1964–65–66

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

EIGHTY-FIRST REPORT

THE SUPPLEMENTARY REPORT OF THE AUDITOR-GENERAL— FINANCIAL YEAR 1964-65 (THE CANBERRA COMMUNITY HOSPITAL)

Presented pursuant to Statute and ordered to be printed, 18*th August* 1966

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

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The Senate appointed its Members of the Committee on 4 March 1964, and the House of Representatives its Members on 5 March 1964.

[1]Resigned 29 April 1965. [2]Appointed 29 April 1965. [3]Resigned 23 March 1966. [4]Appointed 23 March 1966.

DUTIES OF THE COMMITTEE

Section 8 of the *Public Accounts Committee Act* 1951-1965 reads as follows:

8. The duties of the Committee are—

(a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the *Audit Act* 1901-1950;

(b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;

(c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and

(d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

EIGHTY-FIRST REPORT

THE SUPPLEMENTARY REPORT OF THE AUDITOR-GENERAL— FINANCIAL YEAR 1964-65

(The Canberra Community Hospital)

CHAPTER 1—INTRODUCTION

In previous Reports your Committee has referred to the duty imposed by section 8 (*a*) of the *Public Accounts Committee Act* 1951-1965 to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of sub-section (1) of section fifty-three of the Audit Act. Each year since 1959 we have conducted a separate series of annual inquiries relating specifically to matters raised in each Report of the Auditor-General.

2. The results of Your Committee's inquiry into the Report of the Auditor-General for 1964-65 were presented to the Parliament in our Seventy-eighth Report. P.P. No. 274/1964-65-66.

3. The Supplementary Report of the Auditor-General for 1964-65 was presented to the Parliament on 19th November 1965.

4. On 7 December 1965, Your Committee discussed with the Auditor-General a number of items on which he had commented in his Supplementary Report. Further written explanations were obtained and after considering these statements we decided to investigate in detail the matters relating to the Canberra Community Hospital which appear in this Report. As the hospital had previously been the subject of inquiry by Your Committee in 1960 it was felt that the present inquiry could, with advantage, be made more widespread than the matters specifically referred to by the Auditor-General.

5. The written statements submitted by the Canberra Community Hospital Board were made the subject of a public inquiry held at Parliament House, Canberra, on:

Friday, 25 March 1966.
Thursday, 31 March 1966.
Tuesday, 19 April 1966.

6. The following witnesses were sworn at the public inquiry and were examined by Your Committee:

Dr. T. H. J. Harrison . .	Chairman, Canberra Community Hospital Board.
Mr. A. H. Ide	Accountant, Canberra Community Hospital.
Dr. P. N. O'Donnell	General Superintendent, Canberra Community Hospital.
Mr. J. H. Pead	Member, Canberra Community Hospital Board and Chairman, Finance Committee of the Board.
Mr. A. J. Tozer	Secretary, Canberra Community Hospital Board.

7. During our inquiry we were assisted by the following observers:

Mr. J. K. Lawrence	Audit Office.
Mr. F. C. Nordeck	Public Service Board.
Mr. M. Carroll	Department of Health.
Mr. M. G. Cowie	Department of the Treasury.

8. As part of our investigations we made an inspection of the Canberra Community Hospital on Tuesday, 19 April 1966.

CHAPTER 2—THE CANBERRA COMMUNITY HOSPITAL

(A) Previous Inquiry

9. Your Committee inquired into the Canberra Community Hospital in 1960 on matters arising from Reports made by the Auditor-General. In our Fifty-second Report, which related to that inquiry, Your Committee was concerned with two matters: P.P. No. 89 of 1960.

(1) the delay in submitting for audit the financial statements relating to the hospital for the financial year 1958-59; and

(2) comments made by the Auditor-General in earlier reports upon the inadequacy of the financial statements.

10. In its conclusions Your Committee stated that both matters appeared to have been satisfactorily resolved. The Auditor-General, in his Supplementary Report for 1959-60, dated 7 October 1960, was able to report that financial statements for 1959-60 in the form of a Balance Sheet supported by an Income and Expenditure Statement, had been furnished by the Hospital Board. The Chairman of the Hospital Board (who was also an officer of the Department of the Treasury) considered that the Hospital Board was at some disadvantage in recruiting administrative staff in competition with the Public Service. Your Committee considered that this matter might be investigated jointly by the Hospital Board, the Department of Health and the Public Service Board to establish whether there was a need and scope for some variation in the arrangements by which, or the conditions under which, the Administrative Branch of the hospital was staffed.

P.P. No. 305 of 1962–63.

11. In the subsequent Treasury Minute relative to Your Committee's Fifty-second Report it was stated that the Chairman of the Canberra Community Hospital Board had discussed with the Department of Health and the Public Service Board the recruitment of administrative staff for the Hospital, and that an Act of Parliament would be necessary to preserve the rights of Officers of the Commonwealth Service who might transfer to the hospital staff. However, it was stated that the immediate disadvantage in recruitment was removed by an award of the Conciliation Commissioner in December 1960, which improved the salary classifications of the hospital staff.

(B) The Supplementary Report of the Auditor-General, 1964-65

12. In paragraph 50 of his Supplementary Report for 1964-65, the Auditor-General stated:

> 'Paragraph 224 of my Report dated 20th August, 1965 stated that, subject to the availability of the financial statements, comment on the financial operations of the Hospital for the year ended 30th June, 1965 would be included in my Supplementary Report.
>
> 'At the date of preparation of this Report, the financial statements for 1964-65 had not been made available, in a final form, for audit.'

(C) General Administration of the Hospital

13. The Canberra Community Hospital is established under the *Canberra Community Hospital Ordinance* 1938-1964. The Ordinance provides for a Canberra Community Hospital Board comprising eight members, three of whom are appointed by the Minister and five elected by eligible persons resident in the Australian Capital Territory. The main responsibilities of the Board are:

P.P. No. 89 of 1960 and Q's. 3 to 6.

(1) subject to the directions of the Minister, to determine matters concerning the general policy to be adopted by the General Superintendent in the administration of the hospital;
(2) subject to the directions of the Minister and with his concurrence to appoint staff and determine terms and conditions of employment; and
(3) subject to the directions of the Minister to apply moneys in its hands for purposes listed in the Ordinance.

Q. 30. The Minister is the Commonwealth Minister for Health. The Board publishes annual reports.

14. We were informed that all meetings of the Hospital Board are held in public unless
Q. 43. a majority of the Board determines otherwise in which case meetings are held in Committee. It was said that meetings in Committee are not preferred by Board Members. The Canberra
Q. 45. Community Hospital Ordinance does not provide for Board Meetings to be held in public or private.

Q. 5 and Exhibit 81/1.

15. Although no structural change had been made in respect of the Hospital Board since this Committee's previous inquiry in 1960 it was stated that a major administrative change had occurred, centred on a Report made by the Hospital Board to the Minister for Health on 20 February 1962 relating to the Board's considerations on the administrative arrangements and patterns of organisation structure envisaged for the hospital as it developed towards and reached the 600-bed stage. The first consideration was given to the top level positions in existence at the time of the Report and those considered necessary in the new hospital.

Exhibit 81/1.

16. It was stated that the Minister for Health arranged for Dr. J. Lindell, Chairman of the Victorian Hospital and Charities Commission, to advise on the proposed administrative arrangements and basic staffing organisation and for Miss F. Peterson, Principal of the Division of Nursing of the Department of Health to examine the nurse staffing structure. The Report submitted by Dr. Lindell commented on the overall structure, particularly on

the appointment of a General Superintendent and his responsibilities, the medical organisation within the hospital and the responsibilities of the Hospital Board. Miss Peterson's report related to the nursing department and especially to staffing arrangements in the top brackets of the nursing profession. It formulated the duty statement for the positions of Matron, Deputy Matron, Assistant Matrons and Supervisors.

17. The proposal submitted by the Hospital Board as subsequently amended after considering the Reports of Dr. Lindell and Miss Peterson were approved, in principle, by the Minister on 18 February 1964. This incorporated, in the first instance, the creating of the position of General Superintendent responsible for the total administration of the hospital, a position which was filled on 7 December 1964. The proposals also included the relieving of the Chief Executive of clinical responsibilities by creating the position of 'Clinical Superintendent' who would be responsible for the overall supervision of medical services provided by the hospital, clinical departments and those aspects of the hospital of a medico-administrative nature. The first appointment to this position was made on 23 November 1964. Those aspects of the organisation structure relating to 'business' and 'nursing', existing in basic framework at the time of the proposal, were, on the suggestion of the Minister, deferred until the General Superintendent could examine the details. Exhibit 81/1.

18. The first deliberate action taken by the Hospital Board on the 'business' section was the submission to the Minister for Health on 11 February 1965 of a proposal to create the positions of 'Administrative Officer General' and 'Secretary to Committees'. The position of 'Administrative Officer General' was designed to take charge of non-financial aspects of the hospital administration whilst the latter position was designed to take from the Secretary the duties of recording minutes and preparing reports of meetings of the Board, sub-committees of the Board, executive staff meetings and other meetings between executives and medical officers and the control of a central correspondence registry. In approving these positions the Minister agreed with the Hospital Board's submission on the salary rate for the Secretary to Committees but indicated that he was unable to approve the rate suggested for the position of Administrative Officer General. The positions were filled on 11 November 1965 and 10 January 1966, respectively. Exhibit 81/1 and Q. 46.

19. On 15 March 1965 the Hospital Board submitted a further proposal to the Minister, setting out details of reclassifications of existing administrative positions and new positions considered necessary by reason of increased responsibilities and workload associated with the expansion of the hospital. The Minister's decision was conveyed to the Hospital Board on 15 September 1965 and incorporated the reclassification of sixteen positions and the creation of eight new positions. Exhibit 81/1.

20. It was claimed that a major administrative change of the nature outlined had, by reason of its magnitude, the extent of its coverage and the inevitable delays in implementation and effective operation, materially affected all aspects of the hospital in operation. It was also claimed that these changes, involving a change in the top administrative position, had come about at a time when the hospital was still experiencing an increase in demand for services, construction of new wards accommodating 224 beds, new medical, medical ancillary and service departments were nearing completion and alterations to existing wards and departments involving the transfer of patients and staff to areas not designed for the purpose were in progress. It was also stated that the administration of the hospital was made difficult by the geographical situation of various wards and departments in relation to the main section of the hospital and communications were frequently disrupted by construction work within the area. Exhibit 81/1.

21. Mr. Pead informed us that the Hospital Board is endeavouring to administer a very large and essential service in Canberra and he did not believe that with the divided control currently evident, the Hospital Board could do justice to its immense task in a city growing as rapidly as Canberra. He claimed that in these circumstances the Hospital Board should be autonomous and should be divorced from the other Government instrumentalities which currently have a measure of control over the hospital. He contended that the present system of control through the Minister for Health is antiquated and outmoded. Q. 98.

22. The Department of Health observer, Mr. Carroll, stated that in Queensland the establishment of hospitals is subject to the Minister for Health and salaries are subject to examination and approval of the Public Service Commissioner. He added that although hospital boards have a degree of autonomy in New South Wales and Victoria, their establishment, staffing and determination of salaries are the responsibility of a commission or government agency. In support of his argument Mr. Carroll supplied the following information relative to the extent of Government financial assistance to hospitals in New South Wales and Victoria compared with that received by the Canberra Community Hospital.

TABLE No. 1

GOVERNMENT FINANCIAL CONTRIBUTIONS TO HOSPITALS (AS A PROPORTION OF TOTAL HOSPITAL REVENUE)

Financial Year	Canberra Community Hospital		New South Wales(*b*)	Victoria(*b*)
	(*a*)	(*b*)		
	Per cent	Per cent	Per cent	Per cent
1962–63	68.7	65.4	53.0	51.3
1963–64	66.4	60.4	49.0	49.7
1964–65	72.5	64.0	..	..
1965–66	67.2	(*c*) 62.7	..	..

(*a*) Includes capital expenditure other than capital expenditure financed under the Commonwealth Works Programme. (*b*) Excludes capital expenditure. (c) Excluding allowance for increased charges from 1 January 1966.

Q. 205 and Committee File 1965/11.

23. Mr. Carroll concluded from these figures that some controls are necessary when large Government expenditure is involved and that this necessity stems from the need to ensure that these large contributions are maintained at a reasonable level having regard to the levels applied elsewhere in Australia. In regard to the figures quoted for New South Wales and Victoria, he stated that controls and limitations are placed on hospital authorities in those States, not unlike those applied in the Australian Capital Territory but that in the case of the Canberra Community Hospital there is a majority elected Board whereas in the two States mentioned the type of Board is not so democratically chosen. For these reasons he considered that under the present arrangements in the Australian Capital Territory it is essential that the final responsibility is a matter for consideration and decision by the Minister.

Q's. 205 and 207.

24. Mr. Carroll also stated that in some cases the Minister has determined that the Hospital may undertake certain matters under delegated authority. The role of the Department is to advise the Minister where the Minister requests advice. It is in this situation that the Department develops a co-operative and helpful spirit towards the hospital as far as possible and as far as economies and proper management can be considered necessary.

Q. 65.

(D) LEGISLATION

(i) *The Canberra Community Hospital Ordinance* 1938-1964

Exhibit 81/1 and Q. 73.

25. Since 1 January 1960, the Canberra Community Hospital Ordinance has been altered by four amending ordinances. The purposes of these amendments are described below.

No. 21 *of* 1961

This amendment was designed to fix the period of office of Board Members as three years from 1st October immediately following their election in lieu of two years from the date of their election. This followed an increase in the term of office of the members of the Australian Capital Territory Advisory Council and in addition the Hospital Board had expressed the view that a term of two years was inadequate. The amending Ordinance also provided that a member elected to fill a vacancy on the Board holds office for the balance of the term of office of the vacating member, rather than until the date of the next election. It also provided that the first meeting of each newly elected Board shall be held before 15 October immediately following an election rather than within fourteen days after the date of the election.

No. 9 *of* 1962

Exhibit 81/1 and Q's. 194 to 196.

This amending Ordinance rectified an omission by providing that an elected member of the Board is eligible for re-election. A similar provision had been made in section 8 of the Principal Ordinance repealed by Ordinance No. 21 of 1961 but had been overlooked by officers of the Department of Health when instructing the draftsmen of the Attorney-General's Department in the framing of Ordinance No. 21 of 1961. The amending Ordinance also provided for the establishment, composition and functions of a Medical Advisory Committee, and, consequent upon this, deleted the provision for the Board to confer from time to time with members of the medical profession on 'matters of interest to the hospital and the

profession'. We were informed that this amendment came about after many years of consideration by the Hospital Board on medical staffing within the hospital. In a very early proposal to the Minister for Health the Board had envisaged a system of medical staff classification and had drawn attention to the deficiencies or weaknesses in the link between the hospital and the visiting medical staff. The proposal submitted at that time had not been approved. The 1962 amendment, however, had as its basis the creation of a link between the hospital administration and the medical staff. Prior to that amendment there had been an informal link in that there had existed an association consisting mainly of doctors practising in the hospital. They had elected a Committee which met with the Hospital Board and discussed matters of a medico-administrative nature. The 1962 amendment also provided for the appointment of visiting and Honorary Medical and Dental Practitioners and redefined the services to be provided by the Hospital Board. It provided specifically that the Board shall not provide treatment for patients of visiting medical officers except in an emergency or where the patient is an 'approved class of person'. In addition, provision was made as to the terms and conditions under which the facilities of the hospital are made available to private medical practitioners and the provision relating to free medical treatment for out-patients who are pensioners was amended.

Exhibit 81/1 and Q. 76.

Exhibit 81/1.

Exhibit 81/1.

No. 8 *of* 1963

The definition of 'services' in the Principal Ordinance was amended. The previous definition of 'services' referred to drugs and dressings specified in the British Pharmacopaeia or in the Schedules to the National Health (Pharmaceutical Benefits) Regulations. This was regarded as unnecessarily cumbersome and not strictly accurate as it did not cover medicinal preparations and dressings which are not pharmaceutical benefits. Provision was also made to bring the Ordinance into conformity with revised works programming arrangements.

Exhibit 81/1.

No. 18 *of* 1964

This amending Ordinance was designed to provide for references to the newly created office of General Superintendent; to exclude the General Superintendent or his spouse from eligibility for election to the Hospital Board; to rectify reference to the Hospital, instead of the Board as the employing and contractual authority; to provide for the appointment, remuneration etc., of the General Superintendent; to omit reference to the appointment of a Medical Superintendent; to authorise the General Superintendent instead of the Medical Superintendent to treat an in-patient unless the General Superintendent is not a registered medical practitioner; and to authorise the General Superintendent or, if he is not a registered medical practitioner, a hospital doctor authorised by him, to approve of a registered medical practitioner giving special advice to a visiting medical officer. The amending Ordinance also gave the General Superintendent the powers previously exercised by the Medical Superintendent in relation to authorisation of the use of the Hospital facilities for surgical operations and medical procedures, unless he is not a registered medical practitioner, in which case he must appoint a hospital doctor to exercise these powers. Provision was also made to give the General Superintendent power to render medical and surgical treatment at the hospital if he is a registered medical practitioner; to charge the General Superintendent with various powers and responsibilities formerly vested in or imposed on the Medical Superintendent and to bring up to date the name of the Hospital's Bank.

Exhibit 81/1.

26. The Department of Health observer, Mr. Carroll, stated that the Ordinance has been kept up to date, where it has been necessary to do so, but that it is not a modern piece of legislation. The Department of Health had included the Ordinance in a fairly long list of Australian Capital Territory ordinances which it proposes to review. The Department had strengthened considerably its staff for the Australian Capital Territory and Northern Territory in order to make a proper review of all legislation which it administers. Mr. Carroll informed us that the Canberra Community Hospital Ordinance would receive early attention. He stated that in December 1964, the Chairman of the Hospital Board had approached the Department of Health asking whether the Hospital Board could assist by re-writing the Ordinance in terms which it considered appropriate. The Department had welcomed this offer but, at the time of our inquiry, the Hospital Board had not submitted a re-written draft Ordinance for consideration. In these circumstances the Department proposed to proceed with a review of the Ordinance and to consult the Hospital Board extensively before reaching final considerations.

Q. 65.

27. Dr. Harrison, the Chairman of the Hospital Board, informed us that the Hospital Board had been concerned with its re-organisation problems and had had some discussions with the Department of Health regarding the re-writing of the Ordinance. The Board had not reached the stage of re-writing the Ordinance, however, because certain major policy
Q. 193. matters, including the question of an increase in the powers of the Board to administer certain details of procedures, still remained to be determined. He stated that the Hospital Board was about to discuss with the Minister the matters which were basic to the rewriting of the Ordinance.

Q. 220. 28. Mr. Carroll informed us that the previous Minister for Health, the Hon. R. W. C. Swartz, M.P., had given an undertaking to the Hospital Board that the Ordinance would be reviewed. Whilst the Department has a number of items that it wishes to carry out, it looked forward to a new ordinance covering the hospital.

Q's. 195 and 196. 29. Mr. Carroll stated that the actual drafting of an ordinance is a co-operative matter between the Department of Health and the Attorney-General's Department based on instructions given by the Department of Health to the draftsman.

(ii) *Regulations*

30. Section 41 of the *Canberra Community Hospital Ordinance* 1938-1964 provides as follows:

> 'The Minister may make regulations, not inconsistent with this Ordinance, prescribing all matters which are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Ordinance'.

Q. 65. 31. The Department of Health observer, Mr. Carroll, informed us that generally, Regulations are made to cover charges set by the Hospital. Since 1 January 1960, eight amending Regulations have been promulgated. The purposes of these amendments are set out below.

No. 4 *of* 1960

Exhibit 81/1. This amendment fixed new rates of charges for physiotherapy treatment by increasing the charges for general physiotherapy from 50c and 25c to $1 and 50c (first and subsequent treatments) and providing new rates of 50c and 25c for treatment provided in clinics.

No. 2 *of* 1961

Exhibit 81/1. This amendment fixed new rates of charges for the three categories of in-patients: $4.40 per day for general ward, $7.10 for intermediate ward and $9.50 for private ward patients. It also fixed charges to be made to out-patients supplied with drugs where the drug is a pharmaceutical benefit under the National Health Act; adjusted the charges made where a patient is likely to receive damages or workers' compensation and fixed rates for ambulance services to such persons; adjusted charges for providing ambulance services; made new provisions relating to the making of ambulance services available to sporting functions and the calculation of rates in respect of fractions of a mile travelled by an ambulance.

No. 15 *of* 1961

Exhibit 81/1. This amendment made no substantial changes but consolidated the existing Regulations.

No. 1 *of* 1963

Exhibit 81/1. The charge of $4.40 per day for general ward in-patients was increased to $5.60. Provision was also made for current rates for certain classes of general ward in-patients to continue until specified dates in 1963.

No. 5 *of* 1964

Exhibit 81/1. This amendment specified rates for radiological services.

No. 2 *of* 1965

Exhibit 81/1. Charges were set for treatment at the rehabilitation unit for persons likely to receive damages or workers' compensation and for out-patients. The charge was also fixed for meals provided to out-patients attending the unit. The reference in the Regulation to 'Medical Superintendent' was changed to 'General Superintendent' and treatment provided in the Rehabilitation Centre was included in the classes of treatment for which a higher charge is made if the patient is likely to recover damages of worker's compensation.

No. 8 of 1965

The classification of and charges relating to 'intermediate ward' were removed. It was stated that the intermediate ward classification in Canberra had an historical content in that it related to the number of beds in a ward. During the period of alterations and new construction at the existing hospital the two or three-bed wards disappeared entirely so that the hospital, as now partly completed and as envisaged in the final result, would contain all single rooms or four-bed wards. The amendment also raised rates to $6.80 per day for patients in general wards and to $11.60 per day for private ward patients. The reference to charges for in-patients in intermediate wards was also removed and new rates prescribed for general and private ward patients likely to recover damages or workers' compensation at $8 per day and $11.60 per day, respectively. Q. 87. Exhibit 81/1.

No. 9 of 1966

This amendment provided new rates for medical, dental and radiological services, generally.

(iii) *By-laws*

32. Section 40 of the *Canberra Community Hospital Ordinance* 1938-1964 provides as follows:

> '(1) The Minister may make by-laws, not inconsistent with this Ordinance, for or with respect to—
>
> (*a*) the admission or discharge of patients and other persons entitled to the benefits of the Hospital;
>
> (*b*) the maintenance of order, discipline, decency and cleanliness among the inmates of the Hospital;
>
> (*c*) the prohibition of the introduction of any specified articles into the Hospital;
>
> *
>
> (*e*) the duties and conduct of the officers, nurses, attendants and servants of the Hospital;
>
> (*f*) the management, care, control and superintendance of the Hospital and fulfilment of the purposes thereof;
>
> (*g*) the maintenance of order and the regulation of traffic in the Hospital grounds; and
>
> (*h*) the imposition of penalties not exceeding Five Pounds for a breach of any by-law.
>
> '(2) All such by-laws shall be published in the Gazette.'

33. The Department of Health observer, Mr. Carroll, informed us that the Hospital by-laws are made by the Minister on the recommendation of the Hospital Board. He stated that the by-laws are considerably out-of-date. Q. 65.

34. We were informed that the by-laws relate to domestic daily operations of the hospital and place no restriction on it or make it difficult to operate. Mr. Tozer considered that the by-laws could not be brought up-to-date in their present form until such time as further principles or policies had been laid down in the Ordinance which dictates the way in which the by-laws operate. He also stated that the by-laws are out of date mainly in that they are inconsistent with the Ordinance. Amendments had been made to the Ordinance without amendments having been made to the by-laws so that in areas where difficulties had arisen the Ordinance provides the machinery whereby the hospital can operate as opposed to the deficiencies which exist in the by-laws. Q's. 101 to 103. Q. 209.

35. Mr. Tozer considered that the by-laws should contain only those avenues of operation that protect or guide the administration in respect of particular areas of operation not provided for in the Ordinance. He also explained that the old by-laws provide basically the duties of the Medical Superintendent, his obligations and the responsibilities and condition of appointment of honorary and visiting medical staff and the charges prescribed for treatment given. In the areas in which the by-laws are out of date and in the areas of most importance to the operation of the hospital, the Ordinance or the charges regulations now prevail. The charges regulations literally repeal the section of the by-laws relating to charges. The hospital has continued to work, however, under the conditions and obligations of the appointment and duties and responsibilities of visiting and honorary medical officers. Q. 215.

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*Sub-section 2 of section 6 of the Canberra Community Hospital Ordinance 1952 reads as follows:

'(2) The by-laws in force under the Principal Ordinance immediately before the commencement of this Ordinance shall continue in force as if made under the Principal Ordinance as amended by this Ordinance, but may be amended or repealed by by-laws made under the Principal Ordinance as amended by this Ordinance.'

Q's. 217 and 218.

36. Mr. Carroll stated that in the framing of by-laws the Hospital Board made recommendations to the Minister who would probably seek departmental advice. He did not expect that a review by the Department would be lengthy particularly as the Department's legislative officers section had been increased.

Q. 351.

37. Mr. Tozer informed us that subject to the re-drafting of the Hospital Ordinance the re-writing of the by-laws could be proceeded with speedily.

(E) Staffing

38. The following table shows the growth in the number and type of new positions created in the hospital administrative staff subsequent to our previous inquiry into the Hospital.

TABLE No. 2

Canberra Community Hospital Staff—New Positions Created

23 December 1960	May 1964	15 September 1965
Store Ledger Clerk	Clerk Accounts Payable Clerk Accounts Receivable Storeman	Administrative Officer General Secretary to Committees Senior Clerk Expenditure(*a*) Salaries Clerk No. 2 Clerk (Inventories and Staff) Clerk (Ledger and Recoveries) Relief Clerk No. 2 Purchasing Clerk Storeman Information Clerk

(*a*) Replaced one position of Clerk.

Exhibit 81/1.

Q's. 47, 48 and 51.

39. Although each of the new positions created had been filled, staff turnover was said to have been extremely high. It was stated, as an example, that since the end of 1961, ten different persons had occupied the position of Stores Ledger Clerk and Inventory Clerk. In the case of nursing staff, it was considerd that the turnover rate was comparable with that of other hospitals which had been included in a survey made in 1965. In the case of other hospital staff such as cleaning, laundry and dietary staff, the turnover rate was said to be tremendous and to have increased since the hospital became situated on a peninsula and the direct road access to the south side of Canberra was removed by the creation of Lake Burley Griffin.

40. In regard to staffing and recruitment there is no formal relationship between the Hospital Board and the Public Service Board. Section 25 of the Canberra Community Hospital Ordinance provides for the Hospital Board to appoint staff.

41. The Public Service Board observer, Mr. Nordeck, informed us that it is the general practice of the Minister for Health to seek the advice of the Public Service Board in regard to wage fixation. On such a request being made, the views of the Public Service Board

Q. 56.

are conveyed to the Minister who then takes the authoritative step as provided for in the Ordinance. In practice, however, there is discussion between the officers of the Public Service Board and the Department of Health and between officers of the Public Service Board and the personnel of the hospital. Mr Nordeck considered that the assistance provided by the Public Service Board aids considerably the Department of Health and the Hospital Board in the determination of problems in the field of personnel management.

42. In regard to industrial relations, we were informed that the Canberra Community Hospital Ordinance places an industrial responsibility on the Hospital Board. However, in

Q's. 57 to 61.

any industrial dispute that may occur, which the Hospital Board or the Administration had brought about, they would not be the defendants in any subsequent proceedings that may emanate from the action they had taken. Responsibility lies with the representative of the Minister for Health and the Hospital Board must either brief the representative or appear with him in any industrial proceedings. This situation was said to have proved a difficult arrangement for the Hospital Board.

43. Mr. Carroll informed us that the pattern that has developed in several statutory authorities provides for the terms and conditions of employment of staff of those authorities to be determined by them subject to the approval of the Public Service Board. The Public Service Board's name does not appear, however, in the Canberra Community Hospital

Ordinance. Under the Ordinance, the Minister is the person who concurs in or determines the terms and conditions after having sought advice and it is a matter for the Minister to seek that advice or to request the Department of Health to advise him. Mr. Carroll was unable to see any particular merit in specifying the Public Service Board in the Ordinance. Q. 340. He stated that under the present arrangement the Public Service Board acts as a special adviser to the Department of Health and then, finally, to the Minister. He felt that some of the present criticisms could be resolved by ensuring that there was a close connection between the Public Service Board and the Hospital Board but stated that legislation was not required to achieve this end.

44. Mr. Carroll informed us that the Department of Health is currently investigating means whereby delays can be minimised and closer liaison established to ensure that when Q's. 208 and 340. staffing proposals, salary classifications and other matters are to be discussed they are discussed at an early stage to try to reconcile the views of the different authorities. He indicated that in mid 1965 the Department of Health had arranged for the Public Service Board to investigate direct with the hospital, requests it had made for salary reclassifications, reorganisations and like matters. In 1966, as an extension of that arrangement, the Department of Health had discussed with the Public Service Board other means by which it could ensure that that Board and the hospital could be brought into closer contact. In this regard we were informed that the Department of Health was currently considering a proposal that before the hospital embarks on a reorganisation or reclassification proposal, or any matter of an establishment nature, it should discuss the matter with officers of the Public Service Board and not only obtain some agreement with them before the proposals are settled but also get the expert advice of the Board's officers in framing the case to be put to the Minister.

45. Mr. Carroll suggested that when the Hospital Board writes to the Minister requesting a reorganisation or making an establishment proposal it should send a copy to the Public Service Board which would then be able to operate immediately and without waiting for advice from the Minister for Health. He also stated that when the Public Service Board Q. 340. submits relevant advice to the Minister for Health, the Department of Health would have no objection to the Public Service Board sending a copy of that advice direct to the Hospital Board. Mr. Carroll felt that by the use of these methods, a closer contact could be brought about between the Public Service Board and the Hospital Board.

(F) Financial Administration

46. The provisions of the *Canberra Community Hospital Ordinance* 1938-1964 charge the Hospital Board with the duty of providing such accommodation, attendances, facilities and procedures for medical, surgical and dental treatment as the Minister directs. In order to finance the administration of these functions, the Ordinance provides that the revenue of the Board shall consist of: *Canberra Community Hospital Ordinance* 1938–1964.

(*a*) such amounts as are appropriated by the Parliament for the purposes of the hospital;

(*b*) all payments received from in-patients and out-patients and all payments received in respect of any services rendered by the Board or for the hire of hospital plant and equipment; and

(*c*) all donations contributed for the purposes of the hospital.

47. The Ordinance also provides that, subject to the directions of the Minister, the Board may apply any moneys in its hands for any of the following purposes:

(*a*) payment of expenses in connexion with the conduct of elections;

(*b*) the maintenance of the hospital;

(*c*) the payment of expenses incurred in the provision of ambulance facilities;

(*d*) the provision of medical, surgical and dental services and nursing attendance;

(*e*) the provision of isolated facilities for persons suffering from infectious diseases; and

(*f*) the payment of salaries and wages.

48. A comparative table of the hospital's income and expenditure for the years 1960-61 to 1964-65 appears at Appendix No. 1 to this report.

49. Apart from annual parliamentary appropriations, the primary source of the hospital's income is patient fees. However, we were informed that the fees are received in payment Q. 85. for hospital services only as, with the exception of casualty treatment, no public medical treatment is available at the hospital.

Appendix No. 1.

50. The gross receipts of patient fees (including dental and ambulance services) have increased from $304,196 in 1960-61 to $632,574 in 1964-65 while, during the same period, the excess income annually transferred to the hospital Accumulation Account has increased from $32,686 to $100,922. The increase in the level of fees received has undoubtedly been occasioned by both periodical increases in ward charges and the number of patients hospitalised, but the excess income transferred each year has been realised only after growing financial support from the Commonwealth Government. This is demonstrated in the following tables:

TABLE No. 3

GOVERNMENT APPROPRIATION COMPARED WITH ANNUAL EXCESS INCOME

——	1960–61	1961–62	1962–63	1963–64	1964–65	Total
	$	$	$	$	$	$
Excess income transferred to Accumulation Account ..	32,686	25,194	94,291	11,562	100,922	264,655
Government Appropriation(*a*)	858,620	914,800	1,073,200	1,120,000	1,548,000	5,514,620
Government funds utilized	825,934	889,606	978,909	1,108,438	1,447,078	5,249,965

TABLE No. 4

GOVERNMENT CONTRIBUTION EXPRESSED AS A PERCENTAGE OF TOTAL HOSPITAL REVENUE

Financial Year	Excluding Capital Expenditure	Including Capital Expenditure(*a*)
1960–61	67.9	70.0
1961–62	64.6	67.4
1962–63	65.4	68.7
1963–64	60.4	66.4
1964–65	64.0	70.5
1965–66	62.7	67.2

(*a*) Includes capital expenditure other than Expenditure financed under the Commonwealth Works Programme.

Q's. 255–227 and Q. 339.

51. Because of the significance of both the level of patients' fees and the Government Appropriations to total revenue, we inquired into the procedures adopted in establishing the level of ward charges. We were informed that, prior to the most recent increases in those charges, the Hospital Board has been notified of the decision of the Minister for Health as to the level at which charges were to be fixed. When the charges had last been revised, the Board had been given an opportunity to fix the fees, after receiving suggestions from the Minister, but had increased the fees beyond that level and the level of revenue envisaged by the Minister. The Board had used, as a yardstick, the tables of benefits available from the hospital benefit funds and had established that most patients subscribed to at least the category of table B. Believing that patients should not be in a position to benefit financially from hospitalisation, the Board had accordingly determined its charges relative to table B.

Q. 339.

52. Although it was stated that, in the event of any further review of charges, the total cost of the hospital function would need to be examined nothwithstanding a static situation

Q. 226.

relative to hospital benefit funds, we were informed that no reference had been made earlier to the hospital's daily average bed costs. A dissection of these costs appears in Appendix No. 2 to this report where it is indicated that the average bed cost per day has increased from

Q. 228.

$12.79 in 1961-62 to $14.27 in 1964-65. On the grounds that it is not unusual for a hospital to be subsidised, Mr. Pead did not believe that such costs should reasonably be considered in establishing charges. He did not elaborate upon a desirable level of subsidy but Mr. Carroll

Q. 205.

informed us that in New South Wales in 1962-63 and 1963-64 the State Government contribution was 53.0 per cent and 49.0 per cent respectively of total hospital revenue. In Victoria

Q. 205.

in the same two years, the Government contributions amounted to 51.3 per cent and 49.7 per cent. These figures exclude capital expenditures. Table No. 5 shows a comparison of hospital charges in all States, the Australian Capital Territory and the Northern Territory as at 1 January 1966.

TABLE No. 5

DAILY RATES OF FEES CHARGED BY HOSPITALS AS AT 1 JANUARY 1966

State	Public Ward	Intermediate Ward	Private Ward
	$	$	$
New South Wales (as from 1 May 1963) ..	6.00	9.10	11.90
Victoria (as from 1 January 1966)	8.00	10.50	From 14.00
Queensland	Free	6.20	7.00
South Australia	6.50	8.00	10.00
Western Australia	7.00	9.00	11.50
Northern Territory	5.60	..	..
Australian Capital Territory	..	6.80	11.60
Tasmania	All patients $8.00		

Committee File 1965/11.

53. We were informed that a public ward is usually a ward to which patients are admitted after the application of a means test and that, as no means test is prescribed for patients in the Australian Capital Territory, there are no public wards in the normally accepted sense in the Canberra Community Hospital. We were also informed that two- and three-bed wards had been abolished during the alterations to the hospital and that there is now no feasible means of classifying a ward as being of intermediate status. Despite this apparent contradiction of terms, we are satisfied after our inspection of the hospital that most of the existing accommodation, when compared with public hospitals in the States, is equivalent to intermediate and private wards. Q. 77. Q. 87.

(G) STORES ACCOUNTING

54. In a submission relative to the financial administration of the hospital it was stated that, in accordance with the provisions of the *Canberra Community Hospital Ordinance* 1938-1964, the detailed administration of the hospital is vested in the Canberra Community Hospital Board but the Board is subject to the general control of the Minister for Health. Accordingly, on becoming aware of the difficulties relating to the audit of the hospital's fiancial statements for the year 1964-65, the Minister had sought appropriate advice from the Hospital Board. The Board stated that in 1959-60 the form of the hospital's final accounts had been changed from a cash payments and receipts format to that of an income and expenditure account. The new form of accounts had required the preparation of asset accounts in order to record the value of buildings, grounds, plant, furniture and equipment, motor vehicles, etc., to facilitate the preparation of an annual balance sheet. However, the financial statements had been subject to query by the Auditor-General. Exhibit 81/2.

55. We were informed by the Audit observer, Mr. Lawrence, that the fixed assets revealed in the most recently published balance sheet totalled $6,659,088. The fixed assets included buildings, ground improvements, furniture, plant and equipment and motor vehicles. However, in respect of the item, 'furniture, plant and equipment' valued at $639,972, it had been observed and reported by the Chief Auditor that there was a discrepancy between the Assets Register and the General Ledger Account and it was believed that the discrepancy amounted to a value of some $60,000. Mr. Lawrence stated that the Auditor-General's objection to the hospital accounts was that there had been no effective reconciliation between the ledger account, the asset records and the value of physical stock at 30 June 1965. Q. 115. Q. 115. Q. 235. Q. 266.

56. It was stated that at 30 June 1960, the actual cost of the hospital's assets, with the exception of plant, furniture and equipment, had been available in the hospital records. However, items in the plant, furniture and equipment category had been acquired over many years from a number of sources. Although the greater part of these assets had been obtained through the Department of Works, other acquisitions had been secured by the hospital itself and the Ladies Auxiliary. In addition, some equipment in the hospital had been acquired as early as 1927 and subsequently by the then administering Departments of Home Affairs and Health. Exhibit 81/2. Q. 183. Q. 270.

57. After a physical stocktake had been conducted in 1960, the absence of cost information relative to many items of equipment had prompted the hospital authorities to attach estimated values to many assets but we were informed that the task of valuation had been carried out by an officer of the Department of Health who had no qualifications as a valuator. The difficulties subsequently experienced by the hospital may have been aggravated from this point since we were informed that hospital stores and equipment of a consumable nature were also brought to account during the stocktake. Q's 151 to 154.

Q. 126. 58. Mr. Tozer informed us that a further difficulty experienced by the hospital had been its inability to account for items of a fixed asset nature which were incorporated into
Q. 258. the hospital structure during building alterations. This problem was distinct from another, engendered by the Department of Works's inability to supply detailed costs of items of furniture and equipment which it had made available to the hospital. We were informed that it was possible to extract from the Assets Register those items of equipment such as autoclaves, sterilisers, air conditioners and floor coverings which had been incorporated in the
Q. 262. building structure, but expenditure in relation to furniture and equipment for the new nurses' home which had been occupied in October 1963 had proved difficult to reconcile. In this instance, it had not been until July 1965 that details of the expenditure had been
Q. 261. made available by the Department of Works and it was for this reason that the hospital authorities had been unable to account for items in the Assets Register when seeking to effect a reconciliation with the Financial Account in the General Ledger.

Exhibit 81/2. 59. Following the original stocktake in 1959-60, additional acquisitions by the hospital and by the Department of Works on behalf of the hospital, resulted in the value of the Asset Account being increased by a sum in excess of $37,000. In addition, however, it was found necessary as a result of a further stocktake conducted in June 1961, to adjust the values recorded in the initial stocktake by more than $52,000. The value of the subsequent acquisitions and the adjustments effected in June 1961 resulted in an increase of $89,479 in the Ledger Asset Account.

Exhibit 81/2 60. In the submission tendered by the Hospital Board it was stated that details were recorded on asset cards for all but $1,075 of the total of $89,479, but, when allowance was made for this discrepancy, the reconciliations for the years 1961-62 to 1964-65 had resulted in the total value recorded in the Assets Register exceeding the furniture and equip-
Q. 150. ment account in the General Ledger to an extent of only $9.70. We were informed that in an
Q. 271. endeavour to isolate this discrepancy the hospital staff had devoted some 400 man hours in
Q. 182. order to produce a reconciliation. Despite this effort, Mr. Ide informed us that a further reconciliation had been found to be necessary as a result of a stock check which had been conducted at 30 June 1965.

61. Questioned on the actual extent of the discrepancy referred to by the Audit Office, Mr. Tozer stated that there had been a failure to reconcile the assets register with the General Ledger Account in respect of two periods. For the years up to 1960-61 the deficiency
Q. 236. amounted to $1,075, and that for the period between 1 July 1961 and 30 June 1965 the discrepancy amounted to $9.70. He also stated that the Audit reference to a discrepancy of $60,000 had arisen from inaccuracies in information prepared by an Inventory Clerk. A re-examination of this information had resulted in a direction to the hospital staff to attempt a complete reconciliation in respect of each year from 1959-60 to 1964-65. As a result of this re-examination the apparent substantial discrepancy had been reduced to the relatively minor figures indicated above.

Q's. 155 to 160. 62. Mr. Tozer informed us that the Asset Register maintained by the hospital is
Q's. 173 to 176. constituted by approximately 2,500 cards, each of which indicates an item number, a description of the item and the date, order number and supplier of the item. Although
Q. 277. the register is maintained on a loose leaf system and individual cards may be removed from the ledger for hand posting, a review of the workload of the existing accounting machines had indicated a requirement for an additional machine and it was hoped that the Asset Register would be machine-posted in the near future.

63. Mr. Tozer stated that he was convinced that there had been duplications during the compilation of the Asset Register. The hospital was not required to make payments to the Department of Works in respect of the alterations and additions to the hospital structure and the Assets Register had been compiled from statements of expenditure supplied by
Exhibit 81/2 and Q. 262. that Department. However, the Department of Works had been unable to provide an analysis of the items contained in the expenditure statements until action had been taken during 1964-65 which resulted in details of recent and current expenditures being made available to the hospital. It was not expected that similar problems would be encountered in the future.

Q. 249. 64. We were informed that the stocktake conducted at the 30 June 1965 had been undertaken by the heads of the various departments of the hospital, such as the Senior Dietician, the Chief Housekeeper and the Supervising Sisters. Although it was suggested to us that these officers were more qualified to conduct the stocktake due to their ability to
Q. 268. identify particular items of equipment, Mr. Lawrence informed us that the frequently adopted method of conducting a stocktake was for independent officers to undertake the work assisted by staff who were capable of identifying the equipment.

65. Mr. Tozer was asked when a certificate that a reconciliation had been effected in respect of the assets register would be made available to the Audit Office. However, he stated that he was unable to answer the question. Q. 266.

66. In subsequent submissions, Mr. Tozer stated that substantial adjustments had been made to the hospital's 1965 balance sheet which previously had been made available to us. The major adjustments effected were in respect of the buildings account and the accumulation account which were respectively debited with sums of $83,895 and $102,199, while a credit entry of $186,094 was made to the furniture, plant and equipment account. At the same time sums of $1,031 representing unidentified items, and $10,000 representing a dismantled chest X-ray unit, were written off. We were informed that the adjustments had been made after a further examination of the Assets Register but that, despite the adjustments, no reconciliation had been effected between the Asset Register and the results of the 1965 stocktake. The reconciliation had not been attempted following discussions with officers of the Commonwealth Audit Office to whom an undertaking had been given that a stocktake would be conducted in June 1966 on the basis of the revised Assets Register, and that a reconciliation would be effected. Mr. Tozer stated that the stocktake was carried out on 13 June 1966 and that summaries were being prepared for reconciliation with the assets register at the time of the submission but he was not aware of either the financial extent of the apparent discrepancy or whether a surplus or deficiency would be revealed. Committee File 1965/11.

67. Mr. Tozer informed us that a qualified certificate had been made available to the Audit Office with the amended financial statements. The terms of the certificate are as follows:

- buildings having a book value of $8,547,527.22 and motor vehicles having a book value of $27,393.74 were on hand at 30 June 1965 and all were sighted at least once during the financial year;
- furniture, plant and equipment having a book value of $644,103.57 were on hand at 30 June 1965, subject to adjustments which may be revealed by a complete inventory being carried out during June 1966;
- any discrepancies were investigated and approval obtained to adjust the relevant records;
- assets registers for buildings, grounds, motor vehicles, and furniture, plant and equipment are in agreement with the financial control accounts as at 30 June 1965; and
- in accordance with general hospital practice, no amount for depreciation of assets has been provided in the accounts.

CHAPTER 3—CURRENT AND PROPOSED HOSPITAL FACILITIES IN CANBERRA

(A) The Canberra Community Hospital

68. We were informed that the Canberra Community Hospital is the only hospital in Canberra although the facilities of hospitals in either New South Wales or Victoria are available if some specialised type of treatment is required. In these circumstances all patients must be hospitalised in the Canberra Community Hospital and medical practitioners are enabled to exercise full responsibility over their patients. Q's. 9 to 12.

69. The hospital is situated on a peninsula on the north side of Lake Burley Griffin. This location was said to be not ideal in relation to the population which the hospital serves. Q. 53.

70. Dr. Harrison informed us that the qualifications of all doctors commencing practice in the Australian Capital Territory are examined by the Australian Capital Territory Medical Registration Board and these doctors are then registered for practice in the Territory. When such a doctor, having been registered, satisfies the requirements that he is actually in practice in Canberra, has requisite consulting rooms and can be reached by telephone, the Hospital Board is required to register him and he cannot be denied access to the hospital. Q. 327.

71. We were informed that the hospital has a casualty department where trained medical men are constantly available, but if a patient who is admitted through casualty requires major surgery, one of the specialists, who are non-resident, is called upon. The hospital does not, however, have a specialist out-patient service. Patients treated initially by the out-patients department are required to resume their necessary treatment with their private medical advisers. Q's. 330 to 332.

72. At the time of our inquiry, current bed capacity at the hospital was 463, but it was said that, depending on building construction and completion, the hospital might have approximately 594 beds by December 1966 and 750 beds (including temporary beds) by December 1967. We were informed that the hospital is regarded as being filled when 70 per cent of its bed capacity is occupied. This provides a margin of safety at all times.

Q's. 37, 38, 313 and 314.

73. It was stated that the hospital had been considerably embarrassed in respect of private ward accommodation since the alterations were made to the existing hospital. These alterations had necessitated the vacating of certain areas which were used for the admission of patients whose medical needs dictated single rooms. Since the new block was opened in October 1965, however, there had been sufficient 'what might be classified as' private rooms available. Mr. Tozer later informed us that a private room is basically a four-walled single room and that, on request, a private room would be allocated to a patient.

Q. 104.

Q. 222.

74. During our inspection of the hospital we were shown private wards which are, in fact, cubicle divisions for which patients are charged private ward fees. We were informed that the cubicle-type private wards are not regarded by the hospital as satisfactory and that representations had been made to the Department of Health to have the centre walls dividing the cubicles extended so that each room will, in fact, become fully self-contained.

Q's. 298 to 302.

75. When questioned on the reasons underlying the construction of the open cubicle-type wards, Mr. Carroll thought that it was a matter of current fashion rather than one of economy and that the final decision to construct the wards in that way had been taken by the Department of Works. He stated, however, that action had been approved to have the wards converted to self-contained single rooms at a cost of $12,000. He agreed that this conversion would be more costly than would have been the case had the rooms been constructed in self-contained form initially.

Q's. 359 to 361.

76. Mr. Pead indicated that when the ward charges were raised in 1965 and the intermediate wards abolished the Hospital Board also recommended to the Minister that he introduce a hospital bed charge related to a percentage of the hospital's bed capacity. This was said to be a revolutionary proposal from the viewpoint of the hospital because it meant that the hospital, in addition to providing a hospital bed would also make available a complete medical service. The Hospital Board proposed that the hospital should employ a full-time medical staff and offer patients a combined medical and hospital service. The Minister had accepted the two increases in charges but was still considering the hospital bed proposal. The Hospital Board had in mind that, irrespective of means, anybody could be admitted to a hospital bed and choose to be treated either by his own private medical practitioner or by the hospital staff. If treated by the hospital staff the patient would pay a comprehensive charge. Mr. Pead informed us that the medical officers are, of course, concerned about the proposal because at present the hospital is in fact a large private hospital run by the Government.

Q's. 82 to 84 and 197 to 202.

77. Dr. O'Donnell supplied us with details of the proposal referred to by Mr. Pead. He stated that in order to develop the hospital into a regional base hospital with a comprehensive range of specialist services, to fit it for the clinical research which would shortly be commenced in co-operation with the Australian National University and to make it possible for the hospital to be used for medical teaching when and if the Australian National University decides to include undergraduate medical training in its curriculum, the Hospital Board considered that the hospital should employ its own medical staff. Such medical staff should consist of specialists employed on a sessional basis, full-time specialists and resident medical officers. Dr. O'Donnell emphasised that, in the proposal, patients would be given freedom of choice to become hospital service patients or be treated by private doctors as at present.

Committee File 1965/11.

78. In regard to the scope of the proposals, Dr. O'Donnell indicated that a comprehensive service covering not only inpatients but also emergency or casualty service and outpatient service is essential if the Hospital Board's objectives are to be achieved. He claimed that there is now widespread agreement amongst hospital authorities throughout the world that inpatient care should be used only when outpatient services cannot cope with the patients' problems. Thus a high standard of outpatient service is one of the methods of controlling the demand for hospital beds and using most economically the limited hospital resources which will be available in the Australian Capital Territory during the next few years. He also stated that for the highest standard of medical service it is essential that the treatment of the patient's illness should continue under the same medical direction whether as an inpatient or as an outpatient. In some areas of care such as obstetrics, where antenatal and postnatal care are an integral part of the medical treatment, a satisfactory inpatient service would be impossible without outpatient care of the same standard. In some

Committee File 1965/11.

specialties such as dermatology, psychiatry and allergy, outpatient care could be more important than inpatient care. The outpatient service is therefore to be recognised as an integral and vital part of the hospital service pattern.

79. Dr. O'Donnell informed us that the proposed service would cover casualty, outpatient and inpatient services. In respect of outpatient services, a patient, not sufficiently ill to require admission, would be given an appointment to attend one of the outpatient clinics conducted by a hospital specialist. Cross consultation would be encouraged but the patient would preserve a relationship with the original hospital specialist. In regard to inpatients, medical services would be provided for hospital service patients by specialist medical officers duly appointed by the Hospital Board, assisted by resident medical staff. Patients would be accommodated in single or four bed wards according to their medical needs and not primarily according to the ability to pay. Committee File 1965/11.

80. The proposals envisage that approximately 20 per cent of the 600 permanent beds in the hospital, excluding beds in the geriatric and rehabilitation section and beds of the Clinical Research Unit conducted in association with the Australian National University, would be classified as hospital beds. Committee File 1965/11.

81. It was stated that, in the opinion of the Hospital Board, the establishing of the hospital service system would make a material contribution to the following: Committee File 1965/11.

- The improvement of medical standards.
- The critical review of results of treatment.
- The establishment of a proper medical records system.
- The establishment of medical audit in the hospital.
- The orderly and organised development of medical specialties.
- Constant medical coverage of patients in the hospital.
- Ready access of patients to the full range of specialties.
- Introduction of recent advances in medicine and surgery to patients quickly and efficiently.
- Economy in the use of hospital beds.
- Efficient planning of hospital treatment.
- Establishment of a modern hospital pharmacopoeia and supervision of the use of drugs in the hospital.
- The proper and complete training of junior medical staff.
- Development of clinico pathological meetings.
- Integration of hospital medical activities.

(B) Proposed Hospital Facilities in Canberra

82. Proposed hospital facilities in Canberra embrace proposals to develop the Canberra Community Hospital further on its present site and to provide for the establishment of new hospitals.

83. In respect of the Canberra Community Hospital we were informed that the Hospital Board has a master plan for the hospital and the future hospital on the present site. A firm of consulting and design architects had been appointed by the Department of Works and, in conjunction with that Department and the hospital administration, had determined the hospital facilities currently required and to meet Canberra's needs up to the stage where further hospital facilities would be required in 1964 the Hospital Board had published a brochure setting out the services provided by the present hospital and its plans for its future development. Q's. 19 and 21.

84. In regard to forecasting the future accommodation requirements of the Canberra Community Hospital, the Chairman of the Hospital Board, Dr. Harrison, informed us that careful examinations are made of population projections made by the National Capital Development Commission and that the Board also works closely with geographers and demographers at the Australian National University. These and other studies had shown that whilst Canberra Community Hospital continues to operate as the only hospital in Canberra it must supply six beds per thousand of population in the area. He stated that as Canberra's population is expected to reach 100,000 by December 1966 or before, the hospital should have 600 beds compared with its present 463. He added that it had been fortunate that no serious epidemics had occurred in recent years. Dr. Harrison stated that the real fear on the part of the Hospital Board was that its difficulties in providing beds would increase rather than decrease until such time as a new or second hospital is provided. The views of the Hospital Board had been sought by the Department of Health. Q's. 307, 308 and 312 to 315. Q. 309.

85. In another current inquiry into the National Capital Development Commission we questioned the witnesses concerned regarding the statement that by 1967 the Canberra Community Hospital might have 750 beds (including temporary beds). We were informed Q. 229.

that the siting of the hospital in relation to the University and Canberra City, taken in conjunction with the matters of access and traffic movement had suggested clearly to the National Capital Development Commission that the Canberra Community Hospital should not expand beyond 600 beds because the price that could be paid in congestion, loss of amenities and hospital grounds and surrounds would be undesirable. This view was said to be well known to the Department of Health and was thought to be well known to the Hospital Board. For the reasons mentioned the National Capital Development Commission had placed great weight on the planning of hospitals at Woden, Belconnen and in other areas. The Commission expressed the view that limitation to 600 beds is a very strict and important limitation on growth and the Commission considered that the authorities concerned would be well advised to accept that limitation in their interests as well as in the interests of the National Capital Development Commission and to programme their hospital development elsewhere.

86. In regard to the views expressed by the National Capital Development Commission we were informed that a period of about five years would elapse between the making of a
Q's. 229 to 231. suggestion that a second hospital should be built and the completion of that hospital. As during that period the Canberra Community Hospital would continue to be charged with the responsibility of providing beds the Hospital Board has planned for the use of temporary areas which would enable it to increase its bed capacity to 750.

87. Mr. Pead supplied us with the following population projections for Canberra, related to hospital bed requirements based on six beds per thousand of population.

TABLE No. 6

CANBERRA POPULATION PROJECTIONS AND ESTIMATED HOSPITAL BED REQUIREMENTS

As at 30th June	Projected Population of Canberra	Estimated Hospital Bed Requirement
1967	103,300	620
1968	115,250	691
Q. 355. 1969	129,500	777
1970	141,000	846
1971	153,000	918

Mr. Pead indicated that the Hospital Board had been unable to ascertain what planning is taking place to provide additional permanent hospital beds.

Q's. 110 to 112. 88. The Department of Health observer, Mr. Carroll, informed us that there is very close association between the National Capital Development Commission and other bodies in relation to the planning of hospitals in the Australian Capital Territory. These bodies comprise:

(1) *The Australian Capital Territory Hospital Planning Committee*

This Committee is an advisory group which has been set up for the planning of hospitals in the Australian Capital Territory. The Committee consists of representatives of:

The Department of Health;
The National Capital Development Commission;
The Canberra Community Hospital Board; and
The Department of the Interior.

(2) *Hospital Steering Committee*

A Hospital Steering Committee is appointed for specific hospitals such as that planned for erection in the Woden Valley.

Q. 114. The Committee consists of representatives of:

The Department of Health;
The Department of the Treasury;
The Canberra Community Hospital; and
The Department of Works (Central Office and Australian Capital Territory Branch).

89. Mr. Carroll also informed us that the Department of Health is the client department in so far as the siting and building of any future Government-owned hospitals in the Australian Capital Territory is concerned. The Department has had this role in the past
Q. 355. and in the present in relation to the Canberra Community Hospital. With this in mind, together with the expected need of another large public hospital in the Australian Capital

Territory by 1970, the Director-General of Health commenced negotiations with the National Capital Development Commission in April 1962 for a site in the Woden Valley for the proposed Woden Hospital. In July 1962, discussions were held between depart- Q. 355.
mental officers, the then Chairman of the Hospital Board and its then Medical Superintendent on the needs of future hospital services in suburban areas in Canberra. Subsequently, similar discussions were held with officers of the National Capital Development Commission. It was stated that, therefore, all interested parties were aware of the possible shortage of beds, based on projected population figures, that would occur in the late 1960's.

90. Mr. Carroll stated that agreement was finally reached with the National Capital Development Commission and the Department of the Interior in March 1965, for a 40-acre site to be allotted as selected by the Director-General of Health. In the meantime the Q. 355.
Australian Capital Territory Hospital Planning Committee had been established by the Director-General of Health to advise on forward planning of hospital and allied services and their relationship and integration with existing services. It was said that the Hospital Planning Committee devoted a considerable amount of time and energy to the future hospital needs of the Australian Capital Territory and made recommendations to the Director-General of Health on future hospital accommodation. These recommendations Q. 355.
included the following details of bed capacities for various categories in the proposed general hospital for Woden.

TABLE No. 7

RECOMMENDATIONS OF THE AUSTRALIAN CAPITAL TERRITORY HOSPITAL PLANNING COMMITTEE—WODEN GENERAL HOSPITAL

Type of Bed	Stage 1	Stage 2	Final Development
General (medical and surgical) ..	128	128	256
Maternity	26	26	52
Gynaecological	16	16	32
Children	26	26	52
Geriatric	152	..	152
Psychiatric	24	24	48
Rehabilitation	24	..	24
Total	396	220	616

91. As a result of the recommendation from the Hospital Planning Committee, the Minister for Health, in April 1965, approved of the establishment of a steering committee for the express purpose of planning in detail the Woden Hospital and to guide the project through the various programming processes with a view to having Stage 1 ready for occupancy as soon as possible. The members of the Steering Committee met on thirteen occasions. In June 1965, the Secretary of the Hospital Board wrote to the Director-General Q. 355.
of Health seeking clarification of the position relating to future accommodation for geriatric and rehabilitation services. The letter drew attention to the need for at least temporary accommodation if the Canberra Community Hospital was not to provide such services on a permanent basis.

92. Mr. Carroll announced that, on the basis of figures arrived at by the Australian Q. 355.
Capital Territory Hospital Planning Committee, the future bed requirements for the Territory in the forseeable future were as follows:

TABLE No. 8

FUTURE HOSPITAL BED REQUIREMENTS FOR THE AUSTRALIAN CAPITAL TERRITORY—1966–1975

Year	Estimated Population (*a*)	Beds Required	Hospitals Proposed	Permanent Beds Proposed	Temporary Beds Proposed
1966 ..	97,000	582	Canberra Community Hospital	600	..
1970 ..	136,000	816	Canberra Community Hospital	600	150
1971 ..	147,000	882	Canberra Community Hospital and Woden Hospital (Stage 1)	1,000	..
1975 ..	196,000	1,176	Canberra Community Hospital and Woden Hospital	1,200	..

(*a*) Estimates supplied by the National Capital Development Commission.

Q. 355. 93. Mr. Carroll indicated that the figures contained in Table No. 8 could be subject to review on the basis of the figures supplied by Mr. Pead.

94. Mr. Carroll also announced that it was planned to build the Woden Hospital in two stages of approximately 400 beds and 200 beds respectively, each stage to be finished as near as possible to the time when the extra accommodation would be required. However, he indicated that there would be a shortage of hospital beds in the Australian Capital Territory towards the end of the 1960's, even allowing for the additional 150 beds at the Canberra Community Hospital, until Stage 1 of the Woden Hospital had been built. It was therefore hoped that the building of Stage 1 of the Woden Hospital would be expedited.

(c) Domiciliary Nursing Services

95. Dr. Harrison informed us that some years ago the Hospital Board had recommended to the Minister for Health that a domiciliary nursing service should be established with headquarters at the hospital. This proposal was rejected as being
Q. 309. unnecessary. The Department of Health, however, increased its district nursing service, thereby providing some relief, but it has not provided what the Hospital Board regards as a basic service to the community in the form of domiciliary nursing care, the fundamental principle of which is that a patient coming into the hospital has continued service at home as soon as possible thus making it practicable to shorten the stay in hospital to an absolute minimum.

96. Mr. Carroll informed us that the Department of Health has requested the Public Service Board to increase the establishment of its District Nursing Service from 13 to 16
Q. 361. positions. He stated that the District Nursing Service is provided at the request of a doctor treating a patient and had proved a very satisfactory service.

CHAPTER 4—CONCLUSIONS

97. The evidence submitted in this inquiry shows that since Your Committee's previous inquiry into the Canberra Community Hospital in 1960, substantial changes have occurred in the hospital's internal administration and the hospital itself has been enlarged in response to the needs of a rapidly growing population in the Australian Capital Territory. (Paras. 15 to 20.)

98. Although since 1960, four amendments have been made to the Canberra Community Hospital Ordinance, Your Committee is disturbed to find that the Ordinance requires re-drafting to convert it to a modern piece of legislation and that the Department of Health, which is charged with responsibility for the Ordinance, has not so far given attention to such a revision and to the resolving of basic policy issues which must evidently precede it. Your Committee accepts the assurance given by the observer representing the Department of Health that the Department proposes to proceed with a review of the Ordinance and to consult the Hospital Board extensively before reaching its final considerations but would emphasise the need for this work to be brought to a satisfactory completion with minimum delay. (Paras. 25 to 29.)

99. Your Committee is also disturbed to find that the by-laws, which relate to the domestic daily operations of the hospital, are seriously out-of-date and are inconsistent with the Ordinance. We are strongly of the opinion that early, positive action should be taken by the parties concerned to re-cast the by-laws in modern form in association with the proposed review of the Ordinance. (Paras. 32 to 37.)

100. The evidence shows that whilst the staff of the hospital has been increased since 1960, staff turnover has constituted a serious problem for the Hospital Administration. Under the Ordinance the Hospital Board may, subject to the directions of the Minister and with his concurrence, appoint staff for the hospital. In these circumstances it is a matter for the Minister to seek advice or to request the Department of Health to advise him. Under these arrangements the Public Service Board acts as a special adviser to the Department of Health and then, finally, to the Minister. (Paras. 38 to 43.)

101. Your Committee commends strongly the investigations currently being undertaken by the Department of Health to minimise delays and provide closer liaison to ensure that hospital staffing matters are discussed at an early stage in their development by the various authorities concerned. At the same time, however, we note with some concern the suggestion made by Mr. Carroll that copies of establishment proposals formulated by the Hospital Board should be forwarded direct to the Public Service Board concurrently with their formal submission to the Minister and that, in like manner, the Public Service Board

should informally supply copies of its advice direct to the Hospital Board. Whilst this procedure would no doubt ensure a closer contact between the two Boards, it appears that as it is a matter for the Minister to decide whether or not he wishes to seek advice, the informal arrangement suggested by Mr. Carroll could prove embarrassing to all parties concerned. The apparent need for administrative devices of this type raises at once the whole question of the adequacy of the present formal relationship between the Minister and the Hospital Board. (Paras. 44 and 45.)

102. The evidence relative to the hospital authorities' inability to adequately account for all items of equipment suggests that the difficulties have not all been occasioned within the hospital administration. It was stated that the value of furniture, plant and equipment, in the most recently published balance sheet was indicated as $639,972 but that this figure was discrepant to an extent of approximately $60,000 due to inaccuracies in an inventory prepared by a clerk. The extent of the inaccuracy inclines Your Committee to the view that the degree of care exercised during the stocktake was less than that required and our opinion is reinforced by evidence that departmental stocktakes were conducted by officers of the departments of the hospital. We acknowledge that such officers are capable of identifying items of equipment peculiar to their tasks but we question whether they would accord the same degree of attention to a stocktake as would an officer with a purely administrative background who, we believe, would be more conscious of the significance of his task. Your Committee believes that the practice of employing Dieticians and Nursing Sisters to conduct sectional stocktakes should cease and that those officers should be involved only when called upon to assist an administrative officer to identify unfamiliar items of equipment. (Paras. 54 to 57 and 64.)

103. Your Committee is not satisfied that the present form of Asset Register was designed to provide with accuracy the information demanded to support a financial account exceeding $6,000,000 in value. No control account is maintained as part of the register and we believe that, in these circumstances, both the removal of cards for hand posting and the volume of hand posted entries must inevitably lead to inaccuracies. Your Committee believes that the first remedial measure to be undertaken should be the implementation of the proposal to acquire additional machine facilities for the purpose of maintaining the register. (Paras. 54 to 67.)

104. The evidence has revealed to Your Committee a situation which, during its currency, we suggest, must have been unique in the field of hospital administration. We refer to the supply of equipment to the hospital by the Department of Works and that department's inability to provide detailed costs of the equipment made available. Your Committee feels that this practice must have contributed substantially to the hospital's difficulties and that the absence of detailed cost statements without regard to any other factor, would have frustrated the most efficient accounting system. Having regard to the satisfactory form in which such information is currently supplied, Your Committee can only observe that it is difficult to understand why the Department of Works did not foresee the difficulties being engendered by that inadequacy. (Paras. 54 to 67.)

105. At the time of Your Committee's public hearings, we were informed that there remained a discrepancy of $1,083.72 in the Furniture and Equipment account. Notwithstanding this assertion, information subsequently conveyed to your Committee indicated that adjustments to the extent of $186,094 were found to be necessary, apart from the sum of $11,031 which was written off. However, these adjustments related only to the records maintained by the hospital and no estimate could be provided of the extent of the physical discrepancies. It would now appear that the results of the 1965 stocktake have been abandoned and that the administrative effort applied until recently to achieve a reconciliation has been directed wholly to the finance ledger account and the asset register. (Paras. 54 to 67.)

106. We have already recognised that the hospital's difficulties have not been occasioned entirely within the administration. However, we believe that the administration has been at fault in failing to implement more strenuous remedial measures when faced with discrepancies of such magnitude. An effort involving 400 man hours was applied by only two officers although the hospital authorities were aware that the difficulties were much more complex than the immediate problem with which the two officers were engaged. When this Report was prepared, the major aspects of the difficulties were still unresolved. Your Committee is manifestly dissatisfied with the administration in this respect and we expect appropriate remedial action to be taken without delay. In this regard we shall examine the Reports of the Auditor-General for the financial year 1965-66 and, depending on the state of affairs reflected relative to the Canberra Community Hospital, we would propose to have further discussions with the Auditor-General at an early date. (Paras. 54 to 67.)

107. Your Committee is disturbed by the evidence submitted relative to private ward accommodation at the Canberra Community Hospital. It is clear that an unwise decision was made in authorising the construction of cubicle-type wards and that their conversion to single rooms, at a cost of $12,000, will not only result in unnecessary temporary inconvenience to the hospital, but will also prove more costly than would have been the case had they been designed as single rooms initially. Although it was suggested that the Department of Works may have been responsible for the decision to install cubicle-type wards your Committee is unable to overlook the unequivocal claim made by Mr. Carroll that the Department of Health is the client department in respect of the siting and building of the Canberra Community Hospital and of any future Government owned hospitals in the Australian Capital Territory. In these circumstances it is difficult to escape the conclusion that the decision to construct cubicle-type wards at the present hospital was primarily the responsibility of the Department of Health. (Paras 73 to 75.)

108. The evidence shows that the Canberra Community Hospital is required to provide services for any medical practitioner registered by the Australian Capital Territory Medical Registration Board for practice in the Terriory, providing that he has consulting rooms and can be contacted by telephone. It was stated that on the basis of its present services the hospital is, in effect, a large private hospital operated by the Government. The claims made in relation to hospital medical services indicate that some aspects of the present services provided by the hospital call for review. (Paras. 76 to 81.)

109. In regard to proposed facilities at the Canberra Community Hospital, the evidence shows that, in recent years, the Hospital Board has been concerned by the growth in Canberra's population in relation to the hospital bed capacity available but has been unable to ascertain what planning is taking place to provide additional permanent hospital beds. In these circumstances the Hospital Board has found it necessary to plan to increase its bed capacity, including temporary beds, to 750 compared with a maximum number of 600 beds recommended by the National Capital Development Commission. (Paras. 82 to 87.)

110. The planning of hospitals in the Australian Capital Territory is undertaken by an advisory committee, " The Australian Capital Territory Hospital Planning Committee " comprising representatives of the Department of Health, the National Capital Development Commission, the Canberra Community Hospital Board and the Departmentof the Interior. The evidence shows clearly, however, that whilst this Committee has made recommendations to the Minister relative to hospital needs the Hospital Board has not been kept informed of decisions arising from the Committee's advice. Hence, three months after the Minister, on the basis of a detailed recommendation by the Hospital Planning Committee relating to the proposed Woden Hospital, had approved the establishment of a Steering Committee to plan the Woden Hospital the Secretary of the Hospital Board wrote to the Director-General seeking clarification of the position relating to future accommodation for geriatric and rehabilitation services and also drew attention to the need for at least temporary accommodation if the Canberra Community Hospital was not to provide such services on a permanent basis. (Paras. 88 to 91.)

111. In view of the administrative problems confronting the Hospital Board, we regard as most unsatisfactory the failure of the Department of Health to make known its plans for the construction of the Woden Hospital until an announcement of the details was made by Mr. Carroll on 19th April, 1966 as evidence tendered to Your Committee. We also note that the data supplied by Mr. Carroll relative to future hospital bed requirements for the Australian Capital Territory for the period 1966 to 1975 could be out-of-date by comparison with data supplied by Mr. Pead, a member of the Hospital Board. (Paras. 92 to 94.)

112. During the course of our inquiry it was claimed that, to enable the Hospital Board to administer adequately its large and essential service in a city growing as rapidly as Canberra, the Hospital Board should be autonomous and should be divorced from other Government instrumentalities which currently have a measure of control over the hospital. In particular, the present system of control through the Minister for Health was said to be antiquated and outmoded. In opposition to this claim it was argued that in Queensland, the establishment of hospitals is subject to the Minister for Health and salaries are subject to examination and approval by the Public Service Commissioner. It was also argued that although hospital boards have a degree of autonomy in New South Wales and Victoria, their establishment, staffing and determination of salaries are the responsibility of a commission or government agency and that the extent of Government financial assistance accorded the Canberra Community Hospital is greater than that accorded hospitals in those two States. Whilst recognising that the question of autonomy is a matter of Government policy Your Committee feels bound to observe that the evidence submitted in this inquiry strongly suggests that the present form of hospital control is not conducive to the provision of a high standard of hospital administration in the Australian Capital

Territory. This is particularly the case in respect of such matters as the maintenance of a modern and efficient Ordinance and the staffing of the hospital. We also note that, apart from capital expenditure, the subsidy paid to the Canberra Community Hospital in 1963-64 amounted to 60.4 per cent of hospital revenue compared with 49.0 per cent for hospitals in New South Wales and 49.7 per cent in Victoria. In all the circumstances Your Committee believes that careful consideration should be given to the question of whether a greater degree of recognition might be accorded the Canberra Community Hospital Board in line with the position relative to hospital administration in the States of the Commonwealth but suitably adapted to meet the special needs of the Australian Capital Territory. (Paras. 21 to 24.)

For and on behalf of the Committee

RICHARD CLEAVER
Chairman

DAVID N. REID
Secretary,
Joint Committee of Public Accounts,
Parliament House,
Canberra, A.C.T.
27 July 1966.

APPENDIX NO. 1

CANBERRA COMMUNITY HOSPITAL

INCOME

1960–61 to 1964–65

Item	1960–61	1961–62	1962–63	1963–64	1964–65
	$	$	$	$	$
Fees from patients—					
Inpatients	242,626	306,922	365,310	472,601	550,220
Outpatients	14,195	16,336	17,498	20,318	20,951
X-ray	31,560	34,334	32,220	36,326	42,054
Physiotherapy	7,626	7,329	6,902	7,805	7,040
Rehabilitation	..	..	..	349	1,109
Dental	1,891	2,014	1,847	1,156	1,408
Ambulance	6,298	6,685	7,135	8,209	9,792
Miscellaneous—					
Donations	132	68	108	57	58
Bank interest	960	1,720	2,001	2,264	1,537
Telephone collections	2,028	1,663	2,017	3,108	4,366
Legal costs recovered	214	220	847	2,209	3,655
Rentals	722	694	220	921	1,121
Theatre trays	..	..	1,482	1,903	22
Laundry work	..	..	446	1,759	1,930
Staff meals	..	..	..	2,869	3,730
Fees for clinical notes	..	..	..	667	844
Sundries	2,467	2,509	800	439	452
Hospital Benefits	55,121	64,058	71,282	83,932	90,729
Pharmaceutical Benefits	28,228	36,280	36,084	38,810	43,618
Government Appropriation (excluding capital expenditure)	834,624	875,772	1,021,515	1,018,566	1,364,630
Total	1,228,692	1,356,604	1,567,714	1,704,268	2,149,266

CANBERRA COMMUNITY HOSPITAL

EXPENDITURE

1960–61 to 1964–65

Item	1960–61	1961–62	1962–63	1963–64	1964–65
	$	$	$	$	$
Hospital—					
Salaries and wages	754,841	858,871	970,425	1,120,763	1,361,042
Provisions	100,478	104,409	111,349	120,114	156,434
Drugs and surgical	71,868	82,759	93,314	114,165	138,299
Domestic items	37,371	44,232	45,325	55,038	55,725
Fuel, light and power	66,624	56,519	54,078	68,168	84,630
Special departments	24,006	21,609	23,691	27,324	37,068
Administrative expenses	33,981	42,422	56,088	59,596	72,926
Maintenance and repairs	53,231	68,618	63,221	57,750	69,482
Bad debts	7,162	4,390	7,378	12,549	15,066
Provision for doubtful debts	..	..	..	4,800	3,000
Ambulance—					
Salaries and wages	39,988	41,250	42,768	45,003	47,445
General expenses	6,456	6,331	5,786	7,435	7,227
Excess income transferred to Accumulation Account	32,686	25,194	94,291	11,562	100,922
Total	1,228,692	1,356,604	1,567,714	1,704,267	2,149,266

APPENDIX NO. 2

CANBERRA COMMUNITY HOSPITAL

Average Bed Costs

The average cost of maintaining each bed during 1964-65 was $5,208 for the year, after inclusion of all maintenance and operating charges but excluding Ambulance Services.

The following table shows comparative results over the past four years:

——	1961–62	1962–63	1963–64	1964–65
	$	$	$	$
Total expenditure (hospital only) ..	1,279,442	1,417,494	1,622,918	1,975,606
Adjusted daily average	274.1	299.0	333.8	379.4
Average bed cost per annum ..	4,668	4,740	4,862	5,208
Average bed cost per day	12.79	12.99	13.29	14.27

Dissection of Annual Cost Per Bed (over expenditure headings)

	$	$	$	$
Salaries—				
Nursing	1,626	1,762	1,782	1,830
Administration	296	276	274	284
Dietary	430	426	444	526
Medical	110	112	122	124
Special departments	170	182	192	198
Cleaning	216	222	246	288
Home	88	86	136	162
Laundry—Linen	128	120	114	130
Maintenance	70	60	48	46
Total Salaries	3,134	3,246	3,358	3,588
Provisions	382	372	360	412
Drugs	302	312	342	364
Domestic	162	152	164	146
Fuel, light and power	206	180	204	224
Administration	154	186	178	192
Special departments	78	80	82	98
Maintenance and repairs	250	212	174	184
	4,668	4,740	4,862	5,208

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