



1962

 PARLIAMENT OF TASMANIA.

REPORT OF THE COMMITTEE OF PUBLIC ACCOUNTS

ON

THE PARLIAMENTARY GRANTS FOR THE MERSEY HOSPITAL GROUP

Brought up by Mr. Hodgman on August 28, 1962, and ordered by the House of Assembly to be Printed.

EXTRACT FROM THE VOTES AND PROCEEDINGS OF THE HOUSE OF ASSEMBLY.

“ WEDNESDAY, JUNE 28, 1961.

17 PUBLIC ACCOUNTS COMMITTEE.—*Ordered*, That a Committee of Public Accounts be appointed; and that—

Mr. Minister for Education,
Mr. *Barnard*,
Mr. *Costello*,
Mr. *Hodgman*,
Mr. *Steer*,
Mr. *Wedd*, and
Dr. *Young*,

be of the Committee. (Mr. Premier.)

WEDNESDAY, NOVEMBER 29, 1961.

21 PUBLIC ACCOUNTS COMMITTEE.—*Ordered*, That the Honourable Member for Denison (Mr. *Strutt*) be appointed a Member of the Public Accounts Committee to fill the vacancy caused by the resignation of Mr. *Steer*. (Mr. Premier.)

THURSDAY, APRIL 5, 1962.

6 PUBLIC ACCOUNTS COMMITTEE.—*Ordered*, That Mr. Minister for Health (Mr. *McNeil*) be appointed to serve on the Public Accounts Committee in place of Mr. Minister for Education (Mr. *Neilson*). (Mr. Premier.)”

REPORT.

The Committee of Public Accounts has the honour to report to your Honourable House that your Committee undertook an enquiry into the Parliamentary Grants for the Mersey Hospital Group and reports to your Honourable House as follows:—

1. Your Committee had general discussions with the Auditor-General relative to the Mersey Hospital Group and the fact that administrative and patient costs of the Group were higher than other hospital groups. Subsequent to this discussion, your Committee examined Dr. John Edis, the Director-General of Health Services, and Mr. Harold Middleton, the Executive Officer in the Hospitals Section of that Department on the procedure adopted for the administration of the Mersey Hospital Group.

2. The Mersey Hospital Group is administered by a Board of Management of seven members appointed under the provisions of the Hospitals Act. The administration applies By-laws promulgated by the Department for general and regional hospitals and has power to pass its own By-laws so long as they are in conformity with Statutory Rules.

3. Generally, Domestic Stores are supplied by private contractors on tender through the Supply and Tender Department and drugs through the Central Medical Store. This is on the same basis as other General Hospitals in the State.

4. Medical, nursing and domestic staff is engaged by the Board on an establishment approved by the Department. Specialist Medical Officers are appointed by the Board with the approval of the Minister.

5. The Medical Staff for the Mersey Group comprises the Superintendent, the Surgeon-Superintendent, Deputy Superintendent, four Resident Medical Officers and one Medical Officer in charge of the Out-Patients division, and on the nursing side a Lady Superintendent at Latrobe is in charge of staff for the whole of the Mersey Group.

6. Your Committee was provided with details of Parliamentary Grants, dissections of Hospital costs, statistics of staff, summary of capital expenditure and comparative statements of costs and fees. This information is comprised in Appendices numbered 1 to 5.

7. These figures showed *inter alia* that in the administration of the Mersey Hospital Group compared with other General Hospitals:—

- (a) the cost of the daily occupied beds was substantially higher;
- (b) the daily average of occupied beds was substantially lower;
- (c) the number of staff employed in relation to the daily average of occupied beds was substantially higher;
- (d) the costs per patient were substantially higher; and
- (e) the proportion of outstanding fees to collected fees was about average.

8. The disadvantageous disparities above, by simple calculation, show that compared with other general hospitals the administration of the Mersey Hospital Group results in a very much heavier impact on the Revenues.

9. On Monday, March 26, 1962, your Committee met in the Board Room at the General Hospital at Latrobe and there examined plans showing the layout of the Mersey Hospital Group, after which an inspection of the various buildings was made. The Group comprises the following:—

At Latrobe—

Main General Hospital with its associated Nurses Home, Services Block and Laundry, and Obstetrics Block (which will close when the new Maternity Hospital at Devonport is opened), the old Devon Hospital (at present being converted to a Geriatric Division) and a Preliminary Training School for Nurses on the North-West Coast.

At Devonport—

The Out-Patients Department, a completed Nurses Home (mainly for the new Maternity Hospital in course of erection near the Out-Patients Department), a Services Block and the Meercroft Hospital (which will be closed as a Maternity Hospital when the new Maternity Hospital is completed).

10. In the course of its inquiries your committee heard evidence from:—

Dr. John Edis, Director-General of Health Services.

Mr. Harold Middleton, Executive Officer, Hospitals Section, Department of Health Services.

Mr. Richard Dyason Ferris, Surgeon-Superintendent, Mersey Hospital Group.

Mr. Aubrey William Gaffney, Vice-Chairman of the Board of Management of the Mersey Hospital.

Miss Bernice Leila Campbell, Lady Superintendent, Mersey Hospital Group.

Mr. Eric Cyril John Dunphy, Secretary, Board of Management, Mersey Hospital Group.

Dr. Frank Stegmann, Medical Practitioner, Devonport.

Mr. Philip Rodney Stone, Chairman, Board of Management, Mersey Hospital Group.

11. Careful inquiry by your Committee, supported by full and frank evidence, satisfied your Committee that:—

- (a) The Mersey Hospital Board has considered itself as being an instrument of the Department of Health Services and not an autonomous body. In particular, this was borne out by the Board's tacit acceptance of the layout of the Hospital Group, its attitude in relation to staff and stores and its failure to make strong representations in respect to which substantial economies could have been effected.

Your Committee takes the view that the Mersey Hospital Board should fully accept its autonomous powers which would make it unnecessary for detailed control and direction by the Department.

- (b) The administration was severely handicapped by the geographic disposition of the hospital facilities and by original planning. This handicap was noted by your Committee in giving appropriate consideration to its inquiry on a basis of comparison with other General Hospitals in this State. In this regard it is appropriate to refer to portion of a letter addressed to your Committee by the Chairman of the Board, Mr. P. R. Stone, and tendered to the Committee by the Vice-Chairman. This letter states:—

"I feel there are certain obvious dangers in calculating or assessing these costs by comparison with other hospitals, unless great care is taken to see that the comparison is based on similar conditions and situations, or that these differences are allowed for in the final comparison. It must be quite evident that the Mersey General Hospital Group as it is comprised at present, is not only a very difficult transition stage, but there are also three distinct operations in two centres sufficiently separated in distance to make Administration and overall Supervision extremely difficult."

In this regard, whilst your Committee concurs in Mr. Stone's views, it is also clear that the decision to develop the Mersey Hospital Group, as has been the case, was taken without due regard to the administrative difficulties and the very heavy additional costs involved.

- (c) Whilst the present decentralisation of the Mersey Hospital Group's facilities is permitted to remain, the very many additional annual costs at present incurred will continue with little hope in the foreseeable future of any amelioration.
- (d) As at present disposed there is no administrative remedy of any consequence.
- (e) With the increasing costs of operating the Mersey Hospital Group in common with other General Hospitals, its present disadvantageous position will not improve.

12. Your Committee holds the view that in relation to the Parliamentary Grants, too little attention and consideration has been given by the Department and the Board to the full use of the hospital facilities.

In this regard, two graphic illustrations are found in:—

- (a) the maintenance of the obstetric block at Latrobe; and
- (b) the use of the out-patients department at Devonport.

It is substantially in relation to the maintenance of the obstetric block and its declining use that the staff and daily average of occupied bed figures for the Mersey Hospital Group show to disadvantage, when compared with other Hospitals, and the costs involved in keeping it open are clearly disproportionate to the benefits gained.

13. Similar considerations apply to the maintenance of the out-patients department at Devonport.

Your Committee finds it difficult to find financial justification for the provision of such elaborate and comparatively unused facilities so far away from the General Hospital Block, and with its acknowledged staffing problems, staff duplications and heavy additional annual costs and desires to record its view that this form of hospital decentralisation involves a disproportionate impact on the revenues for which no adequate justification ensues.

14. Your Committee was advised that the daily average of the 22 beds in the obstetric block at Latrobe actually used in the latter half of 1961 were as follows:—

July	2.03 patients
August	2.29 patients
September	2.40 patients
October	3.35 patients
November	2.53 patients
December	1.58 patients,

and for the 17 beds at Meercroft Hospital for the same period, the figures were:—

July	11.90 patients
August	14.15 patients
September	10.87 patients
October	14.16 patients
November	11.60 patients
December	9.45 patients.

15. Your Committee was further advised that the total numbers of attendances at the out-patients department for the months of January to June, 1962, were as set out in Appendix 6, and that these figures represent the number of attendances but not the number of individual patients.

16. Your Committee was also further advised that the sum of £50,000 would be a reasonable figure for the cost of building an out-patients department at the General Hospital Block at Latrobe to be used in conjunction with the existing facilities there.

17. Your Committee inspected the new Maternity Hospital at Devonport in course of construction. Delays have been occasioned by the contractors' inability to complete in the terms of his contract, and no date for its coming into operation is yet ascertainable.

Your Committee heard evidence from Dr. Stegmann who has had a large obstetric practice at Devonport for 16 years, as to the capability of this facility to serve the needs of the locality and as to the desirability of providing intermediate beds in the Hospital.

18. Your Committee is of the opinion that the new Maternity Hospital will adequately serve the needs of the locality.

19. Your Committee heard evidence that there would be a substantial reduction in the operating costs of the new Maternity Hospital, particularly in regard to the provisions of medical staff, if intermediate and private beds were introduced in a similar manner to the facilities available in the two Government Maternity Hospitals in Hobart and Launceston, viz., Queen Alexandra and Queen Victoria Hospitals. The layout of the Maternity Hospital with small single, two bed and four bed wards is admirably suited to the provision of such facilities. Such facilities would also assist the patients financially in that a greater rebate would be available from the medical insurance companies towards the cost of their ante-natal care, confinement and post-natal care.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS.

20. Your Committee has come to the following conclusions:—

- (1) That there is no evidence that the Parliamentary Grants to the Mersey Hospital Group have been expended in aid of purposes other than those authorised by your Honourable House.
- (2) That the cost of administration of the Mersey Hospital Group, because of the disposition of its facilities, is not reasonably economic and is disproportionate to the costs of administering other General Hospitals.
- (3) That no administrative measures of any consequence are available to rectify this situation.
- (4) The establishment of an out-patients department at the General Hospital at Latrobe would effect very considerable savings in administration costs.
- (5) That there is no valid reason to prevent the closing down of the obstetric block at Latrobe and the treatment at the Meercroft Hospital of patients now using that Block.

21. Your Committee therefore has the honour to make the following recommendations:—

That in view of the costs involved and lack of use, both now and in the foreseeable future, and the considerable savings that would ensue—

- (1) The obstetric block at Latrobe be closed down forthwith.
- (2) The Government should proceed as early as practicable to erect an out-patients department with the provision for specialist clinics at the General Hospital Block at Latrobe.
- (3) The out-patients department at Devonport be closed down and its functions transferred to the General Hospital block at Latrobe and the building at Devonport put to such other uses as the Government may determine.
- (4) That intermediate, private and public beds be provided in the new Maternity Hospital at Devonport.
- (5) That in the establishment in the future of any hospital group, care should be taken to prevent decentralisation of hospital facilities in order to assist economic administration and savings of costs.

W. C. HODGMAN, *Chairman.*

Ministerial Party Room,
House of Assembly,
Hobart, August 16, 1962.

APPENDIX 1.

MERSEY GENERAL HOSPITAL.

Parliamentary Authorities 1946 to 1954 prior to P.W.E. No. 17 of 1954—Item 4—Mersey Group.

DEVON PUBLIC HOSPITAL.

	£
9 & 10 <i>Geo. VI. No. 64.</i>	
Item 15—Alterations and Additions—Maternity Block	2,350
Item 16—Remodelling of kitchen, store	580
10 <i>Geo. VI. No. 38.</i>	
Item 8—Heating of Nurses Home	500
(£169 18s. 4d. reappropriated 1954)	
Item 10—Remodelling of kitchen, store (Additional)	400
11 <i>Geo. VI. No. 64.</i>	
Item 11—New Hospital and Nurses Home (1st Instalment)	50,000
Item 12—Alterations and Additions Maternity Block (Additional)	1,000
(£44 14s. 5d. reappropriated 1953)	
Item 13—Residence for Medical Superintendent	3,500
Item 14—Quarters for Resident Medical Officers	4,800
(£3,359 4s. 6d. reappropriated 1955)	
<i>No. 65 of 1948.</i>	
Item 1—Purchase of land at Latrobe	1,100
<i>No. 55 of 1949.</i>	
Item 29—Additions, alterations, &c.	3,000
(£189 7s. 8d. reappropriated 1957)	
<i>No. 28 of 1950.</i>	
Item 7—Residence for Medical Superintendent (Additional)	250
Item 16—New Hospital and Nurses Home (2nd Instalment)	50,000
(£15,435 6s. 1d. reappropriated 1958)	
<i>No. 59 of 1950.</i>	
Item 22—Acquisition of land for Hospital purposes	2,750
Item 23—Temporary Outpatients Department	3,000
(Reappropriated 1953)	
Item 24—Additions, alterations, &c.	5,400
<i>No. 71 of 1951.</i>	
Item 27—Additions Outpatients, &c.	9,700
(Reappropriated 1953)	
Item 28—New Nurses Home, furnishings, &c.	7,500
<i>No. 60 of 1952.</i>	
Item 16—Acquisition of land (Additional)	200
(£4 5s. 7d. reappropriated 1953)	
<i>No. 31 of 1953.</i>	
Item 19—Alterations, rewirings, &c.	6,000
(£3,304 19s. 11d. reappropriated 1956)	
<i>No. 85 of 1953.</i>	
Item 4—Additions, alterations, &c.	7,000
(£4,973 7s. 9d. reappropriated 1956)	
Item 5—Kitchen alterations, &c.	9,500
(£426 12s. 5d. reappropriated 1956)	

MERSEY GENERAL HOSPITAL.

Parliamentary Standing Committee on Public Works Report dated 31st March, 1954, recommended—

Devonport—

	£
Out Patients Department	280,000
Maternity Division	250,000
Nurses Home	70,000
Domestics Quarters	34,500
Services Block	65,000
Site Works	27,500
	£727,000

Latrobe—

New General Hospital	590,000
	£1,317,000

Parliamentary Authorities following P.S.C. Report—

P.W.E. No. 17 of 1954—Item 4	1,300,000
L.F.A. No. 1 of 1958—Item 27	460,000
Included in General Votes—	
L.F.A. No. 43 of 1958—Item 19	4,000
L.F.A. No. 6 of 1959—Item 26	261,000
L.F.A. No. 17 of 1960—Item 19	2,000
L.F.A. 1961-62 Department of Health Services	244,000
Excluding Furnishings	£2,271,000

MERSEY GENERAL HOSPITAL.

<i>Purchase of Land—</i>		
<i>Latrobe—</i>		
Vendor Morrisby		£ 2,400
Vendor Ritchie		1,600
Costs		46
		<hr/> £4,046
<i>Parliamentary Authority—</i>		
P.W.E. No. 65 of 1948—Item 1		1,100
P.W.E. No. 59 of 1950—Item 22		2,750
P.W.E. No. 60 of 1952—Item 16		200
		<hr/> £4,050
<i>Devonport—</i>		
Vendor Addison		£4,000
<i>Parliamentary Authority—</i>		
P.W.E. 8/9 Geo. VI. No. 38.		

APPENDIX 2.

HOSPITAL STATISTICS.

Ratios of staff employed to daily average of occupied beds—		
	1959/60.	1960/61.
<i>Administrative and Professional—</i>		
Hobart .....	.26	.26
Launceston .....	.34	.35
Burnie .....	.35	.34
Mersey .....	.53	.50
<i>Nursing—</i>		
Hobart .....	.92	.92
Launceston	1.04	1.08
Burnie	1.13	1.13
Mersey	1.34	1.70
<i>Technical—</i>		
Hobart .....	.10	.10
Launceston .....	.12	.12
Burnie .....	.12	.12
Mersey .....	.07	.07
<i>Maintenance and Artisan—</i>		
Hobart .....	.06	.05
Launceston .....	.14	.13
Burnie .....	.07	.07
Mersey .....	.12	.20
<i>General and Domestic—</i>		
Hobart .....	.70	.72
Launceston .....	.77	.83
Burnie .....	.77	.71
Mersey .....	.99	1.30
<i>Total Staff—</i>		
Hobart	2.04	2.05
Launceston	2.41	2.51
Burnie	2.44	2.37
Mersey	3.04	3.77
<i>Comparison of bed usage to capacity—</i>		
	%	%
Hobart	79	75
Launceston	73	70
Burnie	82	83
Mersey	59	59

APPENDIX 3.

MERSEY GENERAL HOSPITAL.

Expenditure to 31.1.62.

		£
<i>Latrobe—</i>		
Land		4,050
General Division		900,767
Services Block		201,606
Geriatric Division		1,655
<i>Devonport—</i>		
Land		4,000
Out-Patients Department		304,707
Nurses Home		105,004
Maternity Division		331,493
Furnishings and Equipment (Devonport and Latrobe)		124,119
		<hr/> £1,977,401
<i>Sources of Funds—</i>		
<i>Special Votes—</i>		
No. 65 of 1948 Item 1		1,100
No. 59 of 1950 Item 22		2,750
No. 60 of 1952 Item 16		200
No. 17 of 1954 Item 4		1,300,000
No. 1 of 1958 Item 27		339,631
Loan Appropriation Act 1961-62		196,750
		<hr/> £1,840,431

Remaining expenditure mainly for Furnishing and Equipment drawn from General Votes,

APPENDIX 4.
HOSPITAL COSTS, 1959-60 AND 1960-61.

Hospital.	Provisions.		Salaries & Wages		Domestic.		Dispensary, Medical, and Surgical.		Administration.		Other Expenditure.		Total.	
	1959-60 £	1960-61 £	1959-60 £	1960-61 £	1959-60 £	1960-61 £	1959-60 £	1960-61 £	1959-60 £	1960-61 £	1959-60 £	1960-61 £	1959-60 £	1960-61 £
Launceston	44,662	47,800	374,674	397,017	40,088	46,549	46,411	36,249	22,217	24,875	85,778	86,690	613,830	639,180
Per occupied bed day	.50	.56	4.22	4.64	.45	.54	.53	.42	.25	.29	.97	1.03	6.92	7.48
Hobart	81,235	92,860	537,290	549,067	84,544	87,036	39,248	45,997	36,013	40,259	96,546	93,299	874,876	908,518
Per occupied bed day	.60	.69	3.95	4.04	.62	.64	.29	.34	.26	.30	.71	.68	6.43	6.69
Burnie	9,284	10,672	83,812	85,238	8,998	12,956	7,489	8,227	5,115	5,956	11,479	13,356	126,177	136,405
Per occupied bed day	.49	.56	4.42	4.46	.47	.68	.39	.43	.27	.31	.61	.70	6.65	7.14
Mersey Group (Latrobe and Devonport)	19,859	21,454	150,410	175,808	15,189	19,360	7,879	7,635	8,427	14,821	12,602	16,816	214,366	255,894
Per occupied bed day	.73	.77	5.56	6.33	.56	.70	.29	.30	.31	.53	.47	.59	7.92	9.22

"Other Expenditure" includes cost of "Drugs", "Repairs and Renewals", and other expenditure of an unusual or non-recurring nature.

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State Government Grants.				Hospital Fees, including Commonwealth Hospital Benefit Subsidies.					
Hospital.	1959-60.		1960-61.		Hospital.	1959-60.		1960-61.	
	£		£			£		£	
Launceston	420,560	4.74	427,320	4.99	Launceston	153,966	1.73	167,124	1.96
Hobart	600,973	4.41	600,100	4.44	Hobart	240,446	1.77	258,842	1.91
Burnie	77,983	4.11	84,350	4.42	Burnie	43,529	2.29	49,806	2.61
Mersey Group (Latrobe and Devonport)	152,925	5.06	187,903	6.76	Mersey Group (Latrobe and Devonport)	49,051	1.81	60,020	2.17

APPENDIX 5.

COMPARATIVE STATEMENT OF COSTS, FEES—1959-60 AND 1960-61.

1962.

Question.	Heading.	Hospital.							
		Royal Hobart.		Launceston General.		Burnie General.		Mersey General.	
		1959-60.	1960-61.	1959-60.	1960-61.	1959-60.	1960-61.	1959-60.	1960-61.
2 (a)	<i>Cost per Daily Occupied Bed—</i>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	Salaries and Wages	3 7 4	3 8 2	3 15 5	4 5 0	3 17 11	3 17 5	5 4 8	6 0 7
	Provisions	0 9 10	0 11 4	0 8 7	0 9 11	0 8 9	0 9 9	0 14 7	0 13 11
	Domestic	0 10 4	0 10 8	0 6 4	0 8 4	0 8 9	0 12 6	0 10 3	0 11 5
	Dispensary and Surgical	0 11 5	0 10 7	0 13 10	0 14 9	0 13 8	0 18 0	0 10 1	0 10 0
	Administration	0 4 5	0 4 11	0 4 4	0 5 2	0 4 10	0 5 5	0 5 5	0 9 8
2 (b)	<i>Available Beds</i>	No. 470	No. 493	No. 333	No. 333	No. 63	No. 63	No. 125	No. 129
	<i>Daily Average of Occupied Beds</i>	372.15	372.05	242.49	234.19	51.86	52.32	73.93	76.07
2 (c)	<i>Number of Staff—</i>								
	Administrative	52	54	48	46	10	10	24	25
	Professional	43	43	35	36	8	8	15	13
	Technical	39	39	30	29	6	6	5	6
	Nursing	342	342	253	253	59	59	99	129
	Maintenance and Artisan	23	20	33	31	4	4	9	15
	General and Domestic	262	267	186	194	40	37	73	99
2 (d)	<i>Inpatients and Outpatients Costs—</i>								
	<i>Inpatients—</i>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	Per daily occupied bed	5 4 11	5 7 5	5 9 11	6 5 0	5 14 10	6 3 11	7 5 2	8 7 10
	Per patient	65 5 3	65 17 4	82 14 0	94 4 5	41 10 5	45 8 11	89 12 11	105 9 0
	<i>Outpatients—</i>								
	Per attendance	0 15 0	0 15 5	0 12 4	0 13 2	0 16 0	0 17 9	0 11 3	0 13 2
	Per patient	2 5 9	2 1 1	3 10 11	3 6 5	1 19 4	2 4 4	2 12 8	2 11 2
2 (e)	<i>Annual Grant</i>	£ 585,770*	£ 598,650*	£ 435,740†	£ 432,520†	£ 77,100	£ 77,190	£ 153,340	£ 193,605
2 (f)	<i>Subsidiary Assistance—</i>								
	Consolidated Revenue	2,259	Nil	Nil‡	Nil	883	7,160	2,085	Nil‡
	Loan Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2 (g)	<i>Fees Collected and Outstanding—</i>								
	Collected	184,082	201,010	110,342	124,643	34,601	41,197	36,795	47,634
	Outstanding, 30th June	94,557	92,126	46,493	43,623	10,372	8,871	11,908	14,695
2 (h)	<i>Fees Remitted</i>	26,611	35,753	12,029	16,039	277	3,070	2,625	2,803

* Excluding Lady Clark.

† Excluding Cosgrove Park.

‡ Grant underspent.

9

(No. 25.)

APPENDIX 6.
 OUTPATIENT ATTENDANCES.
Outpatients Division Devonport.

	Casual.	Radiol.	Orthop.	Surg.	E.N.T.	Eye.	Psych.	Gyn.	Med.	Physio.	Total.
1962—											
January	874	217	19	94	40	36	51	15	21	—	1,367
February	877	234	10	166	34	45	68	22	27	89	1,572
March	979	275	17	148	42	47	75	16	25	187	1,811
April	888	240	19	152	28	38	55	12	28	181	1,641
May	983	245	15	161	28	54	73	28	37	292	1,916
June	870	250	13	152	43	38	66	15	25	322	1,794
	5,471	1,461	93	873	215	258	388	108	163	1,071	10,101

MINUTES OF PROCEEDINGS.

FRIDAY, DECEMBER 1, 1961.

The Committee met in the Ministerial Party Room, House of Assembly, at 10 a.m.

Members Present: Mr. Hodgman (Chairman), Mr. Minister for Education, Mr. Barnard, Mr. Strutt and Mr. Wedd.

An apology was received from Mr. Costello.

The Minutes of the last meeting were read and confirmed.

The Clerk read the Order of the House appointing Mr. Strutt to the Committee in place of Mr. Steer who had resigned.

Mersey Hospital Group: The Chairman reported that he had been asked in the House of Assembly, in his capacity as Chairman of the Committee, by Mr. Lyons, whether the Committee would investigate the Parliamentary Grants associated with the Mersey Hospital Group. He had replied that he would submit this to the Committee.

Resolved, That the Committee conduct an investigation into the Grants for the Mersey Hospital Group. (Mr. Wedd.)

Dr. Young took his seat.

Resolved, That meetings of this Committee be held from time to time to consider what has been done to implement its recommendations. (Mr. Wedd.)

The Clerk asked for a direction as to the method of recording evidence given before the Committee.

Resolved, That evidence taken before the Committee be recorded verbatim. (Mr. Minister for Education.)

Accounts amounting to £18 18s. were passed for payment.

At 10.50 a.m. the Committee adjourned *sine die*.

TUESDAY, MARCH 6, 1962.

The Committee met in the Ministerial Party Room, House of Assembly, Hobart, at 10 a.m.

Members Present: Mr. Hodgman (Chairman), Mr. Barnard, Mr. Costello, Mr. Strutt, Mr. Wedd and Dr. Young.

Apology: An apology was received from the Minister for Education owing to absence from the State on urgent private business.

Minutes: The Minutes of the last meeting were read and confirmed.

Mersey Hospital Group: The Chairman reported that since the last meeting he and the Secretary had conferred with the Auditor-General as to the method of procedure to be adopted by the Committee as a basis for the proposed inquiry into the Mersey Hospital Group and, as a result, had drawn up "A Basis of Enquiry," a copy of which had been circulated to Members of the Committee. Further, a questionnaire based on this document had been forwarded to the Director-General of Health Services. A copy of the statement received in reply to the questionnaire from the Director-General of Health Services had also been forwarded to Members of the Committee.

Arrangements had been made for the Auditor-General to be present this morning to have a general discussion with the Committee on the Mersey Hospital Group, after which the Director-General of Health Services and probably one or more of his staff would be in attendance to give evidence.

The Committee confirmed the action of the Chairman in regard to the Mersey Hospital Group.

The Committee conferred with the Auditor-General.

At 12.35 p.m. the Committee adjourned until 2.30 p.m. The Committee met at 2.30 p.m.

Members Present: Mr. Hodgman (Chairman), Mr. Barnard, Mr. Costello, Mr. Wedd and Dr. Young.

Apology: An apology was received for the absence of Mr. Strutt owing to urgent private business, but indicating that he hoped to be present at a later hour.

The Auditor-General was in attendance.

Mr. M. McVilly, Budget Officer, State Treasury, attended as an observer on behalf of the State Treasury.

The Committee continued its consideration of the grants associated with the Mersey Hospital Group and the statement prepared by the Director-General of Health Services in answer to the questionnaire forwarded to him by the Committee.

The following witnesses were called, made the Statutory Declaration, and were examined:—

John Edis, Director-General of Health Services; and Harold Middleton, Executive Officer of the Hospital Section of the Department of Health Services.

Mr. Strutt took his seat.

Dr. Edis, the Director-General of Health Services, put in a statement which he had prepared in reply to a questionnaire received from the Committee. (Exhibit A.)

The witnesses withdrew.

The Committee deliberated.

It was decided to meet at the Mersey Hospital, Latrobe, at 9.30 a.m. on Monday, 26th March next, and after an inspection of the Hospital there and at Devonport take evidence from representatives of the Hospital Board.

Accounts amounting to £28 7s. were passed for payment.

At 4.35 p.m. the Committee adjourned until Monday, 26th March next, at Latrobe.

MONDAY, MARCH 26, 1962.

The Committee met in the Board Room, Mersey General Hospital, Latrobe, at 9.30 a.m.

Members Present: Mr. Hodgman (Chairman), Mr. Wedd, Mr. Costello, Mr. Strutt, Mr. Minister for Education, Mr. Barnard and Dr. Young.

Mr. N. E. Casey, Auditor-General, was in attendance.

The Surgeon-Superintendent of the Mersey General Hospital Group, Richard Dyson Ferris, was called, made the Statutory Declaration, and was examined. With the aid of ground plans Dr. Ferris described to the Committee the lay-out and functions and purposes of the various buildings associated with the hospital, both at Latrobe and Devonport.

Inspection: Accompanied by the Surgeon-Superintendent and the Vice-Chairman of the Board of Management, Mr. W. A. Garrett, the Committee inspected the hospital buildings at Latrobe and Devonport and then returned to the Board Room at Latrobe.

A letter from Mr. P. R. Stone, Chairman of the Board of Management of the Mersey Hospital Group, dated the 22nd March, 1962, was read and ordered to be incorporated in the evidence submitted on behalf of the Board by the Vice-Chairman.

William Aubrey Garrett, Vice-Chairman of the Board of Management of the Mersey General Hospital Group, was called, made the Statutory Declaration, and was examined.

At 12.55 p.m. the Committee adjourned until 2.15 p.m.

The Committee met at 2.15 p.m.

Members Present: Mr. Hodgman (Chairman), Mr. Wedd, Mr. Costello, Mr. Strutt, Mr. Minister for Education, Mr. Barnard and Dr. Young.

The Committee continued to take evidence. Dr. Richard Dyson Ferris was further examined.

Eric Cyril Dunphy, Secretary of the Board of Management of the Mersey General Hospital Group, was called, made the Statutory Declaration, and was examined. Mr. Dunphy put in a sample of the monthly statement covering purchases for the hospital, presented to the Hospital Board at each meeting. (Exhibit B.)

Accounts amounting to £62 0s. 1d. were passed for payment.

At 5.25 p.m. the Committee adjourned *sine die*.

FRIDAY, APRIL 13, 1962.

The Committee met in the Ministerial Party Room, Parliament House, Hobart, at 10 a.m.

Members Present: Mr. Hodgman (Chairman), Mr. McNeil, Mr. Barnard, Mr. Wedd, Dr. Young, Mr. Costello and Mr. Strutt.

Minutes: The Minutes of the last meeting were read and confirmed.

The Clerk of the Committee read the Order of the House of Assembly, dated the 5th April, 1962, appointing Mr. Minister for Health to the Committee in the place of the Minister for Education.

A letter, dated the 3rd April, 1962, relating to the Mersey Hospital Group, from Dr. F. Stegmann, was tabled by the Clerk of the Committee and copies provided for each member.

Resolved, That Dr. Stegmann be asked whether he had any objection to his statement being submitted to the Department of Health Services for comment, and subject to his consent the statement be sent to the Minister for Health with the request for a detailed reply. (Mr. Wedd.)

On the Motion of Mr. Wedd it was resolved that the Chairman of the Board of Management of the Mersey Hospital Group (Mr. P. R. Stone) be requested to amplify, in writing, the statement which he submitted through the Vice-Chairman at the meeting held at Latrobe recently in the light of his further experience as Chairman.

Resolved, That the Director-General of Health Services be asked to comment on the staff establishment at the Mersey Hospital Group, also on the use of the premises as an ancillary service for the out-patients' department, and that the views of the Blood Transfusion Service, School Dentists and Mobile X-Rays be sought as to the use by them of the buildings, and that the Committee enquire into the charges for electric power and rates. (Dr. Young.)

A letter from the Director-General of Health Services enclosing a statement on hospital policy, submitted by him to the Minister for Health some years ago, was tabled. In view of the fact that the Director-General had indicated in his letter that this report was confidential it was resolved to submit it to the Minister for Health for his comments and decision as to whether the Committee was entitled to take it into consideration.

Resolved, That Dr. F. Stegmann and Dr. A. A. Endelman be asked to come to Hobart to give evidence to the Committee at its next meeting. (Dr. Young.)

Next Meeting: In view of the commitments of various members of the Committee on other Parliamentary Committees, it was resolved, on the Motion of Mr. Wedd, that the next meeting of the Committee be held in Hobart on a Tuesday early in July, the actual date to be fixed by the Chairman.

Accounts: Accounts amounting to £65 17s. were passed for payment.

At 11.30 a.m. the Committee adjourned *sine die*.

TUESDAY, JULY 24, 1962.

The Committee met in the Ministerial Party Room, House of Assembly, at 2.15 p.m.

Members Present: Mr. Hodgman (Chairman), Mr. Barnard, Mr. Costello, Mr. Strutt, Mr. Wedd and Dr. Young.

Apology: An apology was received from the Minister for Health due to his attendance at a Health Conference in Canberra.

Minutes: The Minutes of the last meeting were read and confirmed.

Mersey Hospital Group—Resolved, That Dr. F. Stegmann, of Devonport, be called as the first witness today and that the Chairman of the Mersey Hospital Board (Mr. P. R. Stone) be present during his examination. (Mr. Barnard.)

The Committee proceeded to take further evidence on the Mersey Hospital Group.

Dr. Frank Stegmann, Medical Practitioner, Devonport, was called, made the Statutory Declaration, and was examined.

Dr. Stegmann put in as evidence his letter to the Committee, dated the 3rd April, 1962.

Philip Rodney Stone, Chairman of the Mersey Hospital Board, was called, made the Statutory Declaration, and was examined.

The witnesses withdrew.

Victoria Visit: The Chairman reported that on a recent visit to Victoria he and the Clerk of the House, with the approval of Mr. Speaker, spent a day in discussions with the Chairman and Secretary of the Public Accounts Committee of Victoria, as a result of which a great deal of useful information was gained. He distributed to Members copies of his report, together with answers to a questionnaire, prepared by the Clerk of the House, and other papers concerning the Victorian Public Accounts Committee.

The Clerk of the Committee explained that Mr. Hodgman's visit had been at no cost to the State, and that the only expense was for the travelling expenses of the Clerk of the House.

Witnesses Expenses: The Clerk said that in arranging for the two witnesses to be heard today he had said that the Committee would pay out-of-pocket expenses, including the Public Service Rate of 1s. per mile for use of motor-car from Devonport to Hobart and return. This was on the understanding that one car only would be used. However, Mr. Stone had informed him that he was unable to travel with Dr. Stegmann because of other commitments. The Clerk asked for a direction of the Committee as to the payment of the car allowance. On

the Motion of Mr. Wedd it was resolved that both witnesses be paid car allowances independently, as well as the cost of meals and accommodation.

At 5.25 p.m. the Committee adjourned until 10 a.m. on Thursday, July 26, 1962.

THURSDAY, JULY 26, 1962.

The Committee met in the Ministerial Party Room, House of Assembly, at 10 a.m.

Members Present: Mr. Hodgman (Chairman), Mr. Barnard, Mr. Costello, Mr. Strutt, Mr. Wedd and Dr. Young.

Minutes: The Minutes of the last meeting were read and confirmed.

The Auditor-General was in attendance.

Mersey Hospital Group: The Committee proceeded to take further evidence on the Mersey Hospital Group.

Dr. John Edis, Director-General of Health Services, was re-called and examined.

Dr. Edis undertook to make available to the Committee the file dealing with the swimming pool for the Mersey Hospital.

The Auditor-General put in a Summary of Estimated Running Costs, prepared on the 25/7/62, relating to the Mersey General Hospital—Out-patients' Division. (Exhibit C.)

Dr. Edis withdrew.

The Chairman undertook to prepare a draft Report for the consideration of the Committee at its next meeting.

Accounts: Accounts amounting to £47 5s. were passed for payment.

At 12.30 p.m. the Committee adjourned until Thursday, August 2, 1962, at 10 a.m.

THURSDAY, AUGUST 16, 1962.

The Committee met in the Ministerial Party Room, House of Assembly, at 10 a.m.

Members Present: Mr. Hodgman (Chairman), Mr. Barnard, Mr. Costello, Mr. Strutt, Mr. Wedd, Dr. Young and Mr. Minister for Health.

Minutes: The Minutes of the last meeting were read and confirmed.

Mersey Hospital Group: The Chairman brought up the Draft Report on the Parliament Grants to the Mersey Hospital Group.

The Committee considered the draft Report.

At 12.45 p.m. the Committee adjourned until 2.45 p.m.

The Committee met in the Ministerial Party Room, House of Assembly, at 2.45 p.m.

Members Present: Mr. Hodgman (Chairman), Mr. Barnard, Mr. Costello, Mr. Strutt, Mr. Wedd, Dr. Young and Mr. Minister for Health.

The Auditor-General (Mr. N. E. Casey) attended the meeting and discussed certain aspects of costs of treatment of patients at the Mersey Hospital Group compared with other General Hospitals in the State.

The Committee gave further consideration to the draft Report.

Paragraph 21, Sub-paragraph (2)—Question put—That the sub-paragraph stand part of the Report.

The Committee divided.

AYES 4.

NOES 3.

Mr. Hodgman (Chairman).

Mr. Minister for Health.

Mr. Strutt.

Mr. Barnard.

Mr. Wedd.

Mr. Costello.

Dr. Young.

So it was resolved in the Affirmative.

On the Motion of Mr. Wedd the report, as finally drafted, was adopted.

Further Meetings: The Chairman undertook to call a meeting of the Committee within the next fortnight to discuss future meetings and the general procedure to be adopted, particularly in the light of information from Victoria regarding the procedure of the Public Accounts Committee of that State.

The Chairman referred to the visit of Mr. Costello overseas, when he would be accompanied by the Clerk of the House of Assembly, and said that he felt sure the Committee would welcome a report from Mr. Costello and the Clerk of the House on the operations of the Public Accounts Committee of the House of Commons in London.

Accounts: Accounts amounting to £73 17s. were passed for payment.

At 4.20 p.m. the Committee adjourned *sine die*.