

the **childr^en's** hospital at Westmead

annual report 2001



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the
children's
hospital at Westmead

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November 2001

The Hon Craig Knowles MP
Minister for Health
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Minister

We have pleasure in submitting The Children's Hospital at Westmead 2000/2001 Annual Report, including statements for the financial year ended June 30, 2001 as certified by the Auditor-General of NSW.

This report is consistent with the statutory requirements for annual reporting as provided by NSW Health under the Accounts and Audit Determination for Public Health Organisations and is submitted to the Minister for Health.

Yours sincerely



Mr John A. Dunlop AM
President



Prof Kim Oates AM
Chief Executive



kids
Westmead

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121st Annual Report of the Board of Directors of The Royal Alexandra Hospital for Children (The Children's Hospital at Westmead) for the year ending 30 June 2001

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highlights 2000/2001

The following is a snapshot of the many successes accomplished this year at The Children's Hospital at Westmead. These highlights demonstrate the dedication and commitment of our team to making this a great Hospital.

- Bear Cottage, the first children's Hospice in NSW, opened in March 2001. This will improve quality of life for the child and family in cases of life-limiting illnesses by providing respite and palliative care.
- Developed protocols and forms for professionals and parents about autopsies. These form the basis for protocols for NSW and are being used as a resource by other Area Health Services.
- Opened multi-purpose ICU/ high dependency beds.
- Opened a new and larger Renal Treatment Centre.
- Established and evaluated a home IV service for children with cystic fibrosis.
- Diabetes Day Care Program commenced in November 2000, reducing bed days at diagnosis and for stabilisation.
- Implemented a quality project and assessment tool across the Hospital to decrease the incidence of pressure areas in children. Result has been a reduction in pressure areas from 18% to 0.5%
- Endocrinology commenced an Insulin Pump Therapy program in March 2001.
- Established outreach neurology clinics in Orange and Nowra and spina bifida outreach clinics in Tamworth and Coffs Harbour.
- Set up a diploma in Child and Adolescent Mental Health for nurses under the auspices of UTS and in partnership with Sydney Children's Hospital.
- Established the Alice Campbell Eczema and Psoriasis Treatment Centre, leading to a marked reduction in eczema admissions to general wards, along with better service and training for families of children with eczema.
- Improved asthma management by developing and implementing Consensus Discharge Guidelines, in conjunction with Children's Hospitals Australasia, to complement existing acute asthma management guidelines.
- Established a Respiratory Consultative Service for children admitted to PICU with severe acute asthma.
- Cytogenetics established a new laboratory service for the specific diagnosis of soft tissue tumours.
- Neurogenetics developed the first mouse model of childhood myopathy.
- Neonatology department was instrumental in establishing a community run oesophageal atresia support group.
- Conducted Child Restraint Awareness Day for parents, to increase correct installation and maintenance of child restraints in vehicles.
- Developed a strong working relationship between the Hospital's Security Department and the local Police Service, which has enhanced security levels for staff, patients and families. A particular focus during the year has been after-hours car park safety.
- Generous donations permitted the painting of procedure rooms in wards and clinics with murals – the themes chosen by children. Special thanks to Montell and artists involved.
- The Multi Sensory Room, set up to assist with pain management, relaxation and sensory stimulation, won a Baxter Award.
- Rehabilitation department produced a series of booklets "Step by step: a guide for families of children and adolescents with a brain injury" as a resource for parents, children with brain injury and health workers in this area.
- Launched "The Clinician" a quarterly educational mental health journal.
- The Child Protection Unit used video link ups with other Level 6 Child Protection Services to establish regular dialogue and information sharing. This resulted in an increased influence in policy decisions in child protection matters.
- Established monthly clinical ethics discussion groups and quarterly ethics forums, to increase awareness of the relevance of ethics in everyday work in the Hospital.
- A V-beam vascular laser was installed in late 2000, and over 200 treatments under general anaesthetic were carried out in the first six months of 2001. This is a new dimension in treatment of vascular birthmarks.
- The Poisons Information Centre marked its 35th anniversary of service. More than half of the staff have been employed in the centre for at least 20 years.

philosophy of care

The Children's Hospital at Westmead is a free-standing children's hospital dedicated to the care of children from all over New South Wales, from other States of Australia and from other countries.

Purpose built to meet the needs of children and their families, the Hospital has a bed capacity of 339; comprising 290 overnight beds and 49 for same day treatment. For many children, our Hospital is the only place they can receive the unique treatment they need.

A teaching hospital of the University of Sydney and the University of Western Sydney, our Hospital is also a leading institution in children's clinical research focusing on effectively turning research into medicine.

The Children's Hospital at Westmead is a Body Corporate established pursuant to the Health Services Act of 1997.

Our vision

- Better Health for Children
- Excellence in Child Health Care

Our mission

The Children's Hospital at Westmead will constantly challenge the existing boundaries in paediatrics and child health by leading change and striving for excellence in clinical care, research, teaching and advocacy.

- **Hospital services** – to provide a total healing environment for children and their families. We do this by combining the best of science with the technical and caring skills of our staff in a building which blends innovative design with art and gardens.
- **Community** – to expand community and outreach activities which offer appropriate care in the appropriate place.

- **Advocacy** – to promote the interests and needs of all children.
- **Teaching** – to place a high priority on excellence and leadership in education and training to support our staff and to share our knowledge with others.
- **Research** – to place a high priority on research to improve the lives of our present and future patients.

Principles guiding our work

- **Health gain** – to ensure that improving children's health and quality of life are the focus of our efforts.
- **Concern for people** – to care for our patients, their families, our staff and our supporters as individual people with their own needs.
- **Doing it better** – to provide the best possible patient care by the effective use of resources, recognising the need to continuously review and improve procedures and processes.
- **A hub of paediatrics** – to play a pivotal role in establishing with others a network to share our knowledge and skills in paediatrics for the health of children.
- **Making the future better** – to invest in and facilitate research that improves our understanding of how to prevent or treat diseases in children and to work with government and community agencies to promote the health and well-being of all children.

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president and chief executive report

Changing Patterns of Care

The pattern of paediatric care is changing and will continue to change. Children's hospitals around the world are seeing sicker children as inpatients, as less complex problems are now often managed on an outpatient or day care basis. This means that at an inpatient level there is increased emphasis on complex paediatric problems requiring intensive care, high dependency nursing, complex surgical procedures and multi-disciplinary teams.

Many conditions previously managed in the hospital are now treated as outpatients and as the paediatric services in some other hospitals become enhanced, more paediatric conditions can be treated at those centres. Other major trends include increased public accountability, consumer involvement and an emphasis on continually improving the quality of service.

The Children's Hospital at Westmead is very much involved in this process of change: utilising day treatment more and working closely with hospitals in the Greater West of Sydney and beyond to provide a paediatric network of high quality care where parents can confidently take their children and where movement between centres is made easier because of common paediatric protocols and joint staff appointments. Research is taking on an increasing role because we know that the answers to many of the conditions we cannot yet cure will be found through research. These changes mean that the shape of The Children's Hospital at Westmead will also change, with a much greater emphasis on providing ambulatory services and opportunities to re-configure under utilised ward areas, which will inevitably occur as a result of these changes, for other patient care activities.

The Paediatric Network

Good progress has been made with the Paediatric Network in the Greater West with the appointment of a Network

Coordinator and a commitment from each of the four CEO's of the Area Health Services in the Greater West to make the paediatric network succeed.

The paediatric network will mean that the paediatric units in the Greater West will adopt common protocols for commonly seen paediatric conditions, rotate staff as often as possible, cooperate in making joint appointments of some paediatric, nursing and allied health staff and eventually adopt a common paediatric medical record to allow children to easily move between paediatric centres in the Greater West. This will be good for patient care, as families will have extra confidence that a high standard of paediatric care can be found right across the Greater West of Sydney. It will also be good for this hospital, as we will be able to place increased emphasis on caring for children with complex disorders which can only be well managed in a highly specialised children's hospital.

Quality

The hospital is placing considerable emphasis on developing a culture of continuous improvement. The philosophy being emphasised throughout the Hospital is to look beyond blaming people for errors, but instead to look at the processes that lead to the error in order to improve the system, thus leading to better patient care. We are strongly committed to this philosophy and have used some of the funds

provided by the Government Action Plan for Health to integrate our quality activities into a new Service Improvement Unit. The activities of this Unit include: a clinical review process; a new data base for reporting system errors and "near misses"; analysis and trending of adverse occurrences leading to further review and improvement; management of patient and family concerns with appropriate conciliation and family support, and a process of benchmarking, not only with other children's hospitals in Australia, but also with the major children's hospitals in the USA.

Government Action Plan for Health

The reforms initiated by the Government Action Plan for Health have significantly improved the delivery of health care throughout New South Wales. The involvement of clinicians in the development of the Government Action Plan for Health has been a hallmark of this plan's success. The funds which flowed to the hospital in this financial year were directed towards reducing surgical waiting lists, enhancing high dependency nursing services and providing extra services for children with cancer and leukaemia. The GAPH funds for the next financial year will enhance a variety of clinical services including cardiac services, surgery, genetics and a new auditory screening program for newborn babies.

Initiatives and Achievements

An exciting initiative which resulted from a brainstorming session by the hospital's Advocacy Group has been to develop an outreach service for young children whose parents attend the Western Sydney Drug and Alcohol Service. This program will provide child health services and parenting support for families where a parent has drug dependency. It is targeted at families with young children 0 to 5 years to provide early intervention and promote healthy development. The team consists of a clinical nurse consultant and social worker with paediatric medical support and is carried out in collaboration with Western Sydney Drug and Alcohol Services.

In March this year the hospital opened Bear Cottage at Manly. This is the first hospice for children in NSW and was established with funds raised entirely by hospital supporters. Bear Cottage provides a home-like, caring atmosphere where children with life limiting illnesses, as well as their families, can be accommodated for respite or during the final part of the child's life, if desired by the family. The challenge is to secure ongoing funding so that this valuable service can be assured of a long term future.

On the research front, the hospital is delighted to be an instigator of the new Westmead Research Hub which is developing close cooperation between the Hospital's Research Division, the Research Division of Westmead Hospital, The Millennium Institute and the Children's Medical Research Institute. We have also established a Centre for Evidence Based Paediatric Gastroenterology and Nutrition, the first of its kind in Australia and are conducting a range of initiatives using the expertise of hospital staff to have an impact on the major and growing

problem of childhood obesity.

Steady progress is being made towards a form of amalgamation between the Children's Hospital Research Division and the Children's Medical Research Institute (CMRI). It is expected that during the coming financial year a Heads of Agreement will be signed to ensure that this amalgamation occurs in a way which protects staff as well as funds and which, most importantly, provides a critical mass of researchers where the hospital's clinical and epidemiology research strengths and the basic science research strengths of the CMRI will complement each other.

Finance

The Hospital has had a relatively stable year with a net cost of service result of 1% better than budget. There were a number of reasons for the result including revenue initiatives, which resulted in a 17.6% increase in sales of goods and services and additional grants of \$1,579,000 received during the year.

We planned for inpatient activity of 26,115 separations (discharges following completed episodes of care). In the past this activity was measured as admissions. Although we did not meet the target by 603 separations, it does not mean the Hospital treated fewer patients. Due to the continuing change in patterns of care, many children with Cancer, Leukemia, Diabetes and those needing Sleep Unit investigations can now be managed as day patients or outpatients. There were 2,912 separations under this category recorded as private Non Admitted Occasions of Services (NAPOOS). This included an 11.7% (7,143) increase in private NAPOOS.

We met our target of 507,303 in non chargeable non-admitted patient occasions of service for the year, achieving a result of 507,475. This is

after taking into account the transfer of Poisons Information calls for some areas to Western Australia and the transfer of calls related to drugs and pregnancy to the Women's Hospital in Randwick.

NSW Health contributed \$48,755,000 to fund the hospital's core activity. In addition, we received \$67,461,000 in funding from other NSW Health Services for treating patients resident in those Areas on their behalf and \$1,458,000 for patient inflows from interstate. In total, these amounts represent a 5.2% increase.

The primary increase in operating costs over the year relates to funded salary increases and additional services from enhancement received such as cochlear implants, chronic care services, \$1,000,000 additional funding from the Government Action Plan for Health and \$1,000,000 for mental health services. Some of the increase was a direct result of the increase in grants and revenue raised during the year. Success in reducing other operating costs was counterbalanced by a general increase in contract prices and adverse currency fluctuations.

The Hospital closely monitored its cash position throughout the year, maintaining creditor payments within NSW Health benchmark of 45 days. However, we continue to experience difficulties in reducing the length of time taken to recover debts. There was an increase in debts written off owed by patients who were ineligible for Medicare and unable to pay during the year. While meeting the requirement to raise charges for the care of non-eligible immigrants, we are also committed to providing high quality care for all sick children who come to us, whatever their status.

Current billing systems and circumstances, particular to the paediatric population, hamper the speed of collection. An ongoing review of processes, refinements

in electronic interfaces at locations internal and external to the Hospital, and improved debt collection in early 2001/2002 will improve the speed of collection over the following year.

There was also an increase in the volume of private patients from 21% to 23% of bed days, mainly as the result of the recruitment of a patient liaison officer and increased awareness of the impact of revenue on the Hospital.

Overall revenue, excluding patient inflow fees, increased by 33% compared to last year. This relates to better than expected level of grants and donations and improved sales of goods and services. A 48% increase in donations and grants, most of which were received for the building of a research facility, and a 41% increase in investment income also contributed to this favourable result.

Most of the funds raised are for express purposes such as for a new research facility, Bear Cottage and specific items of equipment, so that there is often a shortage of uncommitted donated funds which can be used at the Hospital's discretion for clinical activities. With the Hospital being over 5 years old on this site, there is also a need for more maintenance of the fabric of the building as well as equipment maintenance. We face the challenge of maintaining the hospital in an excellent state and are exploring ways of doing this from within our recurrent budget.

Despite initiatives to reduce inventory levels, increasing costs led to a small increase in the level of inventory at year-end. We are working with the Peak Purchasing Council to implement initiatives proposed as part of the NSW Health Supply Chain Reform Strategy to improve the cost of acquiring and holding inventory.

In the coming financial years, the Hospital will benefit from the additional

funding of \$3,000,000 in 2001/2002 and 2002/2003, from the Government Action Plan for Health. This will allow us to enhance core clinical activities and undertake initiatives which will keep us at the cutting-edge of paediatric care.

Devolution and Challenges

We are looking at new ways of developing increased clinical leadership and devolving more responsibility to Divisional Chairs. This process will involve finding resources to support Divisional Chairs, providing appropriate education and training and developing a culture where staff feel comfortable with accepting more devolved responsibility. This process will also help identify and develop future clinical leaders. We believe that there will be benefits to patient care as well as improved financial responsibility as this model develops and are currently looking at appropriate models to further progress these changes.

Our Staff

The reason for the success of this hospital is the quality of its staff. The great majority of staff are highly dedicated and motivated, many working well beyond the normal call of duty and regularly going that extra mile to help families and their children. The hospital's strong commitment to continuous improvement and our no blame philosophy are important ways of assisting staff, but we do recognise the very great commitment that individuals make to the hospital, particularly in the winter months when the hospital is so busy and a finite budget makes it difficult to provide staff with all of the facilities and services they believe they need.

This year an Employee of the Month Award has been instituted and has been very successful with recipients from

domestic, clerical, maintenance, engineering and the genetics department as examples of the wide spread applicability of these awards.

Every year our staff receive a range of national and international awards. Some of these in the last twelve months have included: a team from our Occupational Therapy Department who won the innovation category of the 2000 Baxter Better Health Awards for a new Multi Sensory Room; Dr Sue Woolfenden winner of the McCaughey Research Entry Scholarship from the Royal Australasian College of Physicians; Prof Robert Ouvrier named as Chevalier of The Legion of Honour by the Government of the French Republic; Dr Frank Martin awarded an AM in the Order of Australia, A/Professor Elizabeth Elliott elected as Head of the International Network of Paediatric Surveillance Units, Dr Ian Alexander elected as Inaugural President of the Australian Gene Therapy Society, Dr John Knight, President-elect of the International Federation of Kidney Foundation; Dr Michael Ryan's appointment to the Disability Council of NSW; Professor David Sillence being made an Emeritus member of the Human Genetics Society of Australia; Professor Martin Silink elected President of the International Society for Paediatric and Adolescent Diabetes and Vice-President of the International Diabetes Federation; Dr Chris Cowell elected as Secretary-General of the Asia Pacific Paediatric Endocrine Society; Dr Jonathon Craig's appointed to the Editorial Board of the Journal of the American Society of Nephrology; Dr Kathryn North winning the NSW Tall Poppy Award 2001 from the Australian Institute of Political Science for achievement in scientific and biomedical research; Dr Jennifer Byrne appointed to the Prime Minister's National Innovation

Awareness Council; Dr Cheryl Jones winning a March of Dimes Fellowship from the USA and the Eilion Research Award for herpes virus research; Dr Carolyn Ellaway winning funding from the USA based Rett Syndrome Research Foundation. The hospital was also delighted that Dr John Yu, former Chief Executive and now Chancellor of the University of NSW was awarded an AC in the 2001 Queen's Birthday Honours.

Every year valuable members of staff retire. This year saw the retirement of A/Prof John Overton after a distinguished career in anaesthesia and administration, Dr Christopher Green whose books on child rearing are widely read all over the world, Ros Fowler and June Southerden, who had long and distinguished careers at this hospital in nursing.

Dr David Dorman, a distinguished previous Head of Microbiology, Professor Julian Katz, Australia's first academic child psychiatrist, Dr Fred Street, one of our Emeritus consultant surgeons and Mrs Nea Dawson, a former Board member and Vice President, all passed away during the year. Each made major contributions to the work of the hospital and their influence remains with us.

This year the hospital has made two commitments to staff recruitment. The first is to undertake a range of initiatives to increase the number of Aboriginal staff we employ. The second is to work with the group "Employers Making a Difference" to increase the number of people with disabilities playing a valuable part in our workforce, an initiative

inspired by the success of the Paralympic games. These priorities have the highest commitment from hospital management.

Our Board

The hospital welcomes Mrs Gabrielle Kibble AO, The Hon Peter Anderson AM and Mr Kevin Doyle as new Board members. Their broad range of experience is already making a valuable contribution to the hospital. Mr Peter Mason, who had served on the Board from 1987 and became Vice President in 1990, finished his term as Board member during the year. His contributions were outstanding. It is good to know that he remains a friend and supporter of the hospital.

Our Supporters

Our supporters make the difference between us being just a very good children's hospital and one of the world's great children's hospitals. This is because much of our new, state of the art equipment is provided from donations. We have over 150 staff employed with donated funds, many of whom work in front line patient care areas. In addition, all of our research infrastructure is provided by our supporters who know the value of investing in research to improve child health. Our individual supporters are too many to name but three in particular should be mentioned for each endowing a Chair in perpetuity. Mr James Packer endowed the James Packer Chair of Educational Research, Mr Daniel Petre endowed the Petre Foundation Chair of Neurology Research

and Mr James Fairfax endowed the James Fairfax Chair of Paediatric Nutrition. Endowing a chair is a marvellous way of supporting research aimed at making a real difference to the lives of children now and into the future. Needless to say, the hospital has a range of opportunities for endowing other chairs and ongoing commitments.

This hospital is blessed with highly dedicated members of staff, enthusiastic, generous and committed supporters and increasing links with clinical and research communities throughout the Greater West, the rest of the state and beyond. Our emphasis on continuing improvement, innovation, devolvement, networking and research expansion are all things which help keep us at the international forefront of providing the highest quality of care for our young patients, but never becoming complacent with our work.



John A. Dunlop, President



Kim Oates, Chief Executive

board and management

Patron

Her Majesty Queen Elizabeth,
The Queen Mother

Board of Directors

President:

John Dunlop, AM (appointed 1983,
Board Director since 1973)

Vice-President:

Peter Mason, AM, BCom, MBA (appointed
1989, Board Director 1987-2000)

Val Street, MEd (Hon), MSc, MACE
(appointed 1998, Board Director
since 1989)

Honorary Treasurer:

David Say, CA, FCA, DipBA, MBCS
(appointed 1993, Board Director
since 1989)

Directors:

Graham Lawrence, DipMarket (1993)

Kim Oates, AM, MD, MHP, FRCP,
FRACP, FRACMA, FAFPHM, DCH
(1990)

John Pascoe, AM, BA, LLB (1986)

John Young, AO, MD, DSc, FAA,
FRACP (1989)

Gabrielle Kibble, AO, BA, DTCP (Syd.),
FRAPI. (2000)

The Hon. Peter Anderson, AM,
BA (Pol Stud) (2000)

Joanna Capon, MA (2000)

Kevin Doyle (2000)

Staff Elected Member:

Wendy Hawker, DipPhys (1998)

Honorary Solicitor:

Gadens Ridgeway

Consultant Legal Advisor:

Murray Tobias AM QC

(Year in brackets indicates when appointed)

Executive Management

Chief Executive:

Kim Oates, AM, MD, MHP, FRCP,
FRACP, FRACMA, FAFPHM, DCH

Executive Director (Clinical Services) and Deputy Chief Executive:

Peter Procopis, MB, BS, FRACP

Deputy Executive Director and Director of Clinical Outreach:

John Overton, OAM, MB, BS, DA (Lond),
FRCA, FFARACS, FANZCA (to April 2001)

Director of Clinical Services - Nursing:

Jenni Jarvis

Director of Corporate Services:

Russell Smith, BBus, GradDipBA,
AFCHSE, CHE,

Director of Finance:

Louise Mooney, LLB, FCA (to April 2001)

Acting Director of Finance:

Rosemary Chung, CPA

Director of Community Relations and Marketing:

David Jackett, ACMA

Director of Information Services:

Ralph Hanson, BSc(Med), MBBCH,
MPH, MRACMA, FRACP, FACEM

Medical Staff Council Representatives attending Board:

John Pitkin, MB, BS, FRACS,
FRCS (1996)

Paul Knight, MB, BS, FRACP (1998)

Postal Address:

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Board Meeting Attendances

1/7/00 - 30/6/01

Name	Possible meetings*	Meetings attended
J A Dunlop	10	10
P E Mason <i>(to 7/00)</i>	1	1
V Street	6	6
D G A Say	8	7
R K Oates	10	10
G Lawrence	7	7
J H Pascoe	10	3
J A Young	8	5
W Hawker	8	8
G Kibble	9	8
J Capon	9	8
P Anderson	9	9
K Doyle	7	5

** If a member has been granted leave, meetings held during that leave are not considered as possible meetings.*

profiles – board of directors

John Dunlop

John Dunlop was elected President in January 1983. He became a member of the Board in 1973 and has served the Hospital as Honorary Treasurer (1978-1981) and Vice-President (1981-1983). He is a director of the Children's Medical Research Institute, The Hospitals Contribution Fund of Australia Limited and Health Super Pty Ltd. He is President of the Health Services Association of New South Wales and a Councillor of the Australian Healthcare Association. John Dunlop was formerly Managing Director of Edwards Dunlop & Co Ltd. He was appointed a Member in the Order of Australia in 1987 in recognition of his work for children's health.

Peter Mason (to 7/00)

Peter Mason was Chairman of the Children's Hospital Fund from 1985 to 1993 and established the Fund as a major force in fund raising for the Hospital. He holds a BComm and MBA from the University of New South Wales and has had a distinguished career as a merchant banker. He is Chairman and Joint Chief Executive of the Ord Minnett Group Limited, on the board of Mayne Nickless Limited and on the Council of the University of New South Wales. He was a Vice-President of the Board. He was appointed a Member in the Order of Australia in 1995 in recognition of his work for the Hospital.

Val Street

Val Street is a Tertiary Education Consultant and was formerly Principal of the Women's College. She was a Fellow of the Senate of the University of Sydney and is now a Fellow of the University of Western Sydney. She is also on the board of the Philharmonic Choirs. She was elected to the Hospital Board in December 1989 and appointed a Vice-President in 1998.

David Say

David Say is a non-executive Director of a number of companies including HSBC Bank Australia (Chairman), Australian Centre for Languages (Chairman), Southern Star Group and Sydney West International College (Director). A Chartered Accountant, he holds a Diploma of Business Studies from IMI, Geneva. He was elected to the Board in 1989 and appointed Honorary Treasurer in 1993. He is a committed supporter of the fundraising work of the Hospital.

Kim Oates

(see profile: Executive Staff)

Graham Lawrence

Graham Lawrence joined the Board in 1993 and was Chairman of the Marketing Committee for the New Children's Hospital Caring Campaign and more recently a member of The Appeal Planning Committee for the Cure for Kids Campaign. He has a 35-year career in advertising and publishing. Graham has held the positions of CEO of News Magazine Pty Ltd, Group Advertising Sales Director of News Ltd, Deputy Publisher and Director of Australian Consolidated Press Ltd. He holds a Master of Strategic Marketing and is an Honorary Fellow of the International Marketing Institute of Australia.

John Pascoe

John Pascoe is a graduate of the Australian National University and, after admission as a solicitor, became a partner of Stephen Jaques & Stephen in 1977. He joined the Board of George Weston Foods Limited in 1981 and is now Chairman of that Company. He is a Director of Cambooya Investments Limited, Sealcorp Limited, National Chairman of The Duke of Edinburgh's Award Scheme in Australia and a part-time Member of the Board of Tourism New South Wales. He was

appointed a Member in the General Division of the Order of Australia in 1994.

John Pascoe was an Associate Member of the Trade Practices Commission from 1983 to 1989; a Director of Qantas Airways Limited from 1991 to 1993; a Member of the Australian Manufacturing Council from 1993 to 1995; Chairman of Airservices Australia from 1995 to 1996; a Trustee of the Sydney Opera House from 1988 to 1997; and President of the Corporations and Securities Panel from 1994 to 1998.

John Young

John Young is Professor of Physiology and Pro-Vice-Chancellor (Health Sciences) in the University of Sydney. He is a prominent Physiologist who has played an important role in international and national physiological societies. He is Field Editor of the European Journal of Physiology, a Fellow of the Australian Academy of Science, a member of both the British and the American Physiology Societies and a corresponding member of the German Physiological Society. Currently, he is President of the Federation of Asian and Oceanian Physiological Societies. He is Vice-President and Secretary (Biological) of the Australian Academy of Science. He is also a member of the Medical Board of NSW and of the National Health and Medical Research Council of Australia. John Young was appointed an Officer in the Order of Australia in 1994.

Wendy Hawker

Wendy Hawker was elected to the Board as Staff Member in 1998. She is currently employed at the Hospital as Executive Support Manager. She was Head Physiotherapist from 1980 to 2000, Chair of the Division of Allied Health Professionals from 1993-2001 and Chair of the Combined Divisions of Allied Health and Standards from 1999-2001.

She served on the Council of the Australian Physiotherapy Association, was an active member of the founding committee of the Physiotherapists in Management Group and served as a member of the Physiotherapists Vocational Branch of the Public Service Association. She is Chair of the Hospital's Quality Council.

Gabrielle Kibble

Gabrielle Kibble has a Bachelor of Arts and Diploma of Town and Country Planning from the University of Sydney. She is a Fellow of the Royal Australian Planning Institute, an Adjunct Professor in the Faculty of the Built Environment at the University of NSW and holds an Honorary Doctor of Science from that University.

She has extensive experience in the public sector, particularly in urban planning and infrastructure development as a former CEO of the Department of Urban Affairs and Planning and Director-General of the NSW Department of Housing. She has been Chair of Sydney Water since 1998.

She is Chair of the University of Western Sydney Nepean Council and Deputy Chancellor of that University. As Deputy Chair of the Ministerial Council to advise the Minister of Health on reform of the health system she chairs the External Review and Evaluation Group to monitor implementation of the Government Action Plan for Health. She sits on the Board of Western Sydney and Wentworth Area Health Services and was appointed to the Board of this Hospital in 2000.

Joanna Capon

Joanna Capon was appointed to the Board in 2000. She has been the Hospital's Honorary Art Curator since 1995 and the Chair of Operation Art from 1996. She is member of the President's Council and the recently appointed Chair of the Quality Council. She is Chair of the Australian Centre for Photography, a member of the NSW Ministry for the Arts, Visual Arts and Crafts Committee and a member of the Board of The Art Gallery of New South Wales Foundation. She has an MA in historical archaeology from Sydney University and is an art historian, historical archaeologist, author and lecturer.

The Hon Peter Anderson

Peter Anderson has had a successful career in both public and private life. A long time member of the NSW Parliament, he held a number of senior ministries. These included Policy and Emergency Services, Health, Youth and Community Services and Minister Assisting the Premier. He was an Alderman on Penrith City Council from 1977 to 1983 and on Prospect County Council from 1977 to 1980 (Chair 1977-1978).

He is Chair of Austral Malaysian Mining Ltd, Pulai Mining Sdn Berhad, Australian Traders Ltd and also the NSW Tow Truck Authority. He is a Director of the Cancer Surgery Research Foundation Ltd. He is also Chair of the Committee of Management of the Penrith Regional Gallery and the Lewers Bequest and Deputy Chair of the Joan Sutherland Performing Arts Centre.

Kevin Doyle

Kevin Doyle joined the Hospital Board in 2000. He is Chair of Vivendi Water Australia Pty Limited and is a Director of their affiliated companies in Australia. He has a degree in Engineering from the University of Sydney and in Finance from HEC France and New York University. Having worked for 22 years in France and the USA, he returned to Australia in 1991 to establish the Australian operation of the Vivendi Group.

profiles – executive staff

Kim Oates

Kim Oates was appointed as Chief Executive in December 1997. Apart from several years working in the UK and the USA, he has had a continuous association with the Hospital since starting as a Paediatric Resident in 1969. For the 12 years prior to his current appointment he was the Douglas Burrows Professor of Paediatrics & Child Health in the University of Sydney, a Member of the Hospital's Board of Directors and Chairman of the Hospital's Division of Medicine. He was the inaugural chair of the Federal Government's National Council for the Prevention of Child Abuse and Neglect from 1998-2001. In May 2000, the National Center for the Prevention of Child Abuse and Neglect in Denver, USA, awarded him the Kempe award for "outstanding contributions to the community on behalf of children", the first time this award has been given outside the USA.

Peter Procopis

Peter Procopis joined the Hospital staff in the Neurology Clinic in 1969. After a period of further training in the USA he returned in 1973 as a Visiting Neurologist. He was appointed Staff Neurologist in 1979, Director of Medical Services in 1985 and Executive Director in 1990. He is active in College affairs being the inaugural Chairman of the Australian Board of Paediatric Censors and was Chairman of the Committee for Examinations of the Royal Australasian College of Physicians until 1996. He was President of the Australian College of Paediatrics from 1993-1995 and is now a member of the RACP Council and Chair of the Board of Continuing Education. In 1999 he was appointed as the RACP nominee to the Medical Board of NSW. His interests in postgraduate medical education led to his appointment to the Postgraduate Medical Council of NSW from 1994 to 2000. He was Deputy Chair in 2000.

John Overton

John Overton joined the Hospital in 1968. He became Director of Anaesthesia in 1977, Deputy Director of Medical Services in 1982, Director of Clinical Services in 1990 and Director of Standards and Performance in 1996. In 1998 he was appointed Deputy Executive Director and Director of Clinical Outreach.

John Overton was appointed an OAM in 1999 in recognition of his service to medicine and the welfare of children as a paediatric anaesthetist.

Jennifer Jarvis

Jenni Jarvis joined the Hospital as Director of Nursing in February 2000. She previously worked in several positions of leadership at the Women's & Children's Hospital in Adelaide, SA, including the role of Head of the Clinical Support Unit. Since 1995, Jenni focused her role at the WCH on the development of a program of multidisciplinary clinical practice improvement. She is an active member of the Children's Hospitals & Paediatric Units Australasia, particularly in relation to the development of clinical costing information and benchmarking. She is a member of the Royal College of Nursing of Australia.

Russell Smith

Russell Smith joined the Hospital in August 1991 as Deputy Director of Administrative Services. He previously worked at St Vincent's (Private) Hospital in Toowoomba, Queensland, as Executive Officer. He held management committee positions on the Private Hospital's Association, Queensland and the Australian Catholic Health Care Association. He holds a Bachelor of Business (Health Administration) from Queensland University of Technology, a Graduate Diploma in Business Administration from the University of Sydney and is an Associate Fellow of the Australian College of Health Service Executives. He was appointed Director of Corporate Services in April 1993.

David Jackett

David Jackett joined the Hospital as Director of Community Relations and Marketing in 1994. He is a Chartered Management Accountant by profession, having qualified in England in 1982. He has worked in marketing having held brand management roles with Wilkinson Sword, Cerebos and Johnson & Johnson. In the four years prior to joining the Hospital, he was Marketing Manager at Air New Zealand.

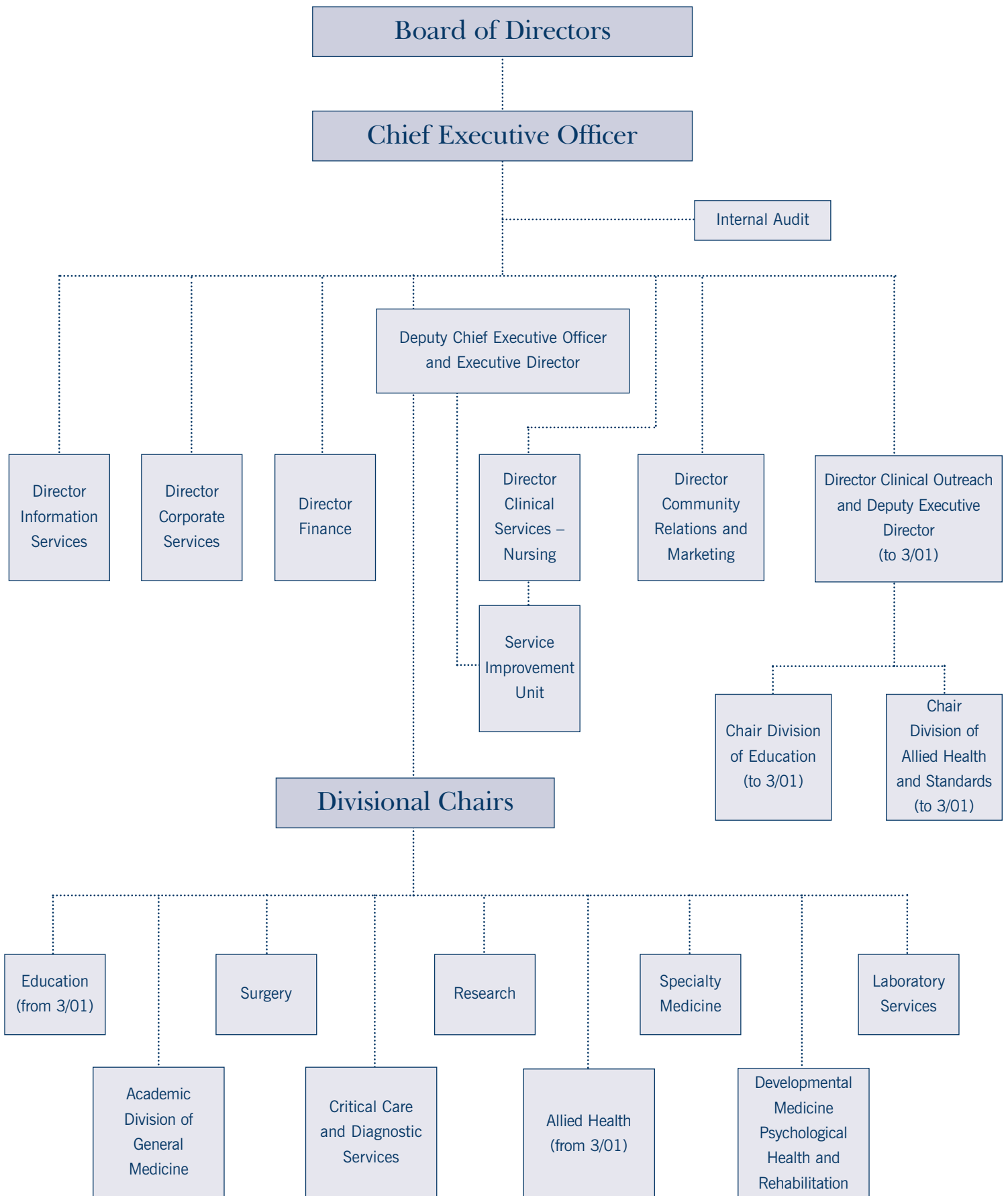
Ralph Hanson

Ralph Hanson joined the Hospital in 1982. After successfully completing his training in paediatrics, he was appointed as Staff Specialist and subsequently Head of the Emergency Department and Outpatients. In 1997 he was seconded to the position of Manager, Clinical Services Network Taskforce and subsequently appointed Chair of Information Services in 1998 and Director of Information Services in February 2000. He has extensive experience in health informatics and information management. He is both a Fellow of the Australasian College of Physicians and the Australasian College of Emergency Medicine and has a Masters in Public Health.

Louise Mooney (to 4/01)

Louise Mooney joined the Hospital as Director of Finance in August 1994. She holds a degree in Law from Queen's University Belfast, is a Fellow of the Institute of Chartered Accountants in Ireland and an Associate of the Institute of Chartered Accountants in Australia. She spent eight years in practice with both Price Waterhouse and Coopers & Lybrand, and a further eight years in senior positions in both the private and public sector before joining the Hospital.

lines of management responsibility



corporate governance statement

The Board is responsible for the corporate governance practices of The Children's Hospital at Westmead. This statement sets out the main corporate governance practices in operation throughout the financial year, except where indicated.

The Children's Hospital at Westmead Board

The Board carries out all its functions, responsibilities and obligations in accordance with the Health Services Act of 1997.

The Board is committed to better practices contained in the Guide on Corporate Governance, issued jointly by the Health Services Association and the NSW Health Department.

Board membership consists of a Chair, eight other non-executive members, a staff elected member, and the Chief Executive Officer, as an "ex-officio" member.

The Board has in place practices that ensure that the primary governing responsibilities of the Board are fulfilled in relation to:

- Setting strategic direction
- Ensuring compliance with statutory requirements
- Monitoring organisational performance
- Monitoring quality of health services
- Board appraisal
- Community consultation
- Professional development

This Report contains information regarding the identity of each Board member noting the i) qualifications, specific skills and experience they bring to the Board; ii) term of appointment of Board members; iii) frequency of Board meetings and members' attendance at meetings.

Resources available to the Board

The Board and its members has available to it various sources of independent advice. This includes advice of the external auditor (the Auditor General or the nominee of that office), the internal auditor who is free to give advice direct to the Board, and professional advice.

The engagement of independent professional advice to the Board shall be subject to the approval of the Board or of a committee of the Board.

Strategic direction

The Board has in place processes for the effective planning and delivery of health services to the communities and patients serviced by the Area Health Service. This process includes the setting of a strategic direction for both the organisation and for the health service it provides.

Code of ethical behaviour

As part of the Board's commitment to the highest standard of conduct, the Board has adopted a Code of Ethical Behaviour to guide Board members in carrying out their duties and responsibilities. The Code covers such matters as: responsibilities to the community, compliance with laws and regulations, and ethical responsibilities.

The Board has also endorsed the Code of Conduct, which applies to the management and other employees of the Area Health Service. A copy of this Code

of Conduct, following review in August 1999, was distributed to all staff members and is available on the Hospital's Intranet.

Performance appraisal

The Board has ensured that there are processes in place to:

- monitor progress of the matters contained within the Performance Agreement between the Board and the Director General of the NSW Health Department.
- regularly review the performance of the Board through a process of Board self appraisal.

Risk management

The Board is responsible for supervising and monitoring risk management by The Children's Hospital at Westmead, including the Service's system of internal controls. The Board has mechanisms for monitoring the operations and financial performance of the Service.

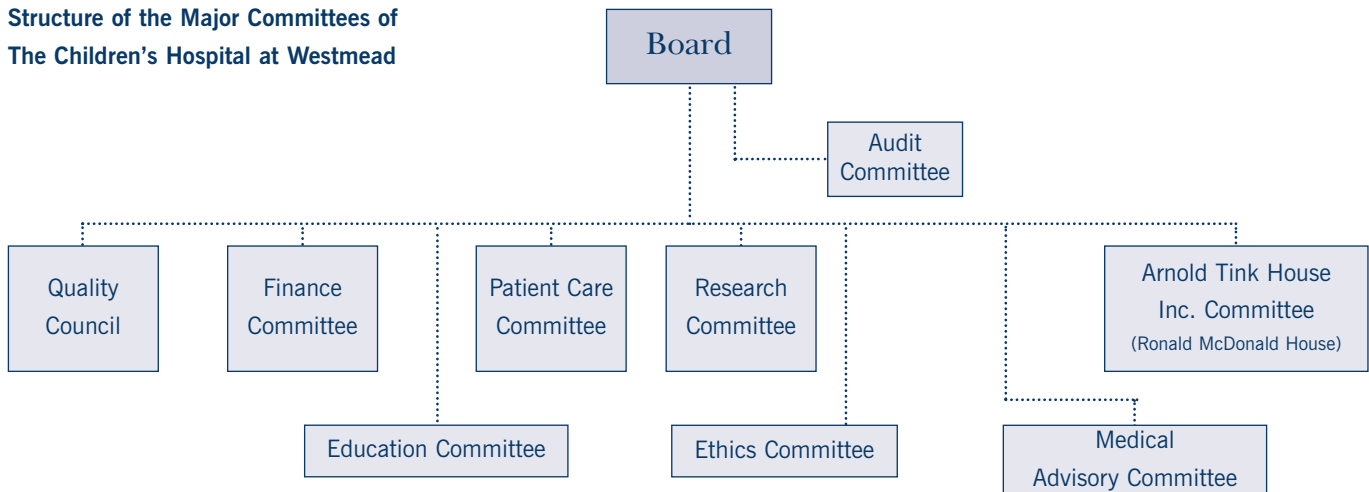
The Board receives and considers all reports of the Service's external and internal auditors and, through the Audit Committee, ensures that audit recommendations are implemented.

Committee structure

The Board meets at regular intervals and has in place mechanisms for the conduct of special meetings. The Board has a committee structure in place to enhance its corporate governance role. These committees meet regularly.

committees

Structure of the Major Committees of The Children's Hospital at Westmead



Quality Council

The Board has in place systems and activities for measuring and routinely reporting on the safety and quality of care provided to the community. These systems and activities reflect the principles, performance and reporting guidelines as detailed in the Framework for Managing the Quality of Health Services in NSW documentation.

Role: The Quality Council has been established to provide leadership in continuous service improvement throughout the Hospital. The Committee reports to the Board on all areas of quality of service, particularly in relation to the six dimensions of quality contained in the NSW Health Quality Framework document.

Membership

Board Representatives
 ~ Ms Wendy Hawker (Chair)
 ~ Ms Joanna Capon
 Chief Executive
 Executive Director
 Director, Clinical Services – Nursing
 Director, Division of Information Services
 Chair, Clinical Review Committee
 Clinical Practice Improvement Coord
 Three Medical Clinicians
 Representatives, Nursing (two)
 Representative, Allied Health
 Representative, Risk Management
 Representative, Information services

Representative, Education
 Representative, Ambulatory Service
 GP representative
 Consumer representative

Finance Committee

The Board has established a Finance Committee. This Committee is chaired by Mr J A Dunlop. The Finance Committee meets monthly. The terms of reference for the Finance Committee are to:

- examine budget allocations
- monitor overall financial performance in accordance with budget targets
- develop and maintain an efficient, cost effective finance function and information systems
- ensure appropriate delegated financial controls
- monitor funds management

The Board complies with the provisions of the Accounts and Audit Determination for Area Health Services.

Role: The Finance Committee monitors the financial aspects of the Hospital and reports to the Board on the effectiveness of the Hospital's financial management in relation to its budget and the regulations under which it operates.

Membership

Board Representatives
 ~ Mr J A Dunlop (Chairman)

~ Mr D G A Say
 ~ Ms V Street
 Chief Executive
 Executive Director
 Director, Finance
 Director, Corporate Services
 Director, Community Relations
 and Marketing
 Director, Clinical Services - Nursing

Audit Committee

The Board has established an Audit Committee. This Committee is chaired by Mr D G A Say.

The Audit Committee meets quarterly. The terms of reference for the Audit Committee are to:

- maintain an effective internal control framework
- review and ensure the reliability and integrity of management and financial information systems
- review and ensure the effectiveness of the internal and external audit functions.

Role: The Audit Committee acts as an advisory body to the Board of Directors in discharging the Board's responsibilities for issues relating to internal and external audits, management and internal controls, financial reporting and accounting policies.

Membership:

Board Representatives
 ~ Mr D G A Say (Chairman)
 ~ Mr J A Dunlop
 ~ Ms V Street
 ~ Mr K Doyle

The Committee invites the attendance of:

~ A Partner, Ernst & Young
 ~ Director of Audit, Auditor General's Office of NSW
 ~ Internal Audit Manager

Chief Executive
 Executive Director
 Director, Finance
 Director, Corporate Services
 Director, Community Relations and Marketing
 Director, Clinical Services - Nursing

Corporate Governance Committee

Role: The primary objective of the Corporate Governance Committee is to assist the Board to achieve strategic leadership and overall good governance of the Hospital and to ensure the proper management of the Board's responsibilities.

Membership:

Board Representatives
 ~ Mr J Dunlop (Chairman)
 ~ Ms G Kibble
 ~ Mr J Pascoe
 ~ Ms W Hawker
 Chief Executive

Patient Care Committee

Role: The Patient Care Committee is accountable to the Board for the provision of clinical services to patients and their families in the Hospital.

Membership:

Board Representatives
 ~ Ms V Street (Chairman)
 ~ Mr J H Pascoe
 Chief Executive
 Executive Director
 Director, Clinical Outreach

Director of Clinical Services – Nursing
 Deputy Director of Nursing
 Director, Corporate Services
 Deputy Director, Corporate Services
 Director of Finance
 Chairman, Division of Surgery
 Chairman, Academic Division of General Medicine
 Chairman, Division of Specialty Medicine
 Chairman, Division of Critical Care and Diagnostic Services
 Chairman, Division of Allied Health
 Chairman, Medical Staff Council
 Chief Resident
 Manager, Outpatient Services
 CNC Infection Control
 One Nurse Unit Manager
 Three Clinicians
 - Dr Martin Glasson
 - Dr Elisabeth Hodson
 - Dr Louise Baur

Medical Advisory Committee

Role: The Medical Advisory Committee advises the Patient Care Committee about all matters relating to the clinical care of children.

Membership:

Board Representative
 ~ Mr J A Dunlop (Chairman)
 Chief Executive
 Executive Director
 Director, Clinical Services - Nursing
 Douglas Burrows Professor of Paediatrics and Child Health
 Chairman, Division of Surgery
 Chairman, Medical Staff Council
 Chairman, Division of Critical Care and Diagnostic Services
 Chairman, Division of Education
 Chairman, Division of Developmental Medicine, Psychological Health and Rehabilitation
 Chairman, Academic Division of General Medicine
 Chairman, Division of Specialty Medicine
 One Clinician
 Dr M Glasson

Ethics Committee Membership

Role: This Committee safeguards the rights of infants, children and young people who seek the Hospital's help, or who are brought to the Hospital or its outreach services. The Committee has particular concern that new protocols, treatment and research are properly reviewed and maintained.

Membership

~ Prof Peter Rowe (Chairman)
 ~ Ms Anne O'Neill (Secretary)
 Board Representative
 ~ Prof R K Oates
 Community Members not affiliated with the institution
 ~ Mrs Ruth Burleigh
 ~ Mr Rod Young
 Mr Ian Butcher (Lawyer)
 Ms Helen Maguire (Chaplain)
 Prof Sue Nagy (Nursing Research)
 Ms Donna Waters (Nursing Research)
 Ms Alison Moore (Allied Health Research)
 Dr Roger Reddel (Representative, CMRI)
 Dr Peter Cooper (Professional Care).

Arnold Tink House Committee

Role: The Arnold Tink House Committee is an incorporated body responsible for the operation of Ronald McDonald House. The Committee oversees the management and financial operations of the House and sets policies appropriate for day-to-day operation.

Membership

Mrs T Jermyn (Chair)
 McDonald Children's Charities
 Mr T Decari
 Mr R Finn
 Mr D Tynan
 Representatives of The Children's Hospital at Westmead
 ~ Prof R K Oates
 ~ Mr R Smith
 ~ Ms C Searle (to 4/01)
 Ordinary Members

- ~ Mrs R Everett
 - ~ Mrs J Keenan
 - ~ Mr M Holton
 - ~ Mr A Overton
- In Attendance
- ~ Ms C Atkinson – House Manager.

Education Committee

Role: The Education Committee coordinates education initiatives for both professional and non-professional staff within the Hospital and community.

Membership:

- Chairman, Division of Education (Chairman)
- Chief Executive
- Executive Director
- Director, Clinical Outreach
- Representative, Other Professions Education Committee
- Representative, University Department of Paediatrics and Child Health
- Representative, University Department of Paediatric Nursing
- Representative, Medical Education Committee
- Representative, Nursing Education Committee
- Representative, Allied Health and Technical Education Committee (2).

Joint Consultative Committee

Role: Provides a forum for consultation and discussion between the Hospital, Unions and specified staff representatives.

Membership

- Chief Executive Officer
- Executive Director
- Director, Clinical Services – Nursing
- Director, Finance
- Director, Corporate Services
- Manager, Staff Services Department
- Chief Resident Medical Officer
- Elected Staff Representative to the Board
- Representative, Medical Staff Council
- Minute Secretary
- Representatives, Australian Salaried

- Medical Officers' Federation
- ~ Head Office official, one local branch representative
- Representatives, Health and Research Employees Association
- ~ Head Office official, one local branch representative from each of the following:

- General Sub Branch
- Allied Sub Branch
- Hospital Managers Sub Branch
- Junior Doctors Sub Branch

- Representatives, NSW Nurses Association
- ~ Head Office official, two local branch representatives

- Representatives, Trade Staff Union
- ~ Head Office official, one local branch representative

Spokeswomen's Representative.

Research Committee

Role: To encourage and promote an inquiring approach to health problems in children and to advise the Board on use of research funds.

Membership

- Board Representative
- ~ Mr J Dunlop (Chairman)
- Chief Executive
- Executive Director
- Professor of Paediatrics and Child Health
- Chairman, Division of Research
- Chairman, Division of Developmental Medicine, Psychological Health and Rehabilitation
- Representative, Children's Hospital Education Research Institute
- Representative, Nursing Academic Unit
- Representative, Scientific Advisory Committee
- Director, Children's Medical Research Institute
- Representative, Westmead Institute of Health Research.

committees

overview of divisional achievements

This year's report of divisional achievements includes examples of work performed across all Hospital divisions. These specific examples illustrate our vision for excellence in child health care and highlight our commitment to constantly challenging boundaries. Reported against our Strategic Goals and Performance Agreement with NSW Health, these achievements have made a significant contribution to improving child health in Australia.

NSW Health Goal: Healthier People

Mental Health

- ~ Conducted 20 telepsychiatry site visits.
- ~ Developed partnership with University of Technology, Sydney (UTS) to provide postgraduate nursing training in psychological aspects of paediatric care.
- ~ Appointed a Clinical Nurse Consultant to provide support for children with psychiatric illnesses in rural hospitals, through a telenursing service.
- ~ Filled the academic clinical post for Mental Health.

Health Priority Areas and Health Promotion

- ~ Established an obesity research group to coordinate and improve research into childhood obesity.
- ~ Developed a weight management group program involving adolescents and their parents.
- ~ Enhanced funding granted to the Centre for Immunisation Research from the Commonwealth.
- ~ Conducted awareness campaigns focusing on driveway injuries, child restraint and passive smoking.
- ~ Guidelines for a Food Safety Plan developed in conjunction with WSAHS. All staff trained, and new procedures implemented, reducing the possibility of food poisoning.

CHW Goal: Healthier Children.

Achieved	Significance
Demonstrated that severe malnutrition is common in children with cerebral palsy, as are problems with oesophagitis and bronchiectasis, as a result of gastro-oesophageal reflux.	Improvement in nutritional status with gastrostomy feeding.
Demonstrated the effects of exercise on bone geometry, mineral and material properties and microarchitecture in adolescent and prepubertal females and children with Insulin-dependent Diabetes Mellitus.	Reinforced the value and effectiveness of exercise for prepubertal and adolescent children with chronic illness.
Established The Eczema Centre (Alice Campbell Eczema and Psoriasis Treatment Centre).	A marked reduction in eczema admissions to general wards, along with better service and training for families of children with eczema.
Purchased the Retcam camera, which allows better and instant documentation of retinal disorders such as retinal haemorrhages.	Improved retinal photography allowing documentation of progression/ change of retinal pathology eg retinoblastomas and retinopathy of prematurity. Also useful for medicolegal cases such as those involving Shaken Baby Syndrome.

Achieved	Significance
Emergency Department instituted research in common childhood conditions.	Improved ED management.
Developed a multidisciplinary management protocol for non-accidental brain injury in children under 3 years - presently being trialed.	Improved care and follow up for these children.
Established an Immunotherapy Clinic.	Enables assessment and regular review of children with complicated multiple allergic disorders.
Established a new Allergy Service with the appointment of a Clinical Immunologist with post-doctoral training in allergy.	Improving the diagnosis and treatment of children with allergic diseases.
A landmark study for Australia carried out by the Centre for Kidney Research surveyed primary school children and found that 19.2% of children experience problems with urinary continence in their first year at school.	Revealed a much higher figure than expected. Only 16% of the families had sought medical help.
Biochemistry devised a detailed Hospital Protocol for the investigation of neurotransmitter disorders.	Protocol will be employed not only within the Hospital, but also in other institutions interstate and overseas.
PILOT Program completed in the Cytogenetics department: Developed the local application of prenatal interphase detection of the most common chromosome abnormalities.	This service results in rapid prenatal diagnosis where there is the greatest likelihood of a chromosome abnormality or where a rapid diagnosis is clinically indicated.
Clinical Genetics participated in the Medical Genetic Therapy Working Party (HGSA), advising the Lifesaving Drugs program regarding Cerezyme treatment for children and adults with Gaucher Disease.	Recognition of CHW as a centre of clinical expertise in the management of enzyme replacement therapy for genetic disorders. Dramatic improvement in the health and quality of life of children with Gaucher disease.
Australian Paediatric Surveillance Unit's contribution to Polio eradication in Australia recognised by the Federal Government and the WHO.	Involvement has direct impact on eradication of Polio from Australia.
In collaboration with CMRI, Neurogenetics developed the first mouse model of childhood myopathy.	Enhanced research into childhood myopathy.
Established a "red-bottom" clinic in the Child Protection Unit.	Early intervention with an at-risk population.
Clinical Genetics developed a laboratory service for the molecular analysis of the FBN1 gene, for investigation of Marfan syndrome and related microfibrillar disorders.	Classification and confirmation of diagnosis in children and families with a spectrum of related disorders, allowing improved family genetic counselling, understanding of prognosis and development of anticipatory health care management guidelines.
University Teaching Unit increased medical student time in paediatrics, from 5 weeks to 9 weeks.	Greater opportunity for the next generation of doctors to appreciate the unique aspects of paediatric care.
Received \$17 million from donations of cash and shares, sales of merchandise and bequests, to assist with the day to day running of the Hospital. In addition, over \$10million was donated to the Cures for Kids capital campaign to support the research work of the Hospital. This total of over \$27million is the highest amount ever donated to the Hospital and exceeds the previous year's figure by nearly \$7 million.	These funds will be used to supplement income received from the state government, grants and private patient revenue. Without fundraising support we still provide a very good service for the children and families who turn to us, but with the additional support from the community we are able to provide a service equal to the worlds' best.

Achieved	Significance
Distribution of weekly health columns, produced by the Public Relations team, in consultation with clinicians, further expanded to regional and introduced to ethnic newspapers.	These messages play an important part in helping to improve the health and welfare of children by promoting positive parenting and giving carers information to prevent unnecessary accidents and manage disease.
Reviewed Pre Admission Testing service in conjunction with Day of Surgery Admission Project.	Streamlined admission processes to decrease time spent as an inpatient.
Program being trialed to improve co-ordination of care for children and families who access CHW frequently.	Improved service for families of children with chronic medical conditions.

NSW Health Goal: Fairer Access

Aboriginal Health

- ~ A new ENT service for Aboriginal children set up at Goulburn Base Hospital. An ENT clinic and operating list are performed as an outreach service every 8 weeks.
- ~ Aboriginal Employment Strategy being implemented. The strategy concentrates on frontline services and includes a number of traineeships.
- ~ Work is under way to specify a number of Junior Medical Officer positions for Aboriginal doctors.
- ~ Opened Bear Cottage palliative care facility in March providing respite and terminal care for all children in NSW with incurable and life-limiting illnesses.
- ~ Received replies for the Diabetes Outreach Memorandum of Understanding from 3 out of 7 rural Area Health Services. Survey of non-responding areas suggested that agreements between specific hospitals or major diabetes treatment centres would be easier to implement.

Service Access and Service Models

- ~ The Hospital continued to meet the Emergency Department targets for the very sickest children. There were 3,200 more presentations to ED this year. Despite new strategies introduced during the year, the volume of children presenting to the ED made the targets for the less sick children difficult to achieve.
- ~ The inpatient activity for the year 2000/2001 appears below target. It should be noted that this excludes Oncology, Sleep and Diabetes activity that has shifted to outpatients. When this activity is included it can be seen that overall activity is in fact 11.4% higher than the set target.
- ~ Launched the Ambulatory Care Program for diabetes in children.
- ~ Implemented the home IV program for cystic fibrosis (CF) children and proposal approved for a CF day treatment centre.
- ~ Circulated information on the role of and admission procedures for Bear Cottage to Hospital staff and staff of the other NSW major Paediatric centres.
- ~ Introduced new bed management initiatives.
- ~ There was a 12% improvement in day of surgery admissions (DOSA) over the year and the Same Day surgery target was met 10 out of 12 months. Lack of paediatric services in surrounding areas created a high volume waiting list and targets for waiting list activities were not met this year. The table below shows performance to targets:
- ~ A working party has been established to look specifically at waiting list issues. They are also being addressed through the development of the Greater Western Sydney Child Health Network

CHW Goal: Fairer Access

Achieved	Significance
Increased provision of home care for palliative care patients, nursing and medical liaison with community palliative care services and development of a model of care for country families.	Achieved better care for children and their families, and at the same time optimal use of Hospital facilities.

CHW Goal: Fairer Access

Achieved	Significance
Developed an innovative outreach service called 'Healthy Children Program,' which commenced in January 2001, providing clinical paediatric services and parenting support for families in which a parent has drug dependency.	The service is located on site at the Fleet Street Methadone Clinic, which enables families to access paediatric services easily in coordination with other drug rehabilitation services.
Developed plans for a co-ordinated asthma education and management program for children and their families in the Greater Western Sydney Child Health Network (GWSCHN).	Improved knowledge, skills and confidence of staff and families in managing childhood asthma as well as reducing morbidity in children with asthma in the GWSCHN.
Established outreach neurology clinics in Orange and Nowra and developed partnership arrangement with Nepean Hospital for reading their paediatric EEG's.	Improved neurology services for patients and Paediatricians in those areas and provides opportunities for greater interaction with local services.
Maintained and further developed the extensive secondment network of Paediatric medical resident trainees throughout the metropolitan Sydney and NSW.	Improved training of future Paediatric consultants, particularly through exposure to health service provision in the community and in rural areas; improved access to Paediatric health services by local communities.
Responded to issues highlighted in the Disability Action Plan, to improve access within the Hospital.	Improved services for children and young people with ongoing disability who use the services of the CHW.
Instituted a direct referral policy from Mt Druitt community centre to CHW Allied Health departments.	Easier access and referral for children from this area.
Maintained Diabetes Outreach program to 15 rural and regional centres. Diabetes complications assessment service available to all children and adolescents with diabetes in NSW.	CHW seen as a leader in providing diabetes management in children and complications assessment for adolescents with diabetes.
Established recurrent funding for Child and Adolescent Psychological Telemedicine Outreach Service (CAPTOS) with significant expansion of staff and services in Psychological Medicine for regional NSW.	Joint consultations to all NSW regional districts through videoconferencing and site visits.
Our paediatric teams and emergency department, with support from psychological medicine, demonstrated the model of BEAMS – Brief Emergency Assessment and Management Service admissions that is to be developed in paediatric units throughout NSW.	Recognition for our acute response on admissions for child and adolescent psychiatric emergencies, in the Child & Adolescent Mental Health Services Inpatient Plan.
Established Triage Guidelines for Child & Adolescent Mental Health in Emergency Department.	Increase in confidence in dealing with psychological medicine emergencies as part of core business.
Spina bifida outreach clinics conducted in Tamworth and Coffs Harbour.	Improved access for rural clients to a multidisciplinary service, and education of local health workers and parents in the care of children with spina bifida.
Speech Pathology involved in significant increase in the number of Outpatient Modified Barium Swallow procedures for patients.	Perceived as a key facility for conducting paediatric modified barium swallow procedures, considered the "gold standard" in detecting aspiration.
Developed follow-up program for bereaved families.	Provides continuum of care for whole family.

Achieved	Significance
Extended the full range of IT services available at CHW, such as access to clinical systems, intranet/internet, email, phones, etc to Bear Cottage.	Allows Bear Cottage to feel part of and maintain the close connection with CHW.
Completed renovations for DOSA project. Designed and managed by CHW's own Engineering Department.	Improved access for children being admitted on the Day Of Surgery.
Diploma in Child Health- distance education is offered at three remote sites throughout NSW - Taree, Canberra and Campbelltown.	Expansion of study opportunities.

NSW Health Goal: Quality Health Care

Initiatives in Quality Management

- ~ Clinical Practice Improvement Unit established, with a philosophy of continuous improvement and a culture of targetting system errors rather than individuals.
- ~ Reporting of errors is being encouraged with the development of an anonymous reporting tool.
- ~ Bed management has been reviewed and strategies implemented to improve performance.
- ~ Consensus discharge guidelines have been agreed to for asthma patients.

Community Engagement and Working Partnerships

- ~ Conducted teacher workshops to increase primary school based physical activity, in partnership with WSAHS and Australian Council for Sport, Physical Education and Recreation.
- ~ Established the Family Focused Care committee, which includes parent representatives who will be invited to join focus groups to look at specific issues of patient care.

Teaching and Research

** Refer to the Hospital Website for more detailed information about Research activities*

- ~ Established the Centre for Evidence Based Paediatrics Gastroenterology and Nutrition.
- ~ Australian Paediatric Surveillance Unit awarded recurrent funding by the Commonwealth Department of Health and Aged Care for research into rare childhood diseases.

Skilled, Valued Workforce

- ~ Developed a strategy for Disability employment.
- ~ Developed an electronic solution for HR information on the management of conference and study leave. This is being looked at with a view to implementation in other AHS.
- ~ Standard consultative mechanisms proved very successful during the Olympics and Para-Olympics.

CHW Goal: Quality Service

Achieved	Significance
Dramatically improved the completion rate of Discharge Summaries, through a 'discharge summary working bee', and weekly discharge planning meetings.	A high rate of completion of discharge summaries contributes significantly to improving continuum of patient care.
Refurbished Yaralla ward to open a new and larger Renal Treatment Centre, including a multisensory room. Extended operating hours of RTC enable high school aged dialysis patients to attend a full day at school before receiving treatment.	Sufficient space to carry out haemodialysis in children in a safe manner in excellent surroundings. The multisensory room, together with input from the Play Therapist, will help prepare children for haemodialysis. School aged children now miss minimal schooling.

CHW Goal: Quality Service

Achieved	Significance
Established and evaluated a home IV service for children with cystic fibrosis	Has allowed children with cystic fibrosis requiring IV antibiotics to be treated by parents at home, and has also formed the basis of home IV services for children with a variety of other conditions.
Established home infusion program for immunoglobulin.	Creates autonomy for immunodeficient children and young people.
Commenced Day Stay admissions for children with Crohn's Disease.	Enhancing quality of life by decreasing hospitalisation for children with Crohn's Disease from many weeks to a day stay admission.
Diabetes Day Care Program commenced in November 2000.	Greater family access to paediatric diabetes management.
Implemented Review Clinics for children waiting longer than 9 months, to assess if surgery still required.	Reduced waiting lists.
Conducted strength assessments and assessment of physical activity levels as part of a clinical trial in children with mitochondrial myopathy.	Exploratory work to examine the effectiveness of nutritional supplementation on ambulation in children with genetic disorders.
Established a joint Deafness Centre/ENT Clinic for children with permanent sensori neural loss who need the urgent attention of an ENT specialist.	Very positive response from Australian Hearing Staff who are making a big effort to re-test children quickly and to give feedback after treatment.
Epidemiology Unit commenced weekly clinical research methodology presentations.	Promotes high quality research for new researchers from various backgrounds.
Clinical Practice Improvement Unit implemented a quality project and assessment tool across the Hospital, decreasing the incidence of pressure areas in children from 18% to 0.5%.	Improved quality of care.
Drug trials of Embril conducted in Turner Day Stay Ward.	Enhanced quality of life of children with Juvenile Rheumatoid Arthritis.
Interval treatments, for those on the Pamidronate treatment program, now delivered at the local hospital.	Improved family life for all country based patients with less long distance travel required for treatment.
Extended the Care by Parent Service by 4 more beds and to 7 days per week.	Opportunity for parents to care for their children requiring hospital services without the restrictions and costs associated with inpatient 24 hour nursing care.
Comprehensively reviewed Oncology Dietetic Service.	Average saving of \$26,043 per annum in total parenteral nutrition (TPN).
Established a Developmental Cognitive Neuropsychological Research Unit with MACCS (Macquarie University).	Highly specialised research service.
Data collection completed and papers presented on the pilot study into the benefits of injecting Botulinum toxin into specific arm muscles.	Reduced spasticity, improved quality of life, and improved functional abilities in upper limbs of children with cerebral palsy.
Participated in external review of Cardiac Surgical Program.	World-class results confirmed.

Achieved	Significance
Established Transitional Care Plan for adolescents with endocrine disorders and diabetes.	Improved adolescent health by ensuring transfer to appropriate adult service.
Biochemical Genetics established an assay for diagnosis of Fatty Acid Oxidation Defects in skin fibroblasts, which does not require the use of radioisotopes.	Reduction of the use of radioisotopes reduces safety and waste disposal costs and concerns. The new assay also offers more diagnostic information than the previous assay.
Endocrinology achieved international validation of HbA1c assay method from the national Glycohemoglobin Standardisation Program – USA.	The validation of the CHW HbA1c method allows international benchmarking of control for audit and research purpose.
Developed new diagnostic tests through the research efforts of the Rett and Marfan research groups.	Moving from the research bench to the diagnostic lab to provide unique services for important genetic diseases.
Cytogenetics established a new lab service for the specific diagnosis of soft tissue tumours.	Tumour specific treatments instituted within a few days of tumour diagnosis.
Developed a protocol of complementary cytogenetic techniques to recognise the cryptic deletion syndrome on chromosome 1p36. Only 40 cases have been reported in the world literature. We now have diagnosed 7 more.	Great benefit to families with affected children, both for a way of determining recurrence risk and an explanation for the problems suffered by their children.
Neurogenetics characterised the clinical and pathological features of a subset of patients with nemaline myopathy.	Ability to identify mutations in the actin gene of patients with nemaline myopathy.
Orthopaedic Research unit achieved improvement of bone formation in a rabbit research model.	Improved bone healing.
Reviewed outcome of cataract surgery in children and also the use of aphakic contact lenses.	Ability to objectively advise on best practice in management of paediatric cataract.
Adolescent Medicine, in conjunction with Psychological Medicine, developed a coordinated protocol for inpatient management of patients with eating disorders.	Improved care for patients with eating disorders.
Appointment of a Revenue Co-ordinator and Patient Liaison Officer.	Increased awareness of importance of revenue to Hospital's budget.
Maintenance department implemented a system of building zoning for preventive maintenance.	Increased service reliability and extended lifetime.
Patient Administration staff involved in collecting data on admissions attended in-service training on collection of "Indigenous Status" information.	Appropriate distribution of funding to improve health services for Aboriginal families.
The Risk Management Unit developed and implemented a "Patient Manual Handling System" and introduced a Manual Handling Database designed to record identified risks, and remedial action.	Reduction in risk exposure for both the patient and the carer. Improved healthcare environment for care providers, patients and families.
Parent survey conducted by the Child Care Centre in May.	High level of parent satisfaction with quality of service provided.
Implemented a system of regular reporting on organisational performance across the Hospital.	Promote a focus on performance and service improvement.

Achieved	Significance
Implemented Exchange/Outlook email system, providing access to better productivity tools.	Increased productivity of staff through improved access to better technology.
Developed and implemented a new electronic discharge summary system.	Improved communication between the Hospital, GP's and other interested parties.
Enhanced Powerchart to provide further clinical documentation at the point of care.	Access to timely, accurate and more complete patient information.
Participated in an Australia-wide paediatric nursing surgical benchmarking project and clinical forum to develop an action plan of initiatives to improve clinical outcomes.	Enhanced quality and safety of peri-operative care to children.
Items made from recycled Kinguard now being supplied to other Hospitals.	Practical, cost saving solution, to reduce linen costs.

NSW Health Goal: Better Value

Activity, Financial Management and Efficiency Strategies

- ~ Feedback to Executive and Divisions expanded to include reporting of performance against Episode Funding targets, as well as quarterly costing data.
- ~ Annual cost data submitted to NSW Health on time.

Health Service Strategic Development and Asset Strategies

- ~ Commercial Operations Manager appointed to assist with supply chain reform.

Information Management

- ~ Health Information Exchange implemented, and now being rolled out to department head level, using Business Objects as the reporting tool.
- ~ IM&T Strategic Plan in place and under review to ensure alignment with both GAPH and the NSW Health IM&T strategies.

CHW Goal: Value

Achieved	Significance
Gastroenterology undertook an audit of over 1200 endoscopies, which indicated a lack of endoscopic findings in children with recurrent abdominal pain and a high negative biopsy rate (over 50%) in children undergoing biopsy for coeliac disease.	Elimination of unnecessary endoscopy for children and a more efficient use of Hospital resources.
Implemented effective bed management strategies and discharge planning, resulting in improved bed availability.	Appropriate and well planned admissions. Earlier discharges of patients (where appropriate). Decreased access block to the wards. Increased staff and consumer satisfaction.
IT Services implemented strategies to minimise operating costs and maintain a higher level of technology.	Increased equity in the level of access and standard of equipment for all staff.
Oncology Unit appointed as a member of Clinical Oncology Group (COG), the prestigious US cooperative childhood cancer study group.	Hospital profile of CHW raised nationally and internationally. Improved outcome for children with cancer, who can now receive treatment on COG protocols and have access to investigational agents and other beneficial drugs from National Cancer Institute in the US at no cost to families.

Achieved	Significance
Endocrinology arranged delivery of growth hormone to LMO's.	Improved efficiency and reduced dispensing costs.
Western Sydney Genetics has successfully applied for research funding to establish the IRSA MECP2 Mutation Database.	The database will be the most extensive resource in the world for recording disease-causing mutations in the MECP2 gene, which is responsible for Rett syndrome.
Utilised telemedicine resources to conduct inter-hospital advanced training meetings for genetics fellows.	Increased efficiency by minimisation of time spent away from Hospital because of travel to training meetings, and less disruption to clinical duties.
Adolph Basser Institute of Cardiology obtained 70% funding support from Dept of Health for replacement of sole paediatric cardiac catheter laboratory for NSW.	Improved service provision.
Biochemical Genetics used new instrumentation and software to automate some aspects of organic acid profiling for detection of inborn errors of metabolism.	Improved efficiency has allowed increased numbers of samples to be processed without an increase in resources.
Linen department extended the services of supplying made to order garments to Sydney Children's Hospital and other private physiotherapists.	Increased revenue. Good feedback from hospitals and private facilities.
Used Cleaning Analysis Management System (CAMS) to produce detailed and accurate cleaning costs.	Improved standards in cleaning.
Revised advertising formats to conform to Hospital's new corporate image. Implemented electronic advertising template.	Improved response rates to advertisements by 30%.
Collected a copy of all third party insurance certificates from Service contractors who work with Engineering department.	Appropriate insurance cover ensured for any accident involving contractors.
Published a new Parent and Patient Admissions Guide, incorporating all aspects of admission to the Hospital.	Reduced duplication of information and printing costs.
Revised some maintenance service contracts.	Significant cost saving.
Psychological Medicine established guidelines for prevention and management of aggression in the Hospital.	Improved OH & S for patients and staff.
Implemented electronic funds transfer payments to Visiting Medical Officers.	Improved service with reduced processing costs.
Implemented GST throughout the Hospital.	Compliance with requirements of Australian Tax Office legislation.
Implemented delivery of stationery items directly to departments at no additional cost.	Better use of scarce resources.
In November 2000 the name of the Hospital changed from The New Children's Hospital to The Children's Hospital at Westmead, involving a major redesign of our corporate image and communication strategy.	Improved communication through use of a clear, consistent image resulting in increased awareness among a wide range of stakeholders.

Achieved	Significance
Evaluated the admission process for DOSA to identify the infrastructure required to increase performance.	Combined admission process for Day Surgery and DOSA. Better performance against DOSA benchmark and targets.
Implemented a mentor program for nursing staff in Oncology.	96% retention rate of staff after mentor program at three months.
Staff Services developed and coordinated the Hospital's response plan to the Sydney 2000 Olympic Games.	Services maintained according to plan with staff given opportunity to participate.

Goal: Advocacy

Achieved	Significance
Histopathology developed protocols for managing issues relating to retention of organs.	Recognition from NSW Health Department as an excellent method for dealing with the issue.
Developed guidelines for "The role of Steroids in the Management of Childhood Asthma" at request of Thoracic Society of Australia and New Zealand (TSANZ).	Appropriate use of steroids in children with asthma in the community.
Neonatology department instrumental in establishing a community run oesophageal atresia support group.	Vital support provided for parents with infants who have this condition.
Cytogenetics directed a program of testing for the chromosomal deletion associated with Velocardiofacial syndrome. This work identified a very low number of familial cases.	Specific diagnosis and counselling can assure families a low recurrence risk in most cases.
Cytogenetics developed a pre-procedural counselling tool based on foetal sonography in-utero.	Enables families to make more informed choices about prenatal diagnostic testing.
Training database and registration system introduced in the Education Unit.	Up to date training records of staff in the Hospital. Able to anticipate and plan for areas of need. Efficient administration system improves productivity and quality of work.
Deafness Centre provided work experience for a small number of deaf high school students.	Improved appreciation throughout the Hospital of the need to incorporate hearing impaired and disabled young people in our work experience programs and staffing.
Bi-annual Brain Injury Education Day conducted for NSW teachers and teachers aides.	Raised community awareness of the impact of paediatric brain injury in the educational setting.
Reorganised the Children in Hospital Committee to involve parents and consumer groups.	Input from consumers into planning facilities for children within the Hospital.

Goal: Partnerships

Achieved	Significance
Established a surgical ENT outreach service for Aboriginal children at Goulburn Hospital.	Provision of an ENT clinic and surgical service close to home.
Established a joint academic psychiatry post with University of Sydney.	Strengthened training and research opportunities.
Immunology established a collaborated approach to gene therapy for children with X-linked Severe Combined Immune-Deficiency (X-SCID).	National service which is the first of its kind.
Developed a metabolic protocol for Coroners' cases with Metabolic Services and Coroner.	This protocol will be adapted for statewide usage.
Child Development Unit involved in policy making, with government and professional bodies, for stimulant and medication use, psychotropic prescribing, and support for chronic disabilities. Contributed to international guidelines in management of various disabilities.	Strengthening of profile internationally.
Participated in collaborative epilepsy research with Sydney Children's Hospital, Institute of Neuromuscular Research and Overseas Neurology Professor program.	Retention of a National and International profile as a centre of excellence in Paediatric Neurology.
Seconded CHW Registered nurses to community paediatrics – a networking initiatives with Fairfield Hospital.	Sharing of resources, networking links established.
Commenced education and nursing consult support for nurses in country NSW including Juvenile Justice nurses in country centres.	Sharing of skills and knowledge of CHW nurses with nurses in the country.
Formalised links with palliative care nurses at Sydney Children's Hospital, and Hunter Area Health Service.	Standardised care for symptom management in palliative children.
Kids Health, in partnership with WSAHS and Australian Council for Sport, Physical Education and Recreation, conducted two teacher workshops on fundamental movement skills to increase primary school based physical activity.	Primary aged children will have more opportunity to participate in physical activity, which contributes to a reduction in childhood obesity.
Appointed a coordinator for the development of the Greater Western Sydney Child Health Network Working Group.	Development of appropriate health care as close to the child's home as is possible.
Established the Western Area Newborn Hearing Screening Taskforce.	Implementation of universal neonatal auditory screening in the broad Parramatta area.
Developed the Centre for Medical Genetics within the University of Sydney Teaching hospitals.	A significant teaching force in development of new curriculum for nursing, science and medical education.
Held an Early Child Care conference in February 2001.	Shared knowledge between staff from the Hospital and Regional Child Care Centres.
Gene Therapy collaborated with Alain Fischer's group in France.	Collaboration with French research group to treat patients with severe combined immunodeficiency (SCID-X1) by gene therapy.

Achieved	Significance
Psychological Medicine set up a diploma in Child and Adolescent Mental Health for nurses under the auspices of UTS and in partnership with Sydney Children's Hospital.	Building Mental Health skills in paediatric nursing.
Set up a psychiatric emergency service in conjunction with Redbank House for the six community health centres of Western Sydney Area Health Service.	Increased responsiveness to child and adolescent mental health needs in the community.
Developed the Muscle Management Rehabilitation Program, providing a coordinated approach for the management of spasticity in children with disabilities such as cerebral palsy, brain injury and spinal cord injury.	Improved outcomes for children with spasticity in terms of function, quality of life and ease of care. New program able to accept referrals from health professionals whose clients require a spasticity intervention.
Liaised with rehabilitation staff at Royal Children's Hospital in Melbourne to set up a multicentre study in the area of spasticity management.	Sharing of research expertise between major tertiary paediatric referral centres.
Employed an Ophthalmology Fellow from Tianjin, China.	Links established with Chinese Ophthalmology.
OPD Clinic Directory booklet sent to general practitioners in the metropolitan and rural areas and the information put onto the website.	Effective and appropriate referral process to specialist consultants within the Hospital.
OPD assisted and consulted with Goulburn Hospital to set up outreach ENT surgery for the indigenous community.	Best care delivered.
Relationship established with Telstra, whereby they use, replicate and pay the Hospital to use resources from the CHW website as part of their own health website.	Increased exposure and health promotion for children.

patient care statistics

Summary of Key Statistics

	2000/01	1999/00	1998/99	1997/98
Bed Capacity				
Total Beds at 30 June	339(350*)	350	350	350
Average number of beds available during year	242	247	248	243
Patient Details				
Inpatients				
Number in Hospital at 1 July	218	230	245	219
Admissions during year	25,497	26,151	29,120	27,942
Total patients treated	25,715	26,381	29,365	28,165
Number in Hospital at 30 June	203	218	230	245
Bed days of inpatients treated	83,525	75,969	86,550	82,726
Number of operations	13,162	13,647	13,601	12,466
Outpatients				
Total occasions of service	507,475 [#]	526,135	534,784	543,897
Average				
Daily average of inpatients	228.8	207.6	237.1	226.6
Adjustment for outpatients	139.0	143.8	146.5	149.5
Adjusted daily average (ADA)	367.8	351.4	383.6	376.1
Average stay of inpatients (days)	3.27	3.18	2.97	3.0
Bed occupancy rate (%) (after adjustment for weekday beds)	94.5	92.1	95.8	93.4

* Capacity now 339 following ward re-configuration

[#] Reflects a change in reporting guidelines for emergency patients

The inpatient activity for the year 2000/2001 appears below target. It should be noted that this excludes Oncology, Sleep and Diabetes activity that has shifted to outpatients. When this activity is included it can be seen

that overall activity is 11.4% higher than the set target. While separations have fallen, bed days have increased. Although the increase in Same Day cases from 10,787 in 1999/2000 to 11,259 in 2000/2001 accounts for

some of the increase in bed days, the predominant increase is due to the increase in length of stay of overnight cases. This is reflective of the increase in severity of our patients with an increase in the case weighted separations.

freedom of information

The provisions of Freedom of Information Act state that under Section 25 (1b), if copies of documents can be released under alternative legislation and/or policy, the Hospital is able to refuse applications under FOI and grant access under these policies. NSW Health Department policy guarantees clients/patients a right of access to information held in their personal health record – Patient Access to Medical Records.

Inspection is free of charge, but there is a fee for copies not exceeding FOI fees.

All FOI requests are forwarded to the Freedom of Information Officer, Medical Records Department for attention.

In 2000/2001 there were 205 applications for access to medical records by clients/patients. As access was granted under alternative legislation, no FOI requests were processed.

A list of the Hospital's policy documents that are available for inspection, purchase or free of charge, is incorporated in the Summary of Affairs published in the

Government Gazette every 6 months.

The Summary lists all policy documents held by the agency and explains how to access the documents.

The summary is also available on the Hospital's website www.chw.edu.au.

For further information relating to Freedom of Information, contact the Freedom of Information Officer on (02) 9845 2849 or by post Medical Records Department, Locked Bag 4001 Westmead NSW 2145.

risk management

The Hospital remains committed to the principles of risk management. A broad-based risk management approach has been adopted to minimise any threat to the Hospital's ability to meet its objectives. The focus has been on the achievement of improved outcomes in general safety and operational effectiveness and efficiency.

During the year a considerable effort has been given to developing, implementing and evaluating safe systems of work, improving the standard and availability of staff training programs and updating related policy and procedures. The potential for enhancing existing risk management practices is currently being assessed against the Australian/New Zealand Standard on Risk Management 4360:1999 and the related Guidelines for Managing Risk in the Healthcare Sector.

Chain of responsibility

Risk management is supported at Board level and through Executive endorsement of related policies and procedures. All Hospital employees are encouraged to recognise and accept responsibility for risk management. Department managers and supervisors are required to assess their activities in terms of existing or potential risk and where necessary implement appropriate risk treatment measures. The Hospital also employs a Risk Management Coordinator and an Occupational Health, Safety and Rehabilitation Coordinator who provide specialist support and there are a number of risk management related committees, eg. Disaster Planning, Occupational Health & Safety, Quality Council, Clinical Review and Product Review.

Occupational health, safety and rehabilitation

- 391 work accidents and 87 incidents were reported.
- 80 Workers' Compensation claims were lodged. Total hours paid: 8766.
- Mean time lost per claim: 110 hours.
- 23 staff participated in Rehabilitation and 10 of these are still current. Of the others 11 upgraded to full pre-injury positions, one withdrew the claim and one opted for medical retirement.

Staff Vaccinations

641 Staff vaccinations were given in 2000/2001. This consisted of staff receiving vaccinations for: hepatitis B (93); hepatitis A (12); combined hepatitis A&B (Twinrix 8); Influenza (511); Tetanus (1 ADT), Varicella zoster (4) Measles, Mumps and Rubella (1); meningitis (Mencevax 4) and typhoid (7).

Distribution of Workplace Incidents/Accidents

Reported from July 2000 – June 2001

Type	Number
No lost time	135
Incidents	87
Blood exposure	65
Slip/fall	62
Manual handling	58
Journey	30
Visitors	23
0-2 weeks lost time	14
2 weeks lost time	4
Total	478

Workplace Claims - Main Occupation Groups

Main Occupation Group	Total Claims	
	1999/2000	2000/2001
Nursing	19	17
General Administration	7	18
Medical/Medical Support	12	10
Hotel Services	21	24
General Maintenance	6	2
Totals	65	71

Note: The most notable movements in claim experience involve an increase in General Administration claims and a reduction in General Maintenance. There are no significant trends contributing to the increase in General Administration claims.

Risk Minimisation

Strategies employed during the year to eliminate or reduce injury risk include:

- Establishment of a Manual Handling Working Party to monitor the implementation phase of the Manual Handling Project. Related database developed and placed on the Hospital Intranet.
- Development and implementation of a Manual Handling Equipment Database to facilitate equipment sharing.
- Manual Handling Training Program developed for all employees. Implementation to commence August 2001.
- A comprehensive review and update of Hazardous Substance Database.
- An ongoing OHS&R policy review schedule to ensure appropriateness and relevance of policies.
- An extension of vaccination program to include Varicella zoster and Measles, Mumps and Rubella.
- Ongoing safety related staff training programs at all levels.
- A comprehensive OH&S Committee inspection program.
- Extensive ergonomic surveys, workplace and equipment modifications and/or designs to promote a safe working environment.

Treasury Managed Fund detail

Motor vehicle 2000/2001

Benchmark premium (budget allocation) \$21,402	Deposit premium (amount paid) \$23,756	Shortfall \$2,355
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Claims total: 5 Incurred cost: \$8,000

Worker's Compensation Fund Year	Total no. of claims	No. of claims per employee	Variation from Base	Average cost per employee	Variation from Base
99/00	71	0.038	46%	173	23%
Total Fund Average		0.081	100%	751	100%
00/01	72	0.038	50%	215	58%
Total Fund Average		0.076	100%	372	100%

Note: Claim numbers have remained consistent and the hospital continues to perform favourably when compared to the Fund average. There has been a significant increase in claims cost.

Public liability claim data as at 30 June 2001

Type of claim	Number of claims		Total incurred	
	1999/2000	2000/2001	1999/2000 \$	2000/2001 \$
Treatment non-surgical	3	7	189,108	810,249
Treatment surgical	-	2	-	552,695
Tripping/slipping	-	1	-	10,000
Accidental damage	1	-	322	-
Lifting	-	1	-	102,982
Libel/slander	-	1	-	50,000
Totals	4	12	189,430	1,525,926

Note: There has been a significant increase in liability claims (75%), when compared with the previous reporting period; the predominant increase being patient treatment claims. This matter is under review by the recently formed Service Improvement Unit. The Unit encompasses clinical review and complaints management and is developing processes to improve service delivery and clinical practice.

Property claim data as at 30 June 2001

Type of claim	Number of claims		Total incurred	
	1999/2000	2000/2001	1999/2000 \$	2000/2001 \$
Theft/burglary	4	4	11,431	13,821
Fusion/electrical	2	-	9,281	-
Accidental damage	1	1	393	10,000
Misplaced/lost	3	2	4,863	6,181
Malicious damage	1	-	4,417	-
Lightning	1	-	2,568	-
Storm and tempest	-	2	-	40,310
Totals	12	9	32,953	70,312

Annual Report of the Radiation Safety Officer

The Radiation Safety Committee met in February, May, August and November, and its membership continues to include broad representation from across the Hospital. As in previous years, the main issues considered by the Committee relate to legislative compliance, waste management, and training.

During the year, significant planning and preparation for an external disaster had been conducted, with the aim of ensuring readiness for an incident during the Olympic period. As part of this process, the Hospital acquired a small portable decontamination unit that can be used for chemical spills as well as radiation accidents. A major decontamination unit was also installed at Westmead Hospital, and plans were developed for the management of mass casualties. Fortunately, neither unit had to be used in a real disaster.

This year, the Environment Protection Authority implemented registration of diagnostic equipment that uses radiation, and this will add to the administrative burden on the Medical Imaging Department. The EPA will progressively introduce registration of other radiation equipment, and registration of premises. These measures, which are aimed at ensuring public safety, will have a significant impact on the workload and budgets of the relevant departments.

The Radiation Safety Committee continues to oversee the use of radiation in research, by screening Ethics Applications. This ensures that research subjects are not unnecessarily exposed to radiation, and also identifies projects that might result in intractable radioactive waste.

The management of low-level radioactive waste has been an on-going issue. Low-

level wastes are produced in essential diagnostic procedures, as well as in research. This year, the volume of low-level waste stored at the Hospital was significantly reduced after a safe and appropriate means of removal by a contractor was developed.

A new training initiative for nursing staff is in preparation. Scripts for two training videotapes have been written by Dr Uren, Chairman of the Committee, and plans for production are under way. These videotapes will be used to supplement formal instruction, and will be available to nursing staff at their convenience.

During periods in which the Radiation Safety Officer is on leave, other members of the Radiation Safety Committee provide cover. Particular thanks are due to Leanne Mills, Clinical Sciences Laboratory Manager, and to the staff of the Department of Nuclear Medicine.

Fraud Control

The Hospital's Fraud Control Policy including Code of Conduct is issued to all staff members and is available on the Hospital's Intranet and Website.

All staff members are expected to observe this Policy by demonstrating honest, ethical and professional behaviour.

Staff and any others who deal with the Hospital are expected to promptly bring any instance of suspected internal or external fraud to the attention of management. This will result in the process of investigation as set out in the Hospital's Fraud Control Policy.

Internal Audit usually conducts investigations on suspected fraud. This may involve investigations in cooperation with the Police and the Independent Commission Against Corruption.

The Chief Executive has an obligation to report criminal offences to the Police as well as actual or suspected corruption

to the Independent Commission Against Corruption.

Media Issues Management

There were only two potentially controversial issues regarding the Hospital this year. Organ retention, which affected a number of institutions throughout the world, was a constant point of inquiry for many weeks with minimal negative impact. Questions regarding the Hospital's cardiac services for a particular condition also received attention. An independent inquiry was favourable towards the Hospital.

Service Improvement

The Service Improvement Unit has been established to integrate all the existing key functions of Quality Care at The Children's Hospital at Westmead, which collectively contribute to and inform, a culture of Continuous Improvement. Underpinning Continuous Practice Improvement (CPI), are the values and culture of our organisation, our duty of care to the children and their families and our motivation to improve. CPI moves beyond looking for people to blame for error, instead it looks at the processes that lead to error in order to effect change

CPI means that we continually improve and evaluate our clinical services with an increasing emphasis on an evidence-based approach to care, and accountability. This, in turn, safeguards the high standards of care we expect by creating an environment in which excellence in clinical care will flourish.

There is a strong interest and commitment of employees at CHW to the provision of quality care and service delivery. Evidence of this commitment can be found in the numerous quality activities undertaken at ward and departmental level.

In order that CHW organise, communicate monitor and continuously improve all aspects of health care delivery, the framework for CPI must be relevant and clearly articulated. Further, it must align with contemporary approaches and methods of CPI, in particular, the NSW Health Framework for Managing the Quality of Health Services.

The facilitation and encouragement of CHW consumers to actively participate in service planning and decision making, is fundamental to the development of an environment for continuous improvement.

The Service Improvement Unit has integrated and optimised the existing CHW resources dedicated to Quality activities:

- **Quality of Care** – departmental liaison and feedback, education and training in Continuous Quality Improvement (CQI) philosophy and principles, coordination and management of EQUIP, development, collation and reporting of key performance and clinical indicators, also the suggestion box data.
- **Clinical Practice Improvement** – using data and evidence to measure and report the outcomes of care, identify opportunities for improvement in clinical practice and ensure the implementation of practice changes. The systematic review of clinical processes is an adjunct to clinical practice improvement.
- **Clinical Review** – includes the review of clinical data and care delivery, clinical liaison and departmental feedback about clinical care.
- **Patient Safety** Analysis and trending of patient safety occurrences further inform the clinical review process.
- **Benchmarking**, with Children's Hospitals Australasia (CHA) and National Association of Children's Hospitals and Related Institutes (NACHRI).
- **Complaints** - including management and conciliation, patient/family support (via the role of the Patient's Friend).

The changes have included:

- Leadership and Management of the Service Improvement Unit by senior clinicians.
- An increased focus on opportunities for clinical practice improvement.
- Adverse Patient Occurrence (APO) management will shift from Nursing into the Service Improvement Unit. This has involved a complete multidisciplinary and interdepartmental review of our

reporting methodology, placing a greater emphasis on "near miss" reporting as well as sentinel events. Our key focus is on patient safety and system error as opposed to adverse occurrences and individual staff members. Local and aggregated data will help to identify improvement and educational opportunities.

Listening to our Community

On his retirement in March 2001, A/Prof John Overton handed over the management of complaints to Dr Stuart Dorney in the newly created Service Improvement Unit (SIU).

A Complaints Unit approaches patient events from a different perspective from Clinical Review, but the majority of complaints are about clinical matters. Often, the same incidents are picked up by both Complaints Management and Clinical Review. By combining the activities of both units under one roof, each unit will be aware on a daily basis of the other's investigations. The risk of duplication of investigations that can occur if they are handled separately will hopefully be reduced.

Complaints are a focus on the quality of the care we deliver to the children under our roof – yesterday, today and tomorrow. What is the basis of a complaint about patient care? A parent is upset and angry about something that has happened (or not happened) to his/her child. Thus a complaint should be considered a sentinel event, whether or not the complaint turns out to be based on a misunderstanding or a real error. In either case, a complaint points us to a problem area in our system, either a need for better communication or a clinical problem, identifying an area for improvement.

Lessons learnt from a complaint by one department of the hospital will be used for educational purposes for the hospital as a whole.

Within the SIU, Dr Dorney works in partnership with Betty Radcliffe, the Patients' Friend, in the handling of "complaints" which includes parental complaints (written, telephone and direct) from parents and guardians of the children who pass through our system, Health Care Complaints Commission inquiries and Statements of Claim. In her role as troubleshooter for parents, the Patients' Friend, Betty Radcliffe, had over 1,200 patient contacts this year. These contacts ranged from simply managed issues such as parents' concerns over the cost of parking in the hospital, to more serious issues with medico-legal implications.

Written compliments are received by many of the staff of the Hospital. The SIU plans to document all compliments received just as it does for complaints. All members of staff are encouraged to forward copies of complimentary letters to Dr Dorney for this purpose.

Complaints and compliments are collated and presented to the Public Accountability Sub Committee, which meets every two months.

Ward-based suggestion box letters are now handled in the first instance by the Nursing Unit Manager of each ward. The NUM decides if a particular issue would be more appropriately handled by Betty Radcliffe or Dr Dorney. For example, a complaint about one ward was posted in the Suggestion Box in another ward. A summary of issues resolved is sent periodically by the NUM's to Dr Dorney. The Suggestion Boxes in other areas are emptied weekly by SIU staff and the letters collected are documented and answered.

The Children's Hospital at Westmead continues to actively promote the interests and needs of all children and educate and inform the community about good health and injury prevention.

Cultural Diversity

The Hospital's commitment to equity of access is highlighted in a special 'Ethnic Access Statement' and the Strategic Plan. We recognise that language and cultural barriers can make it difficult for some children to receive appropriate health care or increase the stress associated with medical treatments and hospitalisation. Many of the families who attend this Hospital speak a community language other than English at home. Families also vary in their attitudes, beliefs and experience of childhood illness.

The importance of ensuring cultural sensitivity and good communication with children and parents from diverse backgrounds was again recognised through the high utilisation of the Western Sydney Health Care Interpreter Service (HCIS). During the past year more than 5,000 occasions of service were provided to patients and families through the Interpreter Service. These services represented 47 different language groups. Regular staff training is undertaken to enhance cultural awareness and the effective use of interpreters.

The hospital's Ethnic Access Committee (EAC), which has representation from the Interpreter Service, the Transcultural Mental Health Centre, Community Paediatrics, Nursing, Social Work, Chaplaincy and Public Relations, has continued to seek ways to improve the access to hospital services. The EAC has liaised with key organisations providing health services to vulnerable migrant communities, including refugees and minority communities.

During the past year, the Hospital organised a 'Multicultural Week' to promote awareness and understanding of the cultural diversity of our community. An important series of events was arranged, which attracted the involvement of both staff and families. Presentations were given by a range of cultural groups on meaning of childhood illness in different ethnic communities and a variety of cultural displays and entertainment involved children and parents using the Hospital. The success of Multicultural Week was very evident in the high level of interest and participation in these events.

Publications

A wide range of publications targeting patients and families were reviewed this year in line with new corporate identity guidelines. Conference material, fundraising collateral and information brochures/sheets for patients and families continue to constitute the majority of promotional items published. Two new patient products – a comprehensive Parent and Patient Admissions Guide and a patient Entertainment & Activity Booklet were well received.

Clinical Bulletin continues to be published for distribution to general practitioners. Fact Sheets - providing information on a wide range of health issues remain popular and are accessed through both our website and our Child Health Promotion Unit – Kids Health.

human resources

The Children’s Hospital at Westmead maintains Human Resource and Industrial Relations policies and procedures that support the vision and strategic goals of the Hospital. All policies comply with NSW Health requirements, relevant legislation and awards. The revised Joint Consultative Committee has been operating successfully for the last 12 months resulting in good communication between Hospital management and Union representatives.

The Hospital's Conference Management Database has been 'live' for 12 months and is providing excellent management and employee information. The system is unique in NSW Health and is a possible solution for other Area Health Services.

provides current balances, leave and funding projections and leave statements for Senior Medical Practitioner entitlements. The system provides management reports on conference expenditure by directorate, division, department and award to the Hospital Executive and is an aid in strategic planning.

Overseas Travel

An electronic system to manage expenditure on conference leave was implemented at the beginning of the financial year. The system records leave and funding for all employees and

The system is regarded as best practice within NSW Health and has been presented at the NSW Health IT Forum and the HR Manager’s Meeting.

Actual and estimated staff numbers by level

LEVEL	TOTAL STAFF (number)	Subgroup as % of Total Staff at each Level			Subgroup as Estimated % of Total Staff at each Level				
		Respondents	Men	Women	Aboriginal people and Torres Strait Islanders	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as child was not English	People with a disability	People with a disability requiring work-related adjustment
< \$26,276	33	88%	18%	82%	3.4%	17%	14%	3%	
\$26,276 – \$34,512	674	96%	19%	81%	1.1%	28%	33%	6%	1.2%
\$34,513 – \$38,582	189	95%	14%	86%	1.1%	17%	18%	4%	
\$38,583 – \$48,823	641	93%	9%	91%	0.5%	20%	17%	8%	1.8%
\$48,824 – \$63,137	477	85%	19%	81%	0.2%	21%	16%	7%	1.7%
\$63,138 – \$78,921	219	49%	49%	59%	0.9%	26%	20%	7%	
> \$78,921 (non SES)	150	97%	63%	37%	0.7%	18%	11%	11%	4.8%
> \$78,921 (SES)									
Total	2,383	88%	21%	79%	0.8%	23%	21%	7%	1.5%
Estimate range (95% confidence Level)					0.7 to 0.9%	21.8 to 23.3%	20.6 to 21.9%	6.4 to 7.3%	1.4 to 1.6%

Staff employed at 30 June 2001

Full time equivalent	2000/2001	1999/2000	1998/1999	1997/1998
Administrative and clerical	318	306	291	300
Nursing	556	587	621	622
Medical	241	243	239	240
Medical support services	409	395	385	360
Hotel services	194	174	178	178
Maintenance	16	15	15	16
Special purposes and trust fund	184	161	166	166
Total	1,918	1,881	1,895	1,882

Staff by Employment Basis

EMPLOYMENT BASIS		TOTAL STAFF (number)	Subgroup as % of Total Staff in each Employment Group							
			Respondents	Men	Women	Aboriginal people and Torres Strait Islanders	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as child was not English	People with a disability	People with a disability requiring work-related adjustment
Permanent	Full-Time	1,311	96%	24%	76%	0.8%	24%	23%	7%	1.6%
	Part-Time	693	94%	8%	92%	0.8%	20%	18%	7%	2.0%
Temporary	Full-Time	375	55%	36%	64%	1.0%	24%	22%	5%	-
	Part-Time	5	100%	20%	80%	-	20%	20%	-	-
Contract	SES	-	-	-	-	-	-	-	-	-
	Non SES	-	-	-	-	-	-	-	-	-
Casual		448	38%	10%	90%	-	12%	12%	3%	0.6%
Total		2,832	81%	20%	80%	0.8%	21%	20%	7%	1.3%

Executive Officers

Year	Male	Female
2000/2001	6	2
1999/2000	6	2

Employee of the Month

Month	Employee of the Month	Department
Jul-00	Jill Jenkins	Volunteers
Aug-00	Ian Fryar	Security
Sep-00	Connie Pe Benito	Sewing Room
Oct-00	Sunil Koralege	Maintenance
Nov-00	Robyn Crapp	Radiology
Jan-01	Mohammad Dudu	Security
Feb-01	Suzanne Lamont	Admission- Wards Clerk
Mar-01	Fiona Lipscomb	Coffee Shop
Apr-01	Praveen Sharma	Cytogenetics
May-01	Tina Petts	Occupational Therapy
Jun-01	Michelle Butcher	Dental
Jul-01	Joy Lee	Western Sydney Genetics

benefactors and donors

Although we are funded principally by the NSW State Government, each year we turn to the community for additional financial support to allow us to transform The Children's Hospital at Westmead from a very good hospital to one which provides excellence in care for sick children, equal to the world's best.

Again we extend a very special thank you to all our donors and supporters who have given so generously this year.

Benefactors

Lill Bayley
Pat Condon
Rob Ferguson
Mel Gottlieb
John Yu
Auto One Australia Golf Day
Bluey Day
Inghams Enterprises Pty Ltd
Lions Club International District 201N5
Oncology Children's Foundation
Rett Syndrome Australian Research Fund
Starlight Children's Foundation
Estate Late Edward O Drysdale
Estate Late Jean Birkett Peebles
Estate Late Josephine E White
Estate Late Evan FJ Williams

Groups and Corporate Donors over \$5000

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Advend Australia Pty Ltd
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AGL 150th Anniversary Foundation
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American Women of Sydney
Apex Clubs of NSW
Association Bagnara Calabra
Australasian Order of Old Bastards
Australian Jockey Club
Australian Real Estate
Australian Toy Association
Auto One Australia Golf Day
Bain International
Balgowlah RSL Memorial Club
Bangladesh Community Musical Evening

Bankstown Caring for Kids
Bankstown Trotting & Recreational Club Limited
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Bulldogs Leagues Club Limited
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Convoy for Kids
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Customer Care

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Eventide Homes (NSW)
FDC Building Services Pty Ltd
Federal Express
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Footwear Leather And Allied Trades
Foxtay Investments Pty Limited
Freedman Foundation
FRF Taxi Trucks & Couriers
Friendship Tours
Fun Enterprises Pty Ltd
GDL Investments Pty Ltd
Gillette Australia Pty Ltd
Gladesville Pharmacy
Glen Alpine Constructions Pty Limited
GM Ellison & Co Trust Account
Gold Turkey Roast Charity
Golfers Charity Bash Committee
Guildford Bowling Club
H & R Israel Fund
Hamilton Picello
Harbord Diggers Memorial Club
HCF Australia Ltd
Heart Kids NSW Inc
HIH Winterthur
HTX International
Humour Foundation
Huntsman Corporation Aust. Pty Ltd
IGA Riteway
Inghams Enterprises Pty Ltd
Inner Wheel Club of Guildford
International Rett Syndrome Association
Intrepid Travelling Troupe
Isabel Jessie Millner
J & G Bedwell Foundation

Jake Hodgkinson Charity Golf Day	Association	Sony Foundation Australia
Joanna Capon & Associates	NSW Leagues Club Limited	Starr Partners (Fairfield)
John R Turk Fund	NSW Police, Hurstville Local Area	State Rail Authority of NSW
John R Turk Pty Limited	Command	Steelmark
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Karima Management	Oncology Children's Foundation	Strawberry Hill Stud
Kay Kallas Market Stall	Operation Chillout	Stud & Track Manufacturing Pty Ltd
Kel Geddes Management	Order of the Eastern Star Incorporated	Swimming Pool and Spa Association of
Kemo Kare 4 Kids	Our Silence Our Children Fundraiser	NSW Limited
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LGF Fundraiser	Perpetual John Bedwell Fund	The Australian Newspaper
Liangrove Group Pty Ltd	Peter Wilson Charity Night	The Crows Nest Club Ltd
Lill Bayley & Friends	Premier Parking	The Italo Australian Festival
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Lintill Pty Ltd	Pymble Pub Pensioners	Vegetable Industries Inc
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Lions Club International District 201N5	Quota Club of Campbelltown	The Orthodox Association of Australia
Lions Club of Fairfield	RAAF Richmond - Sergeants Mess	The Petre Foundation
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Nicholas Vasta & Company	Association	
Nine Network Australia	Sir Robert & Lady Askin Charities Trust	
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NSW Fire Brigade - Payroll Deductions	Stephanie Hutchinson)	
NSW Fire Brigade State Training College	Smith and Nephew Surgical Pty Ltd	
NSW Food & Allied Trades Golf	Smokey & The Bear Golf a Thon	

Private Donor gifts over \$1000

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Graham, Ms Helen
Gravina, Mr John
Gray, Mr David
Gray, Mr Kim
Greig, Miss E
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Jones, Ms Sally	Martinovic, Mr Tom	Palfreyman, Mr Frank
Juanas, Mr & Mrs E	Mason AM, Mr & Mrs Peter	Pangallo, Mr & Mrs F
Kallas, Mr Jim	Maxwell, Mr Roy A	Papamanue, Mr & Mrs IG
Kang, Dr Melissa	McBride, Mr & Mrs EA & CF	Pavia, Mr/Ms N
Karplus, Dr Thomas	McCadie, Mrs Irene	Payne, Ms Alison
Keel, Mr Peter	McCaffrey, Mr & Mrs	Pemberton, Mr & Mrs Gary
Kellie, Dr Stewart J	McCauley, Mr Greg	Pennycuick, Mr Ronald
Kelly, Mr/Ms GP & EM	McClintock SC, Mr BR	Perini, Ms Sally
Kelly, Mr John E	McCowage, Dr Geoffrey	Perlstein, Mr Gary
Kiraly, Mr Andrew	McCuaig, Mr Robert W	Perna, Mr Loui
Knoblanche, Ms Anne	McFadden, Ms VA	Peter, Mrs Andree
Kotecha, Ms Namrata	McFadyen, Mr & Mrs BJ	Philips, Mr Jeremy
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Lew, Dr William G	Muir, Ms Pauline J	Rainger, Ms Denise
Lewis, Mr/Ms MJ & MJ	Myer AC, Mr Baillieu	Ramsden, Mrs EJI
Lewis, Ms Gloria	Napier, Mr & Mrs IS	Randell, Mr & Mrs
Li, Mr/Ms Hui	Nash, Mr D	Raven, Mr RE
Liao, Mr Kenny	Nash, Mr WT	Re, Mr Joseph
Lim, Mr David	Nassif, Mr/Ms Sarkis	Reid, Ms GM
Liristis, Mrs Maria	Navarra, Mr Giovannino	Reid, Mr & Mrs Jim & Anna
Lloyd, Ms Jennifer	Neal, Mr Warwick	Reoch, Mr Andrew
Lockhart, Mr	Neall, Mr/Ms S	Ritchie, Mr Peter
Loewenthal, Lady	Nguyen, Mr C	Robb, Mr & Mrs
Londish, Mr Ian	Nicholas QC, Mr WH	Roberts, Mr & Mrs B

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Romeo, Mr Rocky
Rositano, Mr Chris
Ross, Mr/Ms SB & VG
Rothery, Miss Catherine M
Rothery, Mr DJ
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Saouma, Mr Danny
Savage, Ms Helen
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Scott, Mr ER
Severn, Mr & Mrs R
Shah, Mr Kiran
Shaw, Dr Peter J
Sheridan, Mr Ken
Sillence, Professor David
Simpson, Ms Robyn
Slack, Mrs Judith
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Wood, Mr & Mrs
Woodhill, Mrs Donna
Wooster, Mr CP
Yardley, Mr
Younan, Mr Anthony
Young, Mrs Laurie M
Zanetic, Ms Bianca

think.kids.

roll of honour

We were again honoured this year by a number of very special people who remembered The Children's Hospital at Westmead in their Wills. Each bequest is a precious gift, promising better health for children now and in future generations. We extend our condolences to their families, and with gratitude and respect, honour their memories.

Legacies and Bequests – excluding Trusts

Adelaide Gunhilda Adlard
Dorothy Anderson
Peter G Belbin
Iris Merle Blackstock
Enid Joan Bradley
Dorothea Mary Bush
Veronica Ellen Caldwell
Sylvia Ailsa Carruthers
Elizabeth Grant Chate
Keith Bernard Clarke
Manus B Corrigan
Thelma Vera Cox
Olga Velma Dargin
Nea Sinclair Dawson
Florence Mavis Daymond
Lionel EF Dege
Charles Archibald Donald
Dorothy Winifred Dugan
Alexander Sutherland Edwin
Felicia Einhorn
Malcolm Fergerson
Betty Hamel Gardiner
Gustave A Gluck

Mary M Goddard
Robert Thomas Gorton
Brian Leslie Grundy
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Lily J Healy
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Grace Muriel Hobbs
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Lisa King
Clarence David Little
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Charles F McDonell
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Marie Milton
Margaret Montgomery
Hilda Ruth Moody
James A Palmer
Jean Birkett Peebles
Marjorie Pickett

Agnes Pitt
Phyllis Cecilia Pitt
Joseph Ord Porritt
Sharon Priest
Robert A Rust
Alice Mary Ryan
Estelle Sandland
Eileen Florence Schmeising
Ivy May Scott
Mavis Florence Seddon
Joyce Mary Settree
Edna Sheppard
Arthur Frederick Simpson
John Henry Smith
Elizabeth Sparrow
Betty Stening
Donald John Swindells
Clifford Gaunt Symons
Catherine Mabel Vause
Josephine E White
Reuben T Worrall

financial results

Throughout the year the Hospital adhered to the NSW Health requirement that general creditors be paid within 45 days. The Hospital reports payments to trade creditors on a quarterly basis as follows:

2000/2001	Current To 45 days \$000	Between 46 and 60 days \$000	Over 61 days \$000	Percentage of accounts paid on time %	Total paid on time \$000	Total amount paid \$000
September 2000	1,928	36	4	99	7,249	7,323
December 2000	2,874	184	-	99	10,247	10,351
March 2001	1,745	56	-	98	10,938	11,162
June 2001	2,970	257	-	98	12,531	12,787
June 2000	2,290	24	-	99	11,605	11,722

The creditors owing for over 45 days generally comprise accounts where insufficient documentation has been provided by the supplier or the goods provided were of incorrect quantity/quality. The Hospital did not incur interest for late payments to any supplier.

Hospital reports usage of consultants as follows:

Consulting fees > \$30,000

Name of Consultant	Actual Cost	Description
Kennedy Associates	\$48,000	Building Refurbishment Advice
Fundraising Management	\$386,769	Research Capital Campaign

Consulting fees < \$30,000

Total number of engagements	Total Cost	Description
22	\$106,985	Mainly relating to information systems, clinical and architectural services

Accounts Receivable continued to show long periods for recovery. This is particularly so for compensable and ineligible patients. Bad debts continue to be a problem for the Hospital, particularly those generated by non-Medicare eligible overseas patients.

Accounts Receivable were aged as follows at 30 June 2001:

	Current \$000	30 Days \$000	60 days \$000	90 Days \$000	120 days \$000	Total \$000
Sale of goods and services	594	271	112	86	1,560	2,623

Program Expenses	Increase/(Decrease)		Commentary
	\$M	%	
Primary and Community based services	1.3	31.3	Increased expenditure resulted from increased Grant revenue and the change in care of patients who used to be treated as inpatients, eg diabetes,eczema and sleep unit patients.
Emergency Care Services	3.6	50.1	Increased expenditure resulted from increased revenues in this program, the enhancement of emergency services and increased spending on intensive care patients.
Mental Health Services	0.7	78.8	Reflects increased Government funding.
Population Health Services	(1.9)	(24.1)	Reflects actions such as transfer of Poison Information Services to Western Australia.

financial statements

for the 121st Annual Report of

The Royal Alexandra Hospital for Children

(The Children's Hospital at Westmead)

for the year ending 30 June 2001

Royal Alexandra Hospital for Children

Statement of Financial Performance for the year ended 30 June 2001

	Notes	Actual 2001 \$000	Budget 2001 \$000	Actual 2000 \$000
EXPENSES				
Operating Expenses				
Employee Related	3	123,380	123,466	117,120
Visiting Medical Officers		3,889	3,968	3,559
Goods and Services	4	35,211	34,113	31,263
Maintenance	5	5,498	4,997	6,432
Depreciation and Amortisation	2(l), 6	17,832	17,716	19,389
Total Expenses		185,810	184,260	177,763
REVENUES				
Sale of Goods and Services	7	85,208	83,917	78,063
Investment Income	8	3,897	4,252	2,769
Grants and Contributions	9	35,423	33,844	23,948
Other Revenue	10	3,812	3,442	3,556
Total Revenues		128,340	125,455	108,336
Gain/(Loss) on Disposal of Assets	11	(365)	376	1,177
Net Cost of Services	30, 33	57,835	58,429	68,250
GOVERNMENT CONTRIBUTIONS				
NSW Health Department Recurrent Allocations	2(a)	48,755	48,755	48,000
NSW Health Department Capital Allocations	2(a)	274	274	1,670
Acceptance by the Crown Entity of Superannuation Liability	2(c)	8,649	8,614	7,705
Total Government Contributions		57,678	57,643	57,375
RESULT FOR THE YEAR	24	(157)	(786)	(10,875)
NON-OWNER TRANSACTIONS CHANGES IN EQUITY				
Net Increase in Asset Revaluation Directly in Equity		76	-	4,690
Total Revenues, Expenses and Valuation				
Adjustments Recognised Directly in Equity		76	-	4,690
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(81)	(786)	(6,185)

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	Notes	Actual 2001 \$000	Budget 2001 \$000	Actual 2000 \$000
ASSETS				
Current Assets				
Cash	14	8,010	6,579	4,186
Receivables	15	6,552	3,598	2,910
Inventories	16	2,895	2,770	2,716
Other Financial Assets	17	23,698	23,924	13,506
Total Current Assets		41,155	36,871	23,318
Non-Current Assets				
Property, Plant and Equipment				
Land and Buildings	18	253,855	254,413	255,655
Plant and Equipment	18	47,482	48,218	57,144
Total Property, Plant and Equipment		301,337	302,631	312,799
Receivables	15	213	-	843
Other Financial Assets	17	29,507	30,064	29,704
Total Non-Current Assets		331,057	332,695	343,346
Total Assets		372,212	369,566	366,664
LIABILITIES				
Current Liabilities				
Accounts Payable	21	6,303	9,810	6,386
Employee Entitlements and Other Provisions	22	17,419	13,364	14,775
Other	23	1,359	-	-
Total Current Liabilities		25,081	23,174	21,161
Non-Current Liabilities				
Employee Entitlements and Other Provisions	22	16,170	17,476	15,131
Total Non-Current Liabilities		16,170	17,476	15,131
Total Liabilities		41,251	40,650	36,292
Net Assets		330,961	328,916	330,372
EQUITY				
Reserves	24	60,421	59,675	60,345
Accumulated Funds	24	270,540	269,241	270,027
Total Equity		330,961	328,916	330,372

The accompanying notes form part of these Financial Statements

Royal Alexandra Hospital for Children

Statement of Cash Flow for the year ended 30 June 2001

	Notes	Actual 2001 \$000	Budget 2001 \$000	Actual 2000 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee Related		(111,855)	(112,132)	(107,912)
Other		(44,703)	(42,100)	(40,267)
Total Payments		(156,558)	(154,232)	(148,179)
Receipts				
Sale of Goods and Services		83,132	83,666	78,131
Interest Received		3,908	4,252	2,831
Grants and Contributions		34,772	33,844	24,172
Other		4,165	3,442	2,425
Total Receipts		125,977	125,204	107,559
CASH FLOWS FROM GOVERNMENT				
NSW Health Department Recurrent Allocations		48,755	48,755	48,000
NSW Health Department Capital Allocations		274	274	1,670
Repayment of NSW Health Department Loans		-	-	(1,368)
Net Cash Flows from Government		49,029	49,029	48,302
NET CASH FLOWS FROM OPERATING ACTIVITIES	30	18,448	20,001	7,682
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Property, Plant and Equipment and Infrastructure Systems		550	550	2,616
Proceeds from Sale Of Investments		105,017	36,984	168,155
Purchases of Property, Plant and Equipment and Infrastructure Systems		(7,196)	(8,602)	(4,237)
Purchase of Investments		(114,354)	(46,540)	(172,327)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(15,983)	(17,608)	(5,793)
NET INCREASE IN CASH		2,465	2,393	1,889
Opening Cash and Cash Equivalents		4,186	4,186	2,297
CLOSING CASH AND CASH EQUIVALENTS	14	6,651	6,579	4,186

Royal Alexandra Hospital for Children

Program Statement – Expenses and Revenues for the year ended 30 June 2001

	Program 1.1		Program 1.2		Program 1.3		Program 2.1		Program 2.2	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Expenses										
Operating Expenses										
Employee Related	4,069	3,121	70	70	19,144	19,231	7,685	4,736	61,308	59,716
Visiting Medical Officers	-	-	-	-	2,188	2,086	-	28	1,582	1,302
Goods and Services	939	672	5	6	7,101	5,175	1,568	1,130	17,501	16,502
Maintenance	164	114	2	1	1,440	1,644	271	682	2,179	2,523
Depreciation and Amortisation	447	371	7	-	4,687	5,205	1,131	521	8,110	9,808
Total Expenses	5,619	4,278	84	77	34,560	33,341	10,655	7,097	90,680	89,851
Revenues										
Sale of Goods and Services	307	215	5	4	2,070	1,852	795	508	72,353	67,193
Investment Income	150	84	1	1	345	351	109	42	921	547
Grants and Contributions	1,279	712	7	5	2,847	2,940	897	340	7,607	4,494
Other Revenue	225	108	2	1	657	628	204	106	1,316	1,342
Total Revenues	1,961	1,119	15	11	5,919	5,771	2,005	996	82,197	73,576
Gain/(Loss) on Sale of Non Current Assets	(24)	29	-	1	(33)	228	(11)	48	(91)	596
NET COST OF SERVICES	3,682	3,130	69	65	28,674	27,342	8,661	6,053	8,574	15,679

The accompanying notes form part of these Financial Statements

Program 2.3		Program 3.1		Program 4.1		Program 5.1		Program 6.1		Grand Total	
2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
5,046	5,467	1,144	594	1,597	1,457	4,080	5,013	19,237	17,715	123,380	117,120
71	118	-	-	-	-	-	1,515	48	25	3,889	3,559
2,872	1,418	296	161	135	147	1,072	333	3,722	4,537	35,211	31,263
277	234	49	81	40	46	188	957	888	774	5,498	6,432
1,085	894	70	36	146	158	591	-	1,558	1,439	17,832	19,389
9,351	8,131	1,559	872	1,918	1,808	5,931	7,818	25,453	24,490	185,810	177,763
7,807	6,681	25	-	112	96	350	421	1,384	1,093	85,208	78,063
92	72	12	2	21	12	61	40	2,185	1,618	3,897	2,769
762	604	95	15	173	100	501	322	21,255	14,416	35,423	23,948
177	139	28	1	37	28	113	112	1,053	1,091	3,812	3,556
8,838	7,496	160	18	343	236	1,025	895	25,877	18,218	128,340	108,336
(9)	54	-	6	(2)	12	(7)	53	(188)	150	(365)	1,177
522	581	1,399	848	1,577	1,560	4,913	6,870	(236)	6,122	57,835	68,250

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

1. The Hospital Reporting Entity

The Royal Alexandra Hospital for Children (the Hospital), trading as The Children's Hospital at Westmead, comprises all the operating activities of the Hospital facilities under the control of the Hospital. It also encompasses the Special Purposes and Trust Funds which, while containing assets which are restricted for specified uses by the grantor or the donor, are nevertheless controlled by the Hospital.

2. Summary of Significant Accounting Policies

The Hospital's Financial Statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), UIG Consensus Views and the requirements of the Health Services Act 1997 and its regulations including observation of the Accounts and Audit Determination for Area Health Services and Public Hospitals.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

Statements of Accounting Concepts are used as guidance in the absence of applicable Accounting Standards, other mandatory professional requirements and legislative requirements.

Except for certain investments, land and buildings, plant and equipment and infrastructure systems, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Other significant accounting policies used in the preparation of these financial statements are as follows:

a) NSW Health Department Allocations

Payments are made by the NSW Health Department on the basis of the net allocation for the Hospital as adjusted for approved supplementations mostly for salary agreements, patient flows between the Hospital and other States and approved enhancement projects. This allocation is included in the Statement of Financial Performance before arriving at the "Result for the Year" on the basis that the allocation is earned in return for the health services provided in 2000/2001 on behalf of the Department.

b) Employee Entitlements

Wages and Salaries, Annual Leave, Long Service Leave, Sick Leave and On-Costs

Liabilities for wages and salaries, annual leave, vesting sick leave and related on-costs are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Long service leave measurement is based on the remuneration rates at year-end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

Employee leave entitlements are dissected between the "Current" and "Non Current" components on the basis of anticipated payments for the next twelve months. This in turn is based on past trends and known resignations and retirements. The result is that the current liability for Long Service Leave is stated as \$6,179,000. The full liability for employees with greater than 10 years service amounts to \$15,191,834.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

c) Superannuation

The Hospital's liability for superannuation is assumed by the Crown Entity. The Hospital accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Superannuation Liability".

The superannuation expense for the financial year is determined by using the formulae specified by the NSW Health Department. The expense for Basic Benefit and First State Super schemes is calculated as a percentage of the employees' salary. For State Superannuation Scheme and State Authorities Superannuation Scheme, the expense is calculated as a multiple of the employees' superannuation contributions.

d) Insurance

The Hospital's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The premium is determined by the Fund Manager based on past experience.

e) Revenue Recognition

Revenue arising from the sale of goods, the provision of services and the use of the Hospital's assets is recognised when:

- i) the Hospital has passed control of the goods or other assets to the buyer;
- ii) the Hospital controls a right to be compensated for services rendered;
- iii) the Hospital controls a right relating to the consideration payable for the provision of investment assets;
- iv) it is probable that the economic benefits comprising the consideration will flow to the entity; and
- v) the amount of the revenue can be measured reliably.

Patient Fees

Patient Fees are derived from chargeable inpatients and non-inpatients on the basis of rates specified by the NSW Health Department from time to time.

Debt Forgiveness

In accordance with the provisions of Australian Accounting Standard AAS23 debts are accounted for as extinguished when and only when settlement occurs through repayment or replacement by another liability or the debt is subject to a legal defeasance.

Use of Hospital Facilities

Specialist doctors with rights of private practice are charged for the use of Hospital facilities at rates determined by the NSW Health Department and are based on fees collected.

f) Use of Outside Facilities

The Hospital uses a number of facilities owned and maintained by third parties, mainly local authorities, to deliver community health services. No charges are raised by the authorities.

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by the Hospital as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included.

h) Inter Area and Interstate Patient Flows

The Hospital recognises the flow of acute inpatients from the area in which they are resident to other areas within the State and across Australia. The expense and revenue values reported within the financial statements have been based on 1999/2000 activity data using standard cost weighted separation values to reflect estimated costs in 2000/2001 for acute weighted inpatient separations. The Hospital is treating patients from all Area Health Services and is therefore being reimbursed by the benefiting Area based on the calculations provided by NSW Health Department.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

The reporting adopted also aims to provide a greater accuracy of the cost of service provision and disclose the extent to which service is provided to residents of other NSW Area Health Services and other Australian States and Territories.

The adjustments have no effect on equity values as the movement in Net Cost of Services is matched by a corresponding adjustment to the value of the NSW Health Recurrent Allocation.

In 2000/2001 calculation of the patient flows has been amended to include the flows to/from other Australian States and Territories. (Refer Note 2v)

The composition of patient flow revenue is disclosed in Note 7.

i) Research and Development Costs

Research and development costs are charged to expense in the year in which they are incurred.

j) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

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

Fair value means the amount for which an asset could be charged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Land and Buildings that are owned by the Health Administration Corporation or the State and administered by the Hospital are deemed to be controlled by the Hospital and are reflected as such in the financial statements.

k) Plant and Equipment

Individual items of plant and equipment costing \$5,000 and above are capitalised.

l) Depreciation

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Hospital. Land is not a depreciable asset.

Details of depreciation rates for major asset categories are as follows:

Buildings and Leasehold Properties	2.5%
Electro Medical Equipment	
- Costing less than \$200,000	10.0%
- Costing more than or equal to \$200,000	12.5%
Computer Equipment	20.0%
Computer Software	20.0%
Office Equipment	10.0%
Plant and Machinery	10.0%
Furniture, Fittings and Furnishings	5.0%

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

m) Revaluation of Physical Non-Current Assets

Buildings and improvements, plant and equipment and infrastructure assets (excluding land) are valued based on the estimated written down replacement cost of the most appropriate modern equivalent replacement facility having a similar service potential to the existing asset. Land is valued on an existing use basis.

Land and buildings are revalued every five years by independent valuation. The last such revaluation was completed in June 1997.

In accordance with Treasury policy, the Hospital has applied the AAS38 "Revaluation of Non-Current Assets" transitional provisions for the public sector. The Hospital has elected to apply the same revaluation basis as the preceding reporting period, while the relationship between fair value and the existing valuation basis in the NSW public sector is further examined. It is expected however, in most instances the current valuation methodology will approximate fair value.

Where assets are revalued upward or downward as a result of a revaluation of a class of non-current physical assets, the Hospital restates separately the gross amount and the related accumulated depreciation of that class of assets.

The recoverable amount test has not been applied as the Hospital is a not-for-profit entity whose service potential is not related to the ability to generate net cash inflows.

Revaluation increments are credited directly to the Asset Revaluation Reserve, except when, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the "result for the year from ordinary activities", the increment is recognised immediately as revenue in the "result for the year from ordinary activities".

Revaluation decrements are recognised immediately as expenses in the "result for the year from ordinary activities" except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the Asset Revaluation Reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

n) Maintenance and Repairs

Repairs and maintenance cost and minor replacements (items less than \$5,000) are expensed as incurred except where they relate to the replacement of a component of an asset in which case the costs are capitalised and depreciated.

o) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

p) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

Obsolete items are disposed of in accordance with instructions issued by the NSW Health Department.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

q) Investments

Marketable securities and deposits are valued at cost unless specifically stated in Note 17. Non-marketable securities are brought to account at cost and donated value, whichever is lower. Donated value is equivalent to the market value at the date of receipt. The equity investment is valued at its market value since 30 June 2000.

For current investments, revaluation increments and decrements are recognised in the Statement of Financial Performance.

For non-current investments, revaluation increments are credited directly to the Asset Revaluation Reserve. Revaluation decrements are recognised in the Statement of Financial Performance except to the extent that the decrement reverses an increment previously credited to the asset revaluation reserve, in which case it should be debited to the Asset Revaluation Reserve.

Interest revenues are recognised as they accrue.

r) Financial Instruments

Financial instruments give rise to positions that are a financial asset of either the Hospital or its counter party and a financial liability (or equity instrument) of the other party. For the Hospital these include cash at bank, receivables, other financial assets and payables.

In accordance with Australian Accounting Standard AAS33, "Presentation and Disclosure of Financial Instruments", information is disclosed in Note 20 in respect of the credit risk and interest rate risk of financial instruments. All such amounts are carried in the accounts at net fair value.

The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at cost and their terms and conditions at balance date are as follows:

Cash

Accounting Policies - Cash is carried at nominal values reconcilable to monies on hand and independent bank statements.

Terms and Conditions - Monies on deposit attract an effective interest rate of approximately 4.7 % per annum.

Receivables

Accounting Policies - Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.

Terms and Conditions - Accounts are issued on 30-day terms.

Investments

Accounting Policies - Investments reported at cost and net realisable value include both short term and fixed term deposits, exclusive of Hour-Glass Funds invested with Treasury Corporation. Interest is recognised in the Statement of Financial Performance when earned. Shares are carried at revalued carrying amount [note 2(q)] with dividend income recognised when the dividends are declared by the investee.

Terms and Conditions - Short term deposits have an average maturity of 90 days (42 days in 1999/2000) and effective interest rate of 4.7% to 5.9% per annum as compared to 6.03% and 6.25% per annum in the previous year. Fixed term deposits have an average maturity of 1,825 days (2,073 days in 1999/2000) and effective interest rates of 6% to 7.94% per annum as compared to 5.14% per annum and 9.02% per annum in the previous year.

Classes of instruments recorded at market value comprise:

Shares on the Australian Stock Exchange.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

Treasury Corporation Hour-Glass investments, Government and Semi-Government Bonds are stated at the lower of cost and net realisable value. Interest is recognised when earned.

Deposits have an average maturity of 48 months with effective interest rates of 5.9% to 7.94% per annum.

There are no classes of instruments which are recorded at other than cost or market valuation.

All financial instruments including revenue, expenses and other cash flows arising from instruments are recognised on an accruals basis.

Payables

Accounting Policies - Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Hospital.

Terms and Conditions - Trade liabilities are settled within any terms specified. If no terms are specified, payment is made by the end of the month following the month in which the invoice is received.

s) Trust Funds

The Hospital receives monies in a trustee capacity for various trusts as set out in Note 26. As the Hospital performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Hospital's own objectives, they are not brought to account in the financial statements.

t) Reclassification of Financial Information

As a result of applying AAS1 "Statement of Financial Performance" and AAS36 "Statement of Financial Position", the format of the Statement of Financial Performance (previously referred to as the Operating Statement) and the Statement of Financial Position has been amended. As a result of applying these Accounting Standards, a number of comparative amounts were represented or reclassified to ensure comparability with the current reporting period.

u) Budgeted amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional supplementation provided.

v) Changes in Accounting Policy

From 2000/2001 all Health Services have been provided with adjustments which recognise the flow of acute inpatients to/from other Australian States and Territories. To the extent that services are provided to persons from outside of New South Wales revenues are recognised. To the extent that services are provided to an Area's residents outside of New South Wales an expense is recorded. The adjustments have no effect on the equity values as the movement in Net Cost of Services is matched by a corresponding adjustment to the value of the NSW Health Recurrent Allocation.

The composition of patient flow revenue/expense is disclosed in Note 7(b) and Note 7(c).

The effect of the change on the 2000/2001 Net Cost of Services was an increase of \$1,457,811. If the change in accounting policy had been adopted in the previous year the 1999/2000 comparatives would have been stated as an increase in Net Cost of Services of \$1,405,797.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	2001 \$000	2000 \$000
3. Employee Related Expenses		
Employee related expenses comprise the following:		
Salaries and Wages	100,096	96,185
Long Service Leave [note 2(b)]	3,191	2,429
Annual Leave	9,490	8,445
Nursing Agency Payments	546	772
Other Agency Payments	146	93
Workers Compensation Insurance	1,262	1,491
Superannuation [note 2(c)]	8,649	7,705
	123,380	117,120

Salaries and Wages includes \$108,555 paid to members of the Hospital Board consistent with the Statutory Determination by the Minister for Health which provided remuneration effective from 1 July 2000.

The Payments have been made with the following bands:

\$ Range	Number Paid
\$0 to \$9,999	10
\$10,000 to \$19,999	1

No other fees or benefits were paid by the Hospital to its Board members.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	2001 \$000	2000 \$000
4. Goods and Services		
(a) Expenses on Goods and Services comprise the following:		
Computer Related Expenses	359	306
Domestic Charges	2,155	2,210
Drug Supplies	7,483	7,198
Food Supplies	2,230	1,972
Fuel, Light and Power	1,216	1,065
General Expenses	5,639	3,848
Hospital Ambulance Transport Costs	432	297
Insurance	16	16
Medical and Surgical Supplies	7,495	6,584
Postal and Telephone Costs	1,242	1,458
Printing and Stationery	1,038	1,229
Rental and Charges	214	205
Special Service Departments	4,481	3,596
Staff Related Costs	522	473
Travel Related Costs	689	806
	35,211	31,263
(b) General expenses include:		
Advertising	415	243
Books and Magazines	241	303
Consultancies		
Operating Activities	541	311
Capital Works	-	269
Courier and Freight	182	157
Auditor's Remuneration - Audit of Financial Reports	82	64
Auditor's Remuneration - Other Services	17	2
Legal Expenses	71	142
Membership/Professional Fees	146	145
Other Operating Lease Expenses	1,342	-
Provision for Bad and Doubtful Debts	214	168
5. Maintenance		
Repairs and Routine Maintenance	4,202	4,832
Expenditure in relation to Year 2000 Compliance	-	269
Other		
Renovations and Additional Works	-	40
Replacements and Additional Equipment less than \$5,000	1,296	1,291
	5,498	6,432
6. Depreciation Expense		
Depreciation - Buildings	6,512	6,433
Depreciation - Plant and Equipment	10,886	12,656
Depreciation - Infrastructure Systems	434	300
	17,832	19,389

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	2001 \$000	2000 \$000
7. Sale of Goods and Services		
(a) Sale of Goods and Services comprise the following:		
Patient Fees [note 2(e)]	5,112	5,160
Staff Meals and Accommodation	20	151
Infrastructure Charge – Facility Fees [note 2 (e)]	5,077	4,255
Car Parking	863	672
Child Care Fees	382	354
Fees for Medical Records	21	26
Lease and Rental Income	353	356
Non-Staff Meals	2,129	1,835
Sale of Prostheses	393	322
Patient Inflows from Interstate	1,458	-
Inter-Area Patient Inflows, NSW	67,461	63,708
Pharmacy	343	330
Other	1,596	894
	85,208	78,063

(b) Revenues from Inter-Area Patient Inflows on an Area basis as follows:

Central Sydney	4,948	4,733
Northern Sydney	7,368	6,705
Western Sydney	21,864	20,713
Wentworth	5,771	6,076
South West Sydney	12,072	10,933
Central Coast	3,360	2,873
Hunter	988	1,352
Illawarra	1,830	1,836
South Eastern Sydney	1,864	1,400
Northern Rivers	554	361
Mid North Coast	1,591	1,945
New England	840	668
Macquarie	711	485
Mid Western	2,052	1,869
Far West	52	188
Greater Murray	747	776
Southern NSW	849	795
	67,461	63,708

(c) Revenues from Patient Inflows from Interstate are as follows:

Australian Capital Territory	919	-
Northern Territory	27	-
Queensland	189	-
South Australia	206	-
Tasmania	46	-
Victoria	52	-
Western Australia	19	-
	1,458	-

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	2001 \$000	2000 \$000
8. Investment Income		
Interest	3,647	2,555
Other	250	214
	3,897	2,769
9. Grants and Contributions		
University Commission Grants	-	334
Commonwealth Government Grants	7,112	1,371
Donations and Industry Contributions	26,107	20,809
Grants	1,970	1,132
Other		
Clinical Drug Trials	234	302
	35,423	23,948

During the year the hospital received a total of \$234,000 from pharmaceutical companies for clinical drug trials to conduct research into drug utilisation and efficacy. There were a wide range of projects, the largest of which included the use of Growth Hormone in the treatment of children with Turner syndrome, the most efficient use of Pulmozyme in the treatment of Cystic Fibrosis, the use of Singulair for episodic wheeze in infants, research into various aspects of the management of epilepsy and the effect of immunising adolescents against hepatitis A and B.

10. Other Revenue

Other Revenue comprises the following:

Sales of Merchandise and Books	1,115	719
Conferences and Seminars	305	275
Increment in Revaluation of Investments	-	1,048
Other	2,392	1,514
	3,812	3,556

11. Gain/(Loss) on Disposal of Non-Current Assets

Property Plant and Equipment	1,587	3,938
Other Assets	105,137	168,157
Less Accumulated Depreciation	(861)	(2,501)
Written Down Value	105,863	169,594
Less Proceeds from Sale	105,498	170,771
Gain/(Loss) on Disposal of Non-Current Assets	(365)	1,177

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

12. Donations and Industry Contributions Restrictions

The following major Donations and Industry Contributions were recognised as revenues during the current year but expenditure in the manner specified by the donor had not occurred as at the balance date:

	2001	2000
	\$000	\$000
Construction of Building	11,086	4,146
Equipment	8,455	8,549
Endocrinology	111	720
Intensive Care Unit	60	38
Oncology and Leukaemia	1,683	2,131
Research	1,324	881
Bear Cottage Hospice	702	400
	23,421	16,865

The Hospital held the following amount of major Donations and Industry Contributions unexpended as at balance date:

Bear Cottage Hospice	2,282	640
Construction of Building	19,296	9,717
Equipment	1,695	1,267
Endocrinology	1,060	1,531
Gastroenterology	1,069	1,205
Intensive Care Unit	729	977
Oncology and Leukaemia	3,280	3,297
Research	6,456	5,950
	35,867	24,584

The amounts stated above exclude all investment income earned by the Hospital on Donations and Industry Contributions.

Further information on Restricted Assets appears in Note 19.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

13. Programs/Activities of the Health Service

Program 1.1 - Primary and Community Based Services

Objective: To improve, maintain or restore health through health promotion, early intervention, assessment, therapy and treatment services for clients in a home or community setting.

Program 1.2 - Aboriginal Health Services

Objective: To raise the health status of Aboriginal people and to promote a healthy life style.

Program 1.3 - Outpatient Services

Objective: To improve, maintain or restore health through diagnosis, therapy, education and treatment services for ambulant patients in a hospital setting.

Program 2.1 - Emergency Services

Objective: To reduce the risk of premature death and disability for people suffering injury or acute illness by providing timely emergency diagnostic, treatment and transport services.

Program 2.2 - Overnight Acute Inpatient Services

Objective: To restore or improve health and manage risks of illness, injury and childbirth through diagnosis and treatment for people intended to be admitted to hospital on an overnight basis.

Program 2.3 - Same Day Acute Inpatient Services

Objective: To restore or improve health and manage risks of illness, injury and childbirth through diagnosis and treatment for people intended to be admitted to hospital and discharged on the same day.

Program 3.1 - Mental Health Services

Objective: To improve the health, well being and social functioning of people with disabling mental disorders and to reduce the incidence of suicide, mental health problems and mental disorders in the community.

Program 4.1 - Rehabilitation and Extended Care Services

Objective: To improve or maintain the well being and independent functioning of people with disabilities or chronic conditions, the frail aged and the terminally ill.

Program 5.1 - Population Health Services

Objective: To promote health and reduce the incidence of preventable disease and disability by improving access to opportunities and prerequisites for good health.

Program 6.1 - Teaching and Research

Objective: To develop the skills and knowledge of the health workforce to support patient care and population health. To extend knowledge through scientific enquiry and applied research aimed at improving the health and well being of the people of New South Wales.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	2001 \$000	2000 \$000
14. Current Assets – Cash		
Cash at Bank on hand	8,010	736
Deposits at Call	–	3,450
	8,010	4,186
Cash assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:		
Cash (per Statement of Financial Position)	8,010	4,186
Bank Overdraft	(1,359)	–
Closing cash and Cash Equivalents (per Statement of Cash Flows)	6,651	4,186
15. Current / Non-Current Receivables		
Current		
a) Sale of Goods and Services	2,410	1,807
Other Debtors		
Non-Operating Debtors	420	316
Other Debtors	4,006	686
Prepayments	250	639
Interest Receivable	7	21
Sub Total	7,093	3,469
Less Provision for Doubtful Debts	(541)	(559)
	6,552	2,910
b) Bad Debts written off during the year:		
Sale of Goods and Services	36	110
Non-Current		
a) Sale of Goods and Services	213	862
	213	862
Less Provision for Doubtful Debts	–	(19)
	213	843
b) Bad Debts written off during the year – Non-Current Receivables		
Sale of Goods and Services	220	–
c) Sale of Goods and Services Includes:		
Patient Fees – Compensable	569	737
Patient Fees – Ineligible	733	681
Patient Fees – Other	1,321	672
	2,623	2,090

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

(d) Reconciliation of Non-Current Assets - Receivables:

2001	Sales of Goods and Services \$000	Prepayments \$000	Total \$000
Carrying Amount at Start of Year	862	-	862
Disposals / Repayments	(429)	-	(429)
Other Movements	(220)	-	(220)
Carrying Amount at End of Year	213	-	213

2000	Sales of Goods and Services \$000	Prepayments \$000	Total \$000
Carrying Amount at Start of Year	1,164	285	1,449
Additions / New Receivables	-	(285)	(285)
Disposals / Repayments	(302)	-	(302)
Carrying Amount at End of Year	862	-	862

2001 \$000	2000 \$000
---------------	---------------

16. Inventories

Current – At Cost

Drugs	434	342
Medical and Surgical Supplies	1,520	1,405
Food and Hotel Supplies	53	27
Engineering Supplies	178	125
Fundraising Merchandise	143	158
Other including Goods in Transit	567	659
	2,895	2,716

17. Other Financial Assets

Current

Treasury Corporation – Hour Glass Facility	23,653	12
Other Loans and Deposits	45	13,494
	23,698	13,506

Non-Current

Treasury Corporation – Hour Glass Facility	21,271	1,742
Government and Semi-Government Bonds	-	20,630
Other Loans and Deposits	21	1,108
Shares at Cost at Market Valuation	8,215	6,224
	29,507	29,704

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

Reconciliation of Non-Current Other Financial Assets

2001	TCorp Hour Glass Facilities	Other Loans and Deposits	Shares	Total
	\$000	\$000	\$000	\$000
Carrying Amount at Start of Year	1,742	21,738	6,224	29,704
Additions	21,658	28,491	1,212	51,361
Disposals	(2,129)	(50,208)	-	(52,337)
Net Revaluation Increment less Revaluation Decrements	-	-	779	779
Carrying Amount at End of Year	21,271	21	8,215	29,507

2000	TCorp Hour Glass Facilities	Other Loans and Deposits	Shares	Total
	\$000	\$000	\$000	
Carrying Amount at Start of Year	804	22,741	1,473	25,018
Additions	938	82,083	642	83,663
Disposals	-	(84,134)	(627)	(84,761)
Net Revaluation Increment less Revaluation Decrements	-	1,048	4,736	5,784
Carrying Amount at End of Year	1,742	21,738	6,224	29,704

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	Land \$000	Leasehold Land \$000	Buildings \$000	Construction in Progress \$000	Plant and Equipment \$000	Other \$000	Total
18. Property, Plant and Equipment							
Balance at 1 July 2000							
At Valuation date 30 June 1995	544	-	-	-	-	-	544
At Valuation date 30 June 1997	14,600	-	257,070	-	-	-	271,670
At Cost	-	-	113	2,603	119,884	5,636	128,236
Total Balance 1 July 2000	15,144	-	257,183	2,603	119,884	5,636	400,450
Revaluation Adjustment [notes 2(j), (m)]	-	-	-	-	-	-	-
Reclassifications	-	750	1,853	(2,603)	249	(249)	-
Capital Expenditure and Donations [notes 2(j), (m)]	-	-	5,332	-	1,764	100	7,196
Disposals	-	-	(670)	-	(917)	-	(1,587)
	15,144	750	263,698	-	120,980	5,487	406,059
Balance at 30 June 2001							
At Valuation Date 30 June 1995	544	-	-	-	-	-	544
At Valuation Date 30 June 1997	14,600	-	256,400	-	-	-	271,000
At Cost	-	750	7,298	-	120,980	5,487	134,515
Total Balance at 30 June 2001	15,144	750	263,698	-	120,980	5,487	406,059
Depreciation							
Valuation Depreciation Balance	-	-	19,275	-	-	-	19,275
Cost Depreciation Balance	-	-	-	-	66,689	1,787	68,476
Total Balance at 1 July 2000	-	-	19,275	-	66,689	1,787	87,751
Charge for the year [note 2(l)]	-	9	6,503	-	10,886	434	17,832
Disposals	-	-	(50)	-	(811)	-	(861)
Reclassifications	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-	-
	-	9	25,728	-	76,764	2,221	104,722
Balance at 30 June 2001							
At Valuation Date 30 June 1997	-	-	25,728	-	-	-	25,728
At Cost Balance	-	9	-	-	76,764	2,221	78,994
Total Balance at 30 June 2001	-	9	25,728	-	76,764	2,221	104,722
Carrying Amount at 30 June 2001							
At Valuation date 30 June 1995	544	-	-	-	-	-	544
At Valuation Date 30 June 1997	14,600	-	230,756	-	-	-	245,356
Cost Carrying Amount	-	741	7,214	-	44,216	3,266	55,437
Carrying Amount at 30 June 2001	15,144	741	237,970	-	44,216	3,266	301,337

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

(i) Land and Buildings include land owned by the NSW Health Department and administered by the Hospital [see notes 2(j) and 2(m)].

(ii) Land and buildings at Westmead were valued by Mr John Brogan AVLE (Val) Registered Valuer No 1697 from the Valuer Generals Office on 1 July 1996 and Mr Mark Everitt, AVLE (Val), Registered Valuer No 1704 from State Valuation Office and Mr Cameron C Olson AVLE (Cal), Registered Valuer No 2658 from FPD Professional Services Pty Limited on 30 June 1997 (see notes 2(j) and 2(m)) as part of the normal requirement to provide valuations at five yearly intervals.

Land was valued at \$14,600,000 (cost \$14,600,000).

Buildings were valued at \$257,205,000 (cost \$213,977,000).

The Hospital has disposed of properties to the value of \$650,000 during the year.

The proposal to sell the property at Camperdown (to another Government Agency) is currently with NSW Health for approval. This property was previously revalued in 1995 and will be revalued again during the year 30 June 2002 if the sale is not successful.

(iii) Plant and Equipment, other than motor vehicles, are valued at cost less accumulated depreciation.

(iv) Consideration of \$750,000 was paid for a lease of land at Manly, on which Bear Cottage Hospice is located. The term of the lease is 20 years with an option to renew for a further 20 years. The rent payable is \$1 per annum.

19. Restricted Assets

The Hospital's Financial Statements include the following assets which are restricted by externally imposed conditions. For example, donor requirements. The assets are only available in accordance with the terms of the donor restrictions.

Major Category	Brief Details of Externally Imposed Conditions	2001 \$000	2000 \$000
Children's Hospital Fund	Donations and fundraisings held for the purchase of specific equipment and/or services.	1,695	1,266
Specific Purposes Trust Funds	Donations, contributions and fundraisings held in trust for the benefit of specific patient, department and/or staff groups.	18,275	17,607
Perpetually Invested Trust Funds	Funds invested in perpetuity. The income therefrom is used in accordance with donors' or trustees' instructions for the benefit of patients and/or in support of hospital services.	5,736	5,461
Research Funds	Funds to be used for research on child health and other related research carried out by the Hospital.	6,456	5,950
Coffee Shop Trust	Accumulated funds distributed from the Coffee Shop Trust to be used for the purposes specified by the Trust which includes clinical fellowships and equipment.	289	339
Bear Cottage Hospice	Donations, contributions and fundraisings held towards the cost of building Bear Cottage, a home for terminally ill children and their families, to provide them with medical attention in a home environment.	2,282	5,606
Research Capital Campaign	Donations, contributions and fundraisings held towards the building of a Clinical Research Building, to provide infrastructure and facilities to meet the growing needs of research into disease and children's health.	19,296	4,112
		54,029	40,341

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

20. Financial Instruments

a) Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate owing to changes in market interest rates. The Hospital's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised, at the 30 June 2001, are as follows:

Financial Instruments	Floating Interest Rate		Fixed interest rate maturing in:				Non-interest bearing			Total Carrying Amount as per the Statement of Financial Position		Weighted average Effective Interest Rate*		
			1 year or less		Over 1 to 5 years		More than 5 years							
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 % p.a.	2000 % p.a.		
Financial Assets														
Cash	7,999	4,176	-	-	-	-	-	-	11	10	8,010	4,186	4	4
Receivables	-	-	-	-	-	-	-	-	6,765	3,753	6,765	3,753	N/A	N/A
Shares	-	-	-	-	-	-	-	-	8,215	6,224	8,215	6,224	-	-
Treasury Corporation Investments	-	-	-	1,310	-	432	44,924	-	-	-	44,924	1,754	7	8
Government and Semi-Government Bonds	-	-	-	21	5,156	-	15,474	-	-	-	21	20,630	6	8
Other Loans and Deposits	-	-	45	13,494	-	619	-	489	-	-	45	14,602	5	6
Total Financial Assets	7,999	4,176	45	13,506	21	7,085	-	16,395	59,915	9,987	67,980	51,149		
Financial Liabilities														
Borrowings – Bank Overdraft Payables	1,359	-	-	-	-	-	-	-	-	-	1,359	-	-	-
	-	-	-	-	-	-	-	-	6,303	6,386	6,303	6,386	-	-
Total Financial Liabilities	1,359	-	-	-	-	-	-	-	6,303	6,386	7,662	6,386		

* Weighted average effective interest rate was computed on a semi-annual basis. It is not applicable for non-interest bearing financial instruments.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. The Hospital's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the consolidated Statement of Financial Position.

Credit Risk by classification of counterparty.

	Governments		Banks		Patients		Other		Total	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Financial Assets										
Cash	-	-	7,999	4,176	-	-	11	10	8,010	4,186
Receivables	814	377	7	21	2,087	1,690	3,857	1,665	6,765	3,753
Shares	-	-	-	-	-	-	8,215	6,224	8,215	6,224
Treasury Corporation Investments Government and	44,924	1,754	-	-	-	-	-	-	44,924	1,754
Semi-Government Bonds	21	20,630	-	-	-	-	-	-	21	20,630
Other Loans and Deposits	-	-	45	14,602	-	-	-	-	45	14,602
Total Financial Assets	45,759	22,761	8,051	18,799	2,087	1,690	12,083	7,899	67,980	51,149

The only significant concentration of credit risk arises in respect of patients ineligible for free treatment under the Medicare provisions.

Receivables due from these patients totalled \$733,000 at 30 June 2001 (1999/2000: \$681,000).

c) Net Fair Value

As stated in Note 2(q) all financial instruments are carried at Net Fair Value, the values of which are reported in the Statement of Financial Position.

d) Derivative Financial Instruments

The Hospital holds no Derivative Financial Instruments.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

	2001 \$000	2000 \$000
21. Current Liabilities - Accounts Payable		
Current		
Creditors	6,090	5,020
Other Creditors		
Capital Works	-	1,266
Other	213	100
	6,303	6,386
22. Current / Non-Current Liabilities – Employee Entitlements		
Current		
Employee Annual Leave	7,875	7,220
Employee Long Service Leave	6,179	4,626
Accrued Salaries and Wages	2,144	1,519
Taxation and Other Payroll Deductions	1,221	1,410
	17,419	14,775
Non-Current		
Employee Annual Leave	4,043	3,604
Employee Long Service Leave	12,127	11,527
	16,170	15,131
23. Current Liabilities - Other		
Bank Overdraft	1,359	-
	1,359	-

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

24. Equity

	Accumulated Surplus		Asset Revaluation Reserve		Total Equity	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Balance at the beginning of the Financial Year	270,027	280,902	60,345	55,655	330,372	336,557
Changes in equity – other than transactions with owners as owners						
Result for the year	(157)	(10,875)	-	-	(157)	(10,875)
Increment on Revaluation of:						
Investment	-	-	746	4,690	746	4,690
Transfers to / (from) Revaluation Reserves	670	-	(670)	-	-	-
Balance at the end of the Financial Year	270,540	270,027	60,421	60,345	330,961	330,372

2001	2000
\$000	\$000

25. Commitments for Expenditure

(a) Capital Commitments

Aggregate expenditure contracted for at balance date but not provided for in the accounts:

Not later than one year	-	5,889
Total Capital Expenditure Commitments (including GST)	-	5,889

(b) Operating Lease Commitments

Commitments in relation to non-cancellable operating leases are payable as follows:

Not later than one year	1,373	1,141
Between one and two years	950	788
Between two and five years	449	438
Total Operating Lease Commitments (including GST)	2,772	2,367

(c) Contingent Asset Related to Commitment for Expenditure

The total "Operating Lease Commitments" above includes input tax credits of \$252,000 that are expected to be recoverable from the Australian Taxation Office.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

26. Trust Fund

The Hospital holds Trust Funds money of \$628,593 that are used for the safe keeping of Private Practice Trusts. These monies are excluded from the financial statements, as the Hospital cannot use them for the achievement of its objectives. The following is a summary of the transactions in the Trust accounts:

	2001	2000
	\$000	\$000
Cash Balance at the beginning of the financial year	246	234
Receipts	795	105
Expenditure	413	93
Cash Balance at the end of the financial year	628	246

27. Contingent Liabilities

(a) Claims on Managed Fund

Since 1 July 1989, the Hospital Service has been a member of the NSW Treasury Managed Fund. The Fund will pay to or on behalf of the Hospital all sums which it shall become legally liable to pay by way of compensation or legal liability if sued except for employment related, discrimination and harassment claims that do not have statewide implications. The costs relating to such exceptions are to be absorbed by the Hospital. As such, since 1 July 1989, apart from the exceptions noted above no contingent liabilities exist in respect of liability claims against the Hospital. A Solvency Fund (now called Pre-Managed Fund Reserve) was established to deal with the insurance matters incurred before 1 July 1989 that were above the limit of insurance held or for matters that were incurred prior to 1 July 1989 and would have become verdicts against the State. That Solvency Fund will likewise respond to all claims against the Hospital.

(b) Workers Compensation Hindsight Adjustment

When the New Start (to the) Treasury Managed Fund was introduced in 1995/1996, hindsight adjustments in respect of Workers' Compensation (three years from commencement of Fund Year) and Motor Vehicle (eighteen months from commencement of Fund Year) became operative.

The calculation of hindsight adjustments has been reviewed in 2000/2001 to provide an interim adjustment after three years with a final adjustment at the end of year five.

The interim hindsight adjustment has now been effected for the 1997/1998 year and resulted in a decrease in expenses of \$1,105,079.

A contingent liability/asset may now exist in respect of the 1997/1998, 1998/1999 and 1999/2000 Workers Compensation Fund years.

The Treasury Managed Fund provides estimates as at 30 June each year and the latest available, viz those advised as at 30 June 2000 estimates that an asset of \$944,723 is applicable.

This estimate however is subject to further actuarial calculation and a better indication of quantum will not be available until the last quarter of 2001.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

28. Charitable Fundraising Activities

Fundraising Activities

The Hospital conducts direct fundraising.

Income received and the cost of raising income for specific fundraising has been audited and all revenue and expenses have been recognised in the financial statements of the Hospital.

Fundraising activities are dissected as follows:

	Income Raised	Direct Expenditure	Indirect Expenditure	Net Proceeds
	\$000	\$000	\$000	\$000
Appeals (In House)	17,013	470	1,940	14,603
Events	2,959	9	-	2,950
Legacies	6,135	-	-	6,135
	26,107	479	1,940	23,688
Percentage of Income	100%	2%	7%	91%

Direct Expenditure includes printing, postage, raffle prizes, consulting fees and other related direct costs.

Indirect Expenditure includes direct overheads such as office staff, administrative costs, cost apportionment of light, power and other overheads.

The net proceeds were used for the following purposes:

	2001 \$000
Purchase of Equipment	8,491
Purchase and Construction of Buildings	11,087
Research	1,324
Held in Special Purpose and Trust Funds	2,786
	23,688

The provisions of the Charitable Fundraising Act 1991 and the regulations under that Act have been complied with and internal controls exercised by the Royal Alexandra Hospital for Children are considered appropriate and effective in accounting for all the income received in all material respects.

Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

29. 2000/2001 Voluntary Services

It is considered impracticable to quantify the monetary value of voluntary services provided to the Hospital. Services provided include:

Fundraising
 Provision of relief staff to administration areas
 Sibling Child Care Centre
 Assistance in the wards with inpatient care
 Assistance with child care for the Adolescent, Deafness Centre, Spina Bifida and Limb Deficiency Clinics
 Hospital Grandparent Service
 Volunteers, Gift Shop
 Volunteers, White Elephant Stall
 Radio Bed Rock
 Starlight Room
 Book Bunker

30. Reconciliation of Net Cost of Services to Net Cash Flows from Operating Activities

	2001	2000
	\$000	\$000
Net Cash Flows from Operating Activities	18,448	7,682
Depreciation	(17,832)	(19,389)
Provision for Doubtful Debts	37	-
Acceptance by the Crown Entity of Superannuation Liability	(8,649)	(7,705)
Increase in Provisions	(3,247)	(2,900)
Increase in Prepayments and Other Assets	3,155	(532)
Increase in Creditors	(353)	1,719
Net Loss on Sale of Property, Plant and Equipment	(365)	1,177
NSW Health Department Recurrent Allocations	(48,755)	(48,000)
NSW Health Department Capital Allocations	(274)	(1,670)
NSW Health Department Loans	-	1,368
Net Cost of Services	(57,835)	(68,250)

31. Non-Cash Financing and Investing Activities

Assets Received by Donation	38	-
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Royal Alexandra Hospital for Children

Notes to and forming part of the Financial Statements for the year ended 30 June 2001

32. Unclaimed Monies

Unclaimed salaries and wages are paid to the credit of the Department of Industrial Relations and Employment in accordance with the provisions of the Industrial Arbitration Act, 1940, as amended.

All money and personal effects of patients which are left in the custody of the Hospital by any patient who is discharged or dies in the hospital and which are not claimed by the person lawfully entitled thereto within a period of twelve months are recognised as the property of the Hospital.

All such money and the proceeds of the realisation of any personal effects are lodged to the credit of the Samaritan Fund, which is used specifically for the benefit of necessitous patients or necessitous outgoing patients.

33. Budget Review

Net Cost of Services

The actual net cost of services was less than budget by \$594,000. This was primarily due to additional Government Grants received in excess of budget during the year for research and services.

Movement in Accumulated Funds

The movement in Accumulated Funds included the decrement in Revaluation of Asset Reserves for a Building originally revalued at \$670,000 in June 1997. This was transferred to the Department of Community Services during the year.

Assets and Liabilities

Total Net Assets are \$2,045,000 higher than budget, primarily due to an increase in funds available for research and other services.

Cash Flows

Movements in the level of the NSW Health Department Recurrent Allocation that have occurred since the time of the initial allocation on 16 June 2000 are as follows:

	\$000
Initial Allocation, 16 June 2000	43,910
Award Increases	1,087
Special Projects:	748
Examples: Highly Specialised Drugs, Aboriginal Renal Work, Program of Aids for Disabled People, Mental Health Plan	
Other:	3,010
Examples: Chronic Care Program, Cochlear Implant, Paediatric Intensive Care Beds, etc	
Balance as per Statement of Financial Performance	48,755

34. Post Balance Date Events

On 8 August 2001, an Investment Management Agreement was signed between the Hospital and HSBC Asset Management (Australia) Limited, to appoint HSBC Asset Management (Australia) Limited to manage part of the Hospital's funds. The amount to be managed has not yet been determined, but will not be less than \$10 Million.

It is recorded that Mr David Say is the Chairman of HSBC Bank Australia and is also a Director and the Honorary Treasurer of the Royal Alexandra Hospital for Children.

End of Audited Financial Statements.

Certification of Accounts

The attached financial statements of The Children's Hospital at Westmead for the year ended 30 June 2001:

- (i) have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views, the requirements of the Public Finance and Audit Act, 1983 and its regulations, the Accounts and Audit Determination, and the Accounting Manual for Area Health Services, District Health Services and Public Hospitals; and
- (ii) present fairly the financial position and transactions of The Children's Hospital at Westmead; and
- (iii) have no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



John Dunlop
President



David Say
Honorary Treasurer



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

ROYAL ALEXANDRA HOSPITAL FOR CHILDREN

To Members of the New South Wales Parliament and Members of the Board

Scope

I have audited the accounts of the Royal Alexandra Hospital for Children for the year ended 30 June 2001. The Board is responsible for the financial report consisting of the statement of financial position, statement of financial performance, statement of cash flows and program statement - expenses and revenues, together with the notes thereto, and information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and Members of the Board based on my audit as required by sections 34 and 41F(1) of the *Public Finance and Audit Act 1983* (the PF&A Act) and section 24 of the *Charitable Fundraising Act 1991* (the CF Act). My responsibility does not extend here to an assessment of the assumptions used in formulating budget figures disclosed in the financial report.

My audit has been conducted in accordance with the provisions of the PF&A Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. I have also performed procedures, including obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the CF Act.

These procedures have been undertaken to form an opinion:

- (a) whether, in all material respects, the financial report is presented fairly in accordance with the PF&A Act, Accounting Standards and other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with my understanding of the Royal Alexandra Hospital for Children's financial position, the results of its operations and its cash flows; and
- (b) on the matters required by section 24(2) of the CF Act.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion Pursuant to the *Public Finance and Audit Act 1983*

In my opinion, the financial report of the Royal Alexandra Hospital for Children complies with section 45E of the PF&A Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Hospital as at 30 June 2001 and the results of its operations and its cash flows for the year then ended.

Audit Opinion Pursuant to the *Charitable Fundraising Act 1991*

I report that:

- i) the accounts of the Royal Alexandra Hospital for Children show a true and fair view of the financial result of fundraising appeals for the year ended 30 June 2001;
- ii) the accounts and associated records of the Royal Alexandra Hospital for Children have been properly kept during the year in accordance with the CF Act;
- iii) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the CF Act; and
- iv) there are reasonable grounds to believe that the Royal Alexandra Hospital for Children will be able to pay its debts as and when they fall due.



M T SPRIGGINS, CA
DIRECTOR OF AUDIT
(duly authorised by the Auditor-General of New South Wales)

SYDNEY
14 September 2001

hours of operation

- The Emergency Department at The Children's Hospital at Westmead is open 24 hours a day.
- Outpatients Clinics are staffed from 8 AM to 5 PM Monday to Friday.

the
children's
hospital at Westmead

Cnr Hawkesbury Road and
Hainsworth Street, Westmead.
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Westmead NSW 2145.

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