North Coast Area Health Service

AUDIT OPINION

The audit of the Service's financial report for the six-moth period ended 30 June 2005 resulted in an unqualified Independent Audit Report.

HEALTH RESTRUCTURE

On 27 July 2004 the then Minister for Health announced changes to the health system, including a statewide restructure of health administration. The restructure took effect from 1 January 2005.

The Northern Rivers Area Health Service merged with Mid North Coast Area Health Service to create the new North Coast Area Health Service. Health Services formerly provided within the Local Government areas of Greater Taree, Great Lakes and Gloucester are now provided through the new Hunter-New England Area Health Service.

PERFORMANCE ISSUES

(Comparative performance data on all Area Health Services appears in the 'Health Overview' section earlier in this Volume.)

The average length of stay in acute hospitals in the North Coast Area was 3.2 days and amongst the lowest in the State.

At 88.5 per cent the Area's bed occupancy rate was slightly below the State average but higher than the former Mid North Coast and Northern Rivers Areas.

The Service met or exceeded the Department's benchmarks for timeliness in treating emergency patients in only two of the five triage categories.

The Service's access block was 19 per cent. While slightly higher than other rural Areas it is significantly lower than the State average.

CONTROL ISSUES

We identified opportunities for the Service to improve its internal control and referred them to management. The main areas for improvement related to: accounts receivable and payable, payroll (including leave entitlements), visiting medical officer claims, receipting processes and inventory. We also made recommendations to improve the accuracy of program reporting. Many of the matters are a repeat of issues noted at the former and now merged Areas.

OTHER ISSUE

In 1992 the Department of Health entered into an agreement whereby the private sector was to construct and operate Port Macquarie Base Hospital for 20 years. In January 2005 the Department bought the hospital from the private sector and subsequently transferred net assets of $67.1 million to the North Coast Area Health Service. Further details regarding the acquisition are included in the Department of Health section of this Report.

FINANCIAL INFORMATION

Abridged Statement of Financial Performance

Period ended 30 June	2005 $'000
Employee related	196,745
Visiting medical officers	30,185
Other expenses	130,419
TOTAL EXPENSES	357,349
TOTAL REVENUE	52,085
Gain on disposal of non-current assets	145
NET COST OF SERVICES	305,119
Add Government Contributions	
Department of Health recurrent payments	277,158
Department of Health capital payments	10,116
Acceptance by the Crown Entity of superannuation liability	17,361
Total Government Contributions	304,635
RESULT FOR THE PERIOD FROM ORDINARY ACTIVITIES	(484)

Abridged Statement of Financial Position

At 30 June	2005 $'000
Current assets	49,106
Non-current assets	404,029
TOTAL ASSETS	453,135
Current liabilities	86,179
Non-current liabilities	63,563
TOTAL LIABILITIES	149,742
NET ASSETS	303,393

Abridged Program Information

The table below details the Service's net cost of services on a program basis:

Period ended 30 June	2005		
	Revenues $'000	Expenses $'000	Net Cost of Services* $'000
Overnight acute inpatient services	33,550	157,092	123,493
Same day acute inpatient services	3,667	40,440	36,773
Emergency services	2,195	33,555	31,360
Rehabilitation and extended care services	4,717	35,966	31,249
Primary and community based services	4,896	33,968	28,976
Other	3,060	56,328	53,268
Total all programs	52,085	357,349	305,119

*Includes gain on disposal of non-current assets

SERVICE ACTIVITIES

For further information on the Service, refer to www.ncahs.nsw.gov.au.