41,257

The total remuneration of senior officers is:

The superannuation included here represents the superannuation expense incurred by the Health Service in respect of Senior Officers (other than members of the Accountable Authority).

No Senior Officers presently employed are members of the Superannuation and Family Benefits Act Scheme.

Note 24 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% and \$10,000.

	2001/02 \$	2000/01 \$	Variation \$
Expenses from Ordinary Activities			
Patient support costs	148,177	117,694	30,483
Increase due largely to the purchase of external allied health services previously provided by the Upper Great Southern Health Service.			
Capital user charge	59,193	0	59,193
New notional charge not previously raised.			
Revenues from Ordinary Activities			
Commonwealth grants and contributions	785,121	656,939	128,182
Increased Commonwealth benefits received due to change in resident classifications.			

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 and \$10,000.

	2001/02 Actual \$000	2001/02 Estimate \$000	Variation \$000
Expenses from Ordinary Activities			
Patient support costs	148	120	28
Increase due largely to the unanticipated purchase of external allied health services previously provided by the Upper Great Southern Health Service.			
Revenues from Ordinary Activities			
Commonwealth grants and contributions	785	657	128
Increased Commonwealth benefits through resident reclassification not anticipated			
Revenues from Government			
Output appropriations	450	260	190
Introduction of a notional Capital User Charge not previously raised and a restructure of funding for impending privatisation of the Health Service.			

Notes to the Financial Statements

For the year ended 30 June 2002

Note 25 Commitments for Expenditure	2001/02	2000/01
	\$	\$
Operating lease commitments:		
Commitments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	4,808	5,245
Later than one year, and not later than five years	0	4,808
	<u>4,808</u>	<u>10,054</u>

These commitments are all inclusive of GST.

Note 26 Contingent liabilities

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

Note 27 Events occurring after reporting date

The Brookton 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 28 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 29 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.

Notes to the Financial Statements

For the year ended 30 June 2002

Note 30 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	Less than 1 year \$000	Fixed interest rate maturities 1 to 5 years \$000	Over 5 years \$000	Non interest bearing \$000	Total \$000
As at 30th June 2002							
Financial Assets							
Cash assets	2.3%	142	0	0	0	0	142
Receivables		0	0	0	0	26	26
		142	0	0	0	26	168
Financial Liabilities							
Payables		0	0	0	0	16	16
Net financial assets / (liabilities)		142	0	0	0	10	152

As at 30th June 2001

Financial Assets

Cash assets	0.0%	96	0	0	0	0	96
Receivables		0	0	0	0	23	23
		96	0	0	0	23	119

Financial Liabilities

Payables		0	0	0	0	34	34
Net financial assets / (liabilities)		96	0	0	0	(11)	85

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.

Notes to the Financial Statements

For the year ended 30 June 2002

Note 31 Output information

COST OF SERVICES

Expenses from Ordinary Activities

	Prevention & Promotion		Diagnosis & Treatment		Continuing Care		Total	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Employee expenses	0	0	244	232	731	697	974	929
Superannuation expense	0	0	18	17	53	51	71	68
Patient support costs	0	0	37	29	111	88	148	118
Patient transport costs	0	0	2	2	6	6	8	8
Repairs, maintenance and consumable equipment expense	0	0	9	8	27	25	36	34
Depreciation expense	0	0	6	6	18	17	24	22
Other expenses from ordinary activities	0	0	22	20	66	61	89	82
Total cost of services	0	0	353	315	1,058	945	1,410	1,260

Revenues from Ordinary Activities

Patient charges	0	0	49	48	146	144	194	191
Commonwealth grants and contributions	0	0	196	164	589	493	785	657
Interest revenue	0	0	2	3	6	9	8	12
Other revenues from ordinary activities	0	0	5	5	15	14	20	18
Total revenues from ordinary activities	0	0	252	220	756	659	1,008	879

NET COST OF SERVICES

NET COST OF SERVICES	0	0	101	95	302	286	403	382
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Revenues from Government

Output appropriations	0	0	113	45	338	136	450	181
Capital appropriations	0	0	0	5	0	15	0	20
Liabilities assumed by the Treasurer	0	0	0	17	0	50	0	66
Resources received free of charge	0	0	2	3	6	8	8	10
Total revenues from government	0	0	114	69	343	208	458	277

Change in net assets

Change in net assets	0	0	14	(26)	41	(78)	55	(104)
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Note 31 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).