

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE
ANNUAL REPORT 1990
FOR THE YEAR ENDED 30TH JUNE

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REPORT OF OPERATIONS

Historical background of VC(G)S

The Victorian Cytology (Gynaecological) Service was founded by an "Order to establish a Benevolent Society" under the Hospital and Charities Act 1958 (gazetted 9 December 1964). The Minister of Health invited a group of persons to form a Board, under the chairmanship of Professor Sydney Lance Townsend. The Service was to operate with the following objectives:

- a) to provide in Victoria facilities for research and investigation with respect to the cytological examination of gynaecological specimens associated with cancer detection and to undertake such research and investigation;
- b) to provide a free laboratory service for examination of specimens submitted;
- c) to provide for collection of material for examination and the notification of results of such examinations through the legally qualified medical practitioner submitting such material;
- d) to make arrangements as are necessary with any public or private hospital or the Cancer Institute or any other body or any person having a similar or allied purpose.

The Service was hosted by Prince Henry's Hospital under an agreement by which the Director of VC(G)S was also Director of the Hospital Department of Cytology. The two services operated in a fully integrated way such that the predominantly non-gynaecological cytology requirements of the hospital provided training opportunities and a variety of work for VC(G)S staff, features which are essential to develop and maintain a high level of skill in the discipline of cytology. In return, VC(G)S provided the opportunity for Prince Henry's Hospital scientific staff and pathologists to develop skills in gynaecological cytology. A resource of pathologists who shared the autopsy and surgical pathology duties of the Department of Anatomical Pathology to the mutual advantage of all parties was thus created.

During the first 15 years of operation in excess of 90% of the smears performed in Victoria were reported by VC(G)S. This proportion has decreased since the early 1980s due to the expansion of private pathology services. This decline was assisted by the under-resourcing of VC(G)S over this period resulting in delays in reporting smears of up to three weeks. In 1989, the 25th year of operation, approximately 55% of all smears in Victoria were reported by VC(G)S.

Since its inception, the VC(G)S has been the only training institution for cytologists (scientists specialising in cytology) and cytopathologists in Victoria. The cytology

component of the Bachelor of Applied Science (Medical Laboratory Science) from RMIT has been coordinated and taught by VC(G)S staff. Scientists and pathologists from interstate and overseas have visited the Service for initial and refresher training. Staff of VC(G)S have a high profile in the professional framework of cytology in Australia, as evidenced by publications in the Australian and overseas medical literature from the combined epidemiology and scientific arms of the Service.

Outline of 1989-90 activity

This year has been a year of change for VC(G)S. During the first quarter there was a continuing decline in the number of smears received. This reflected the inability of VC(G)S to compete with the private sector in the reporting of cervical smears. As previously indicated, although the scientific quality of VC(G)S has continued to be held in high regard in the Victorian medical community, the turnaround time (the time taken for a report to be received by a referring practitioner) was far in excess of that achieved in the private sector, and the expenses incurred by practitioners in mailing, purchase of fixatives for slides etc. continued to act as a deterrent.

At the beginning of October, following protracted negotiation, a budget was achieved which enabled VC(G)S to introduce a number of initiatives which over succeeding months reversed the downward trend in number of smears received. Toward the end of the financial year the monthly smear totals had returned to those of the mid 1980s, indicating a revival of confidence in the Service.

Board of Management

A new Board of Management was appointed as a result of the recommendations contained in the *Report of the VC(G)S Working party of the Women's Health Policy and Programmes Unit 1988*. The composition of the Board reflected the envisaged expanded role and activities of the Service as an epidemiological and educational resource in women's health in Victoria. The members are:

Dr Elizabeth Banks	General Practitioner and community and women's health
Dr Sandra Gifford	Representative of women user/client
Dr Nigel Gray	Representative of Anti-Cancer Council
Mr Gary Henry	Representative of The Royal Women's Hospital
Ms Heather Jarman	Nurse
Ms Meredith Kefford	Representative of the community health sector

Dr Matthew J O'Neill	Representative of the Australian Medical Association
Associate Professor Michael Quinn	Gynaecological Oncologist
Dr Michael Salzberg	Epidemiologist
Mr Lindsay P White	Representative of Monash Medical Centre
Ms Dorothy Reading (Chairperson)	Representative of Anti-Cancer Council of Victoria

Senior officers of Victorian Cytology (Gynaecological) Service

Director: Gabriele Medley, MB BS FRCPA FIAC

Deputy Director and Epidemiologist: Heather Mitchell, MB BS FRACP MSc

Chief Scientist: Mary Seyfang DipAppSc BAppSc

Business Manager: Brian Salter

Teaching Coordinator: Deborah Reich, DipMedLabSc

Diagnostic activities

The number of tests received during the year was 241,713 representing approximately 249,000 slides processed (the specimen from some women involves two or more slides). The monthly totals of tests were:

July 1989	17,928
August 1989	19,639
September 1989	18,375
October 1989	18,933
November 1989	19,574
December 1989	17,021
January 1990	18,181
February 1990	21,407
March 1990	23,835
April 1990	19,178
May 1990	25,673
June 1990	21,969

In October 1989 an agreement was negotiated between the State and Commonwealth funding agencies by which the Commonwealth agreed to pay \$1.5 million, based on

a target of 250,000 tests to be performed in the financial year, on the understanding that the State Government matched the Commonwealth funding dollar for dollar. Since it was clear that this target would be unachievable at the existing level of inflow, a strategy was developed to improve recruitment of smears. The basic requirements were:

1. to reduce the time interval between the taking of a smear by a health practitioner and the delivery of a report;
2. to reduce the costs incurred by a practitioner in sending smears to VC(G)S which would not be incurred by sending them to a private pathologist;
3. to raise the profile of VC(G)S in the health service sector and the community at large.

To achieve these requirements a number of initiatives were introduced:

1.
 - a) A programme was introduced to recruit new staff and improve the conditions and stability of existing staff.
 - b) Work practices were modified to improve productivity and workflow within both clerical and scientific areas of the Service.
 - c) A courier service to most of the larger metropolitan users of the Service was introduced. A pilot programme to offer a courier service to large country users was commenced. The couriers pick up smears and deliver reports several times weekly appropriate to the needs of the practitioners. In addition to the obvious elimination of uncertainties of mail delivery, this Service had the benefit of smoothing out the weekly peaks of workflow previously existing because practitioners had accumulated smears for batch postage.
2.
 - a) Reply-paid envelopes were introduced for those practitioners for whom it was not economical or practical to provide a courier service.
 - b) User practitioners were supplied with bottles of slide "fixative" and a range of sampling instruments for taking smears.
3.
 - a) A programme of regular newsletters to users and former users of the Service was introduced. These were on topics of interest associated with the Cervical Cancer Screening Programme.
 - b) A direct marketing strategy of writing to former users of the Service informing them of the new initiatives and improved performance of VC(G)S was undertaken.
 - c) A Liaison Physician was employed to visit practices to discuss new methods of sampling, and other educational activities of the VC(G)S.

Visits were also made to new practices and former client-users of VC(G)S.

- d) Participation by the Director and Deputy Director in educational programmes of the Royal College of General Practitioners, other learned colleges and the Anti-Cancer Council was encouraged.

This included talks to health care professionals and community groups in both urban and rural areas.

- e) Publication of articles in medical journals and responding to media invitations including newspaper, radio, and television interviews.

It is believed that the achievement of a situation where 95% of all tests are reported with an internal turnaround time of five days or less, compared to 19% in 1988-89, in combination with the reduced "extrinsic" turnaround time and cost provided by the courier service have been the dominant factors in the early recovery, supported by the more long-term effects of the other initiatives.

Financial activities

These have been considered in detail in the attached papers. However it is of interest that a comparative study undertaken by The Australian Institute of Health has indicated that VC(G)S is the most cost effective, block-granted laboratory operating in Australia.

In summary, a very satisfactory result was achieved including almost complete eradication of prior years' accumulated deficit.

Space and equipment

The acquisition of extra space within Prince Henry's Hospital alleviated most of the previous problems associated with severe space restriction.

During this year a decision was made by the Board of Management to relocate the Service to the Royal Women's Hospital when the Prince Henry's Hospital site of Monash Medical Centre closes. A purpose built unit will be incorporated in a new car park to be constructed on the corner of Faraday and Swanston Streets, Carlton. Plans for this development have been drawn and funding is being negotiated. It is anticipated that relocation will occur towards the end of 1991.

Staff

We would like to thank the entire staff of the organisation for the successful outcome of the past year.

During 1989-90 there has been a period of relative staff stability. Young scientists who have been trained within the Service have become productive and a new group of trainees has been appointed during 1990. The return of several excellent past trainees

after a period of overseas travel and further cytological experience has been most gratifying.

It has not been possible to recruit a trained cytopathologist to a new position. However we have appointed our previous trainee cytopathologist to a vacancy created by loss of one existing pathologist and a new trainee cytopathologist has been recruited. Attempts to recruit a more senior person will continue but a worldwide shortage of such persons makes success unlikely.

Training and education

- a) **Scientists.** The external programme of teaching of cytology as a component of the Bachelor of Applied Science at Royal Melbourne Institute of Technology continues. This is an important element of ensuring a basic knowledge of the discipline in graduates of this course, which is vital as a background for recruitment of high quality scientists to train further and take up positions in cytology laboratories.

The internal education programme has two aims. Firstly, trainees are taught to become competent and productive screeners, an activity which requires approximately six months of fully supervised activity. Secondly, there is a continuing in-service education programme which is integrated with the quality assurance programme. This ensures that scientific advances are communicated to staff, and that performance monitoring is associated with appropriate remedial training if necessary.

- b) **Cytopathologists.** Regular meetings and review sessions at the multihead microscope are an integral part of the quality assurance and peer review activity of VC(G)S. There is participation in ongoing teaching of scientists and in external scientific meetings.
- c) **External activities.** Both scientists and medical staff participate in meetings of learned societies and in educational activities in the wider health and general communities.

During this year two trials of a new sampling instrument, the *Cervex Sampler* have been conducted in 24 practices in association with educational activities to improve the quality of the cervical sample obtained by practitioners.

The Director of VC(G)S is currently President of the Australian Society of Cytology and thereby involved in educational, scientific and accreditation policy making activities in Australia and overseas.

Victorian Cervical Smear Registry

The activities of the Registry commenced in August 1989 with a series of pilot programmes; subsequently full implementation commenced. Operation has been extremely smooth and already approximately 85% of all smears done in Victoria are

accessed by the Registry. VC(G)S has been directed by an act of parliament to "auspice" the Registry and it does so by the provision of scientific, epidemiologic and administrative support and sharing of the in-house computer facility. A comfortable relationship has been established to the mutual benefit of the two organisations.

Epidemiology Unit

The unit continues to operate in two main areas:

1. To monitor the performance of VC(G)S and provide data on which the quality control activities can be based. The scientific protocols of VC(G)S must be responsive to such data in order to establish and maintain reporting procedures appropriate to a cervical cancer screening programme. The data obtained by careful follow-up of abnormal smears forms the basis of this programme.
2. Utilisation of data to create publications of national and international interest in the field of cervical cancer screening, and to provide resource material for presentation at scientific meetings. There is close cooperation with the Victorian Cancer Registry and the Anti-Cancer Council of Victoria in this regard.

Publications from VC(G)S during 1989-90

Medley G, Mitchell H. Adequacy of the cell sample in cervical cytology. (Letter to Editor.) *Med J Aust* 1990; **152**:109-10

Medley G. Aspiration biopsy of the breast. (Book review.) *Med J Aust* 1990; **152**:100

Mitchell H, Medley G. Age and time trends in the prevalence of cervical intraepithelial neoplasia on Papanicolaou smear tests, 1970-1988. *Med J Aust* 1990; **152**:252-255

Mitchell H. An update on human papillomavirus infection of the cervix. *Aust Family Physician* 1990; **19**:887-894

Mitchell H. Pap smears - successes and challenges. *Family Practice* 1990;**1**:11-13

Mitchell H, Medley G, Giles G. Cervical cancers diagnosed after negative results on cervical cytology: perspective in the 1980s. *Br Med J* 1990;**300**:1622-1626

Mitchell H. Reminder letters for women when repeat Pap smears are due. *Community Health Stud* 1990;**14**:126-131

Hirst S, Mitchell H, Medley G. An evaluation of a campaign to increase cervical screening in rural Victoria. *Community Health Stud* 1990, in press

Mitchell H, Medley G, Carlin J. Risk of subsequent cytological abnormality and cancer among women with a history of cervical intraepithelial neoplasia: a comparative study. *Cancer Causes and Control*, in press

Wilcox G, Wahlqvist ML, Burger HG, Medley G. Oestrogenic effects of plant-derived foods in post-menopausal women. *Br Med J* 1990, in press

Conclusion

There is considerable optimism within VC(G)S regarding the future growth and development of the organisation. The successful outcome of the year with achievement of both financial and smear recruitment performance targets, far from inducing a state of self-satisfaction, has provided an incentive to further improvement in service provision and scientific excellence. The recognition that health service providers are indeed responsive to both these elements encourages greater efforts. As long as appropriate funding is maintained, VC(G)S will continue to compete as the cost-effective alternative to other avenues of cytodiagnostic service provision.

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

CERTIFICATION

We hereby certify that the financial statements of the Victorian Cytology (Gynaecological) Service have been prepared in accordance with the provisions of the Annual Reporting Act 1983 and the Annual Reporting (Contributed Income Sector) Regulations 1988 as amended.

In our opinion the financial statements present fairly the financial transactions during the 1989-90 financial year and the financial position of the Service as at 30th June 1990.

At the date of signing the financial statements we are not aware of any circumstances which would render any particulars included in the Statements to be misleading or inaccurate.

..... Chairperson

..... Member

..... Chief Executive Officer

..... Principal Accounting Officer

Dated day of 1990

VICTORIAN CYTOLOGY SERVICE BOARD



DEPUTY DIRECTOR

DIRECTOR

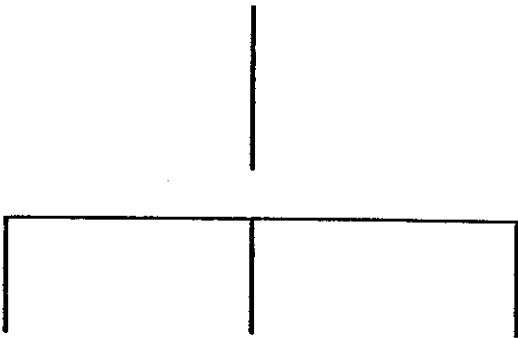
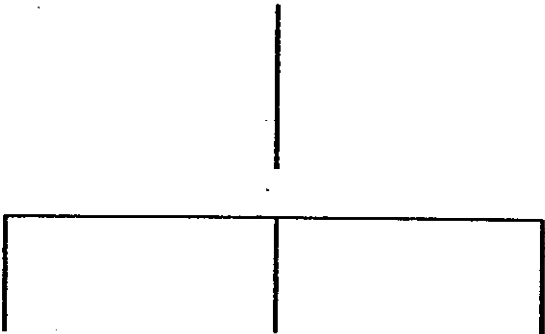
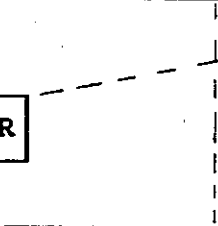
PATHOLOGISTS



VCCR

BUSINESS MANAGER

CHIEF SCIENTIST



CLERICAL PROCESSING

COURIERS

ACCOUNTS

PREPARATION LABORATORY

TRAINING AREA

SCIENTISTS

REVENUE AND EXPENSE STATEMENT

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

REVENUE AND EXPENSE STATEMENT FOR THE YEAR ENDED 30TH JUNE 1990

	NOTES	TOTAL 1989/90 \$	TOTAL 1988/89 \$
Operating Revenue Providing Fund Inflows			
<u>Health Service Agreement/Budget Sector</u>			
Government Grants	2	3,039,815	2,198,385
Indirect Contributions by Health Department Victoria	3	2,892	1,956
Bank Interest	4	12,271	-
TOTAL OPERATING REVENUE PROVIDING FUNDS		3,054,978	2,200,341
Operating Expenses Requiring Fund Outflows			
<u>Health Service Agreement/Budget Sector</u>			
Diagnostic and Medical Support Services		1,882,152	1,765,523
Administration and Quality Assurance		674,467	428,146
Engineering and Maintenance		18,248	31,378
Domestic and Catering Services		11,892	11,485
Corporate Costs Funded By Health Dept. Vic.		2,892	1,956
Workcare and Superannuation		64,678	50,407
Teaching and Research		5,305	2,190
TOTAL OPERATING EXPENSES REQUIRING FUNDS		2,659,634	2,291,085
Operating Surplus (Deficit) Providing Fund Inflows		395,344	(90,744)
Operating Expenses Not Requiring Fund Outflows			
Depreciation		50,829	29,741
Employee Entitlements		54,205	36,337
Operating (Deficit) Surplus For the Year Before Extraordinary items		290,310	(156,822)
Extraordinary Items	5	-	8,879
Operating (Deficit) Surplus For the Year		290,310	(147,943)

The accompanying notes form part of these financial statements.

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

BALANCE SHEET AS AT 30TH JUNE 1990

	NOTES	TOTAL 1989/90 \$	TOTAL 1988/89 \$
Equity			
Capital			
Contributed Capital		596,168	425,141
Funds held for Restricted Purposes	11	50,667	29,296
Reserves			
Retained Surplus/(Accumulated Deficit)		(481,754)	(772,064)
Total Equity		165,081	(317,627)
Current Liabilities			
Bank Overdraft		46,686	289,753
Creditors		6,562	13,961
Accrued Expenses		56,821	35,443
Provision for Employee Entitlements	6	286,997	236,816
Loans		-	164,000
Total Current Liabilities		397,066	739,973
Total Liabilities		397,066	739,973
<u>Total Equity and Liabilities</u>		562,147	422,346
Current Assets			
Cash at Bank and on Hand		14,727	10,356
Stores	7	42,377	46,481
Debtors and Accrued Revenue	8	126,000	135,863
Short-term Investments	9	48,199	19,000
Total Current Assets		231,303	211,700
Non-Current Assets			
Plant and Equipment	10	298,425	210,646
Motor Vehicles	10	32,419	-
Total Non-Current Assets		330,844	210,646
<u>Total Assets</u>		562,147	422,346

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 1990

	Notes	Contributed Capital	Funds Held for Restricted Purposes	Retained Surplus/ Accum. Deficit	Total 1989/90	Total 1988/89
Balance at beginning of the year		425,141	29,296	(772,064)	(317,627)	(261,472)
Surplus/(Deficit) for the year				290,310	290,310	(147,943)
Capital Contribution	2	171,027			171,027	90,722
Surplus for year			21,371		21,371	1,066
Balance at end of year		596,168	50,667	(481,754)	165,081	(317,627)

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

**STATEMENT OF SOURCES AND APPLICATIONS OF FUNDS FOR THE
YEAR ENDED 30TH JUNE 1990**

	NOTES	TOTAL 1989/90 \$	TOTAL 1988/89 \$
Sources of Funds			
Funds from Operations			
Gross Inflows from Operations		3,039,815	2,209,220
Gross Outflows of Funds from Operations		2,659,634	2,288,657
Net Funds from Operations	12	395,344	(79,437)
Contributed Equity			
Capital Grants		171,027	90,722
Surplus Specific Purposes		21,371	1,066
		192,398	91,788
Reduction in Assets			
Current Assets			
Prepayments		-	10,383
Stores		4,104	(524)
Debtors and Accrued Expenses		9,863	(135,502)
		13,967	(125,643)
Non-Current Assets			
Increase in Liabilities			
Current Liabilities			
Accrued Expenses		21,378	18,062
Total Sources of Funds		623,087	(95,230)
Applications of Funds			
Increase in Assets			
Current Assets			
Cash at Bank		4,371	1,066
Short Term Investments		29,199	-
		33,570	1,066
Non-Current Assets			
Plant and Equipment		171,027	100,719
Decrease in Liabilities			
Current Liabilities			
Bank Overdraft		243,067	(195,670)
Creditors		7,399	(5,730)
Loan		164,000	(35,000)
		414,466	(236,400)
Payment of Employee Entitlements		4,024	39,385
Total Applications of Funds		623,087	(95,230)

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial statements of the service have been prepared in accordance with the provisions of the Annual Reporting Act 1983 and the Annual Reporting (Contributed Income Sector) Regulations 1988 as amended. The Accounting Standards issued jointly by the Institute of Chartered Accountants in Australia and the Australian Society of Certified Practising Accountants have been complied with where applicable.

1. Accrual basis

The accrual basis of accounting has been used with revenues and expenses being recognised as they are earned or incurred, and brought to account in the period to which they relate.

2. Historical cost

The financial statements have been prepared on an historical cost basis whereby assets are recorded at cost and do not take into account changing money values nor the current cost of non-current assets (unless specifically stated)

3. Rounding off

All amounts shown in the financial statements are expressed to the nearest dollar.

4. Investments

Investments are valued at cost. Interest revenue from investments is brought to account when it is earned.

5. Depreciation

Depreciable assets with a cost in excess of \$1,000 are brought to account and depreciation has been provided over their estimated useful lives using the straight line method.

6. Stores

Inventories are stated in the Balance Sheet at the lower of cost and net realisable value. Cost is determined principally by first-in, first-out method.

7. Employee Entitlements

Long Service Leave

Provision for long service leave in 1989/90 Statements is made on a pro rata basis for all employees who have completed ten or more years service and is included in the Balance Sheet under Current Liabilities. Generally, the entitlement under various awards becomes payable upon completion of ten years service.

Annual Leave

A provision for annual leave is made for all employees based on the hospital's accrued liability for annual leave at 30th June 1990. This provision is included under current liabilities.

Accrued Days Off

A provision is made for liability in respect of days off accrued but not yet taken for eligible employees at 30 June 1990. The whole amount is included under current liabilities.

Superannuation

All eligible employees contribute to the Hospitals Superannuation Fund established under section 10 of the Hospital Superannuation Act 1965 (refer Regulation 32)

8. Changing in Reporting Requirements

The format of Revenue and Expense Statement has changed for the 1989/90 year in accordance with the amendments to Regulations and comparative figures for 1988/89 have been restated in the new format.

NOTE 2: GOVERNMENT GRANTS

	1989/90 \$	1988/89 \$
HDV Ordinary Grants	3,015,100	2,132,100
HDV Other Grants Minor Works	24,715	66,285
	<hr/>	<hr/>
Total Operating Grants	3,039,815	2,198,385
	<hr/>	<hr/>
Capital Grants	171,027	90,722
	<hr/>	<hr/>

Grants for capital purposes are included in the Consolidated Statement of Changes in Equity and are included in the Balance Sheet as Contributed Capital.

NOTE 3: INDIRECT CONTRIBUTION BY HEALTH DEPARTMENT VICTORIA

The Health Department Victoria makes certain payments on behalf of the Service which, in accordance with their requirements, have been brought to account in determining the operating result for the year. They are brought to account as non-cash income and offset by expenditure.

	1989/90 \$	1988/89 \$
Industrial Relations Service	814	-
Hospital Computing Service Charges	2,078	1,956
	<hr/>	<hr/>
Total	2,892	1,956
	<hr/>	<hr/>

NOTE 4: OTHER REVENUE

	1989/90 \$	1988/89 \$
Interest Received Bank Interest	12,271	-
	<hr/>	<hr/>
Total	12,271	-
	<hr/>	<hr/>

NOTE 5: EXTRAORDINARY ITEMS

	1989/90 \$	1988/89 \$
Prior Years Adjustments	-	8,879
	<hr/>	<hr/>
Total	-	8,879
	<hr/>	<hr/>

NOTE 6: PROVISION FOR EMPLOYEE ENTITLEMENTS

	Current \$	Non- Current \$	Total 1989/90 \$	Total 1988/89 \$
Long Service Leave	102,696	-	102,696	92,291
Annual Leave	174,119	-	174,119	138,014
Accrued Days Off	10,182	-	10,182	6,511
	<hr/>	<hr/>	<hr/>	<hr/>
Total	286,997	-	286,997	236,816
	<hr/>	<hr/>	<hr/>	<hr/>

NOTE 7: STORES

	1989/90 \$	1988/89 \$
Housekeeping Supplies	101	214
Medical & Surgical Lines	24,211	19,377
Administration Stores	18,065	26,890
	<hr/>	<hr/>
Total	42,377	46,481
	<hr/>	<hr/>

NOTE 8: DEBTORS AND ACCRUED REVENUE

	Less than 1 Year \$	Total 1989/90 \$	Total 1988/89 \$
Inter hospital debtors	-	-	5,663
Outstanding HDV Grant	126,000	126,000	130,200
	<hr/>	<hr/>	<hr/>
Total Debtors and Accrued Income	126,000	126,000	135,863
	<hr/>	<hr/>	<hr/>

NOTE 9: INVESTMENTS

Types of Investment	Specific Purpose Fund \$	Total 1989/90 \$	Total 1988/89 \$
- Current			
State Bank High Yield	48,199	48,199	19,000
	<hr/>	<hr/>	<hr/>

NOTE 10: NON-CURRENT ASSETS

	At Cost 30.6.90	Deprecia- tion for 1989/90	Accum Deprecia- tion at 30.6.90	Net Assets at 30.6.90	Net Assets at 30.6.89
	\$	\$	\$	\$	\$
Plant & Equipment	560,354	47,434	261,929	298,425	210,646
Motor Vehicles	35,814	3,395	3,395	32,419	-
	<u>596,168</u>	<u>50,829</u>	<u>265,324</u>	<u>330,844</u>	<u>210,646</u>

NOTE 11: FUNDS HELD FOR RESTRICTED PURPOSES

	1989/90 \$	1988/89 \$
Education	50,667	29,296
Total	<u>50,667</u>	<u>29,296</u>

NOTE 12: RECONCILIATION OF FUNDS FROM OPERATIONS WITH OPERATING PROFIT IS AS FOLLOWS

	1989/90 \$
Operating Profit	290,310
Add: Depreciation	50,829
Employess Entitlements	54,205
NETT FUNDS FROM OPERATIONS	<u>395,344</u>

OPERATING EXPENSES*

FOR THE YEAR ENDED 30 JUNE

	Total 1990 \$	Total 1989 \$
	<hr/>	<hr/>
1. Diagnostic & Medical Support Services	1,882,152	1,765,523
2. Administration (Includes Research & Quality Assurance)	779,501	494,224
3. Engineering and Maintenance	18,248	31,378
4. Domestic and Catering Services	11,892	11,485
5. Corporate Costs Funded by HDV	2,892	1,956
6. Workcare & Superannuation	64,678	50,407
7. Teaching Services	5,305	2,190
	<hr/>	<hr/>
	2,764,668	2,357,163
	<hr/>	<hr/>

Less Health Service Agreement/Budget Sector operating expenses not requiring fund outflow during the year.

-Depreciation	50,829	29,741
-Employee Entitlements	54,205	36,337
	<hr/>	<hr/>
Total	105,034	66,078
	<hr/>	<hr/>

**Total Health Service Agreement/
Budget Sector Operating Expenses**

Requiring Fund Outflows	2,659,634	2,291,085
	<hr/>	<hr/>

The number of staff employed are as follows:

	Paid EFT 1989/90	Paid EFT 1988/89
Nursing		
Aministration and Clerical	26.14	24.41
Medical Support	35.28	35.04
Hotel and Allied	3.13	1.13
Medical	3.75	3.75
Sessional/Clinicians	0.20	-
	<hr/>	<hr/>
	68.50	64.33
	<hr/>	<hr/>

Price Waterhouse



**AUDITORS' REPORT TO THE COMMITTEE OF MANAGEMENT OF THE
VICTORIAN CERVICAL CYTOLOGY REGISTRY**

We report that we have examined the attached accounts of the Victorian Cervical Cytology Registry for the year ended 30 June 1990.

In our opinion, the accounts are properly drawn up in accordance with the requirements of the Health Department Victoria so as to give a true and fair view of the Institution's financial affairs as at 30 June 1990 and of the results of its operations for the year ended at that date.

The accounting and other records examined by us have been properly maintained in accordance with the provisions of the Health Department Victoria's Cost Centre Accounting and Budgeting System Procedures Manual.

Date: _____

Auditor: *L. Hillier*
Price Waterhouse