



# Annual Report 2021



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# CHAIR MESSAGE

The continuing disruption created by COVID-19 impacted heavily on our services and revenue in 2020-21. Dealing with pandemic related regulatory requirements and restrictions also placed extra pressures on our staff and made it difficult for family members with elderly relatives in our aged care service.

However, it has been a credit to our team that throughout the year, Neerim Health (NH) effectively managed risks, with no COVID-19 cases among aged care residents, patients or staff.

CEO/DON Kate Graham resigned in March 2021, after three years at NH, to take up a leadership role in regional health in Gippsland.

Kate's commitment to ensuring appropriate and contemporary clinical governance and risk management has enabled the organisation to continue to strengthen its position as a trusted and relevant health service within the region.

Organisational transition to improve clinical standards, workforce capabilities and support systems are always challenging for any health service, but especially so for a small community owned facility with limited funding and resources.

With Kate's departure, the Board took the opportunity to review the role of CEO/DON considering the emerging needs of the organization and the lessons learned from dealing with the pandemic and impacts on usage of our services.

Achieving financial sustainability has been a critical challenge for our organization for decades and the resulting uncertainty has been a threat to our capacity to continue to provide health services for the district.

In the wake of the pandemic, moving forward requires a focus on business development, identifying health services in demand and short supply in our region and collaborating with public health services where we may be able to take the load off their services currently under pressure.

The changing demographics in our district and the population growth as a result of influx of young families has also created new demands for access to relevant health services locally.

For this reason, the Board separated the roles of CEO and DON to allow the CEO to focus on developing the business and decided to appoint a new Director of Clinical Services to focus on service standards and delivery.

We were fortunate to contract the services of Chris Trotman, an experienced health services CEO as interim CEO for three months during the recruitment process.

After an extensive recruitment campaign and detailed selection process the Board appointed CEO Graham Bailey in June 2021 and subsequently confirmed Bernadette McKenna from West Gippsland Hospital Group (WGHG) as Director of Clinical Services (DCS). We appreciate the support from WGHG for initially making Bernadette available as interim DCS and for supporting her permanent appointment.

Now that NH has the executive team in place, the Board is looking forward to working with them over the next year to develop new services planned and improvements to our facilities.

We have successfully gained funding of around \$1,5m from state and federal governments for three key projects to improve facilities and reduce costs:

- Installation of a 99kW solar power generation system (completed October 2021)
- Upgrade of the operating theatre and equipment to continue to undertake public cataract and other surgical procedures (early 2022)
- installation of a new nurse call system and upgrade of communications/IT infrastructure (underway)

We also appreciate the community grant from Baw Baw Shire Council to purchase new outdoor furniture for patients, residents and visitors.

In the year ahead, we plan to reallocate resources to optimise our capacity to upgrade service delivery and will be seeking further government funding to support our goals.

The Board is committed to ongoing service improvement and expansion, and we thank the community for your continuing support for our efforts.

**Sean Dignum, Board Chair**

## **CEO REPORT**

As a new CEO I have been welcomed by staff and have been impressed by the positivity, skills and genuine care for patients, residents, and each other. A priority for me in my first months has been to reach out to our local health providers to find out where the demands are on their services and what opportunities there are for NH to support them using our skills and facilities.

The past year has been extremely challenging financially and for our staff. COVID-19 has changed the way we undertake our day-to-day service operations and has added a level of anxiety to ensure the safety of patients, residents and staff. A Pandemic Plan was developed in line with government requirements to ensure we are prepared to respond effectively to manage the risks of COVID-19 or other pandemics which may occur in the future.

We have continued to work closely with WGHS and Latrobe Regional Hospital (LRH) to provide public elective cataract surgery. I am hopeful that these services will return to previous levels and that there will be additional areas where we can support our regional health network.

## Facilities Improvements

We were successful in obtaining a grant from the Commonwealth Government Business Improvement Fund for upgrading our nurse call system, security system, and other information technology functions within our service. These works will be completed in the next few months. We also upgraded our web technology to ensure we can stay connected with our growing external stakeholder network. However, further work is required to improve internet access.

We were also successful in obtaining a State Government Community Power Hub grant supporting the installation of 99kw solar panel system. The grant of \$35,000, plus \$7,500 from bank Australia and \$4,500 from Warragul Rotary enables NH to lease the panels at an affordable rate and substantially reduce our power costs. At the conclusion of the lease, the panels will be owned by NH. We are expecting installation to be completed in the next few months.

## Staff

A new Enterprise Bargaining Agreement was ratified by the Fair Work Commission in February 2021 for staff at NH. One change was to address an anomaly between pay rates for permanent nursing staff in theatre to bring them into line with existing pay rates in aged care.

## Governance

During the year the Board reviewed the terms of reference for all its committees to ensure they are meeting the Board's requirements.

A comprehensive Risk Management Framework was established setting the foundations and arrangements for continually improving risk management throughout the organisation. The Framework supports risk management and decision-making across patient and resident care, governance, facilities management and business administration. The Board agreed to a risk appetite statement which places the highest priority for managing risks that impact the safety and welfare of our patients, residents and staff and maintaining an effective and safe health service.

A Clinical Governance Framework was also developed that links closely with the Risk Management Framework. It provides a structured and integrated approach supporting management, monitoring and review of clinical performance of NH, with the ultimate objective of delivering safe, high-quality care.

I am aware of the challenges facing all small rural health services and I am looking forward to working with the Board, staff, community and our regional public health services to build a sustainable future for NH and develop services to support the health and wellbeing of the community.

**Graham Bailey, Chief Executive Officer**

# OUR ORGANISATIONAL STRUCTURE

## BOARD

Sean Dignum, (Chair) Appointed to Board 2015  
Margaret Darton, (Deputy Chair) Appointed to Board December 2017  
Phillip Ransom, (Treasurer) Appointed to Board July 2020  
Dr Joe Rabar, Appointed to Board October 2017  
Christie Bransgrove, Appointed to Board August 2019  
Nicole Steers, Appointed to Board August 2019  
Dr Simon Fraser, Appointed to Board June 2020  
Kim McFarlane, Appointed to Board June 2020

## BOARD COMMITTEES

### AUDIT & RISK

Chair Margaret Darton, Kim McFarlane, Dr Simon Fraser,  
Christie Bransgrove, Sean Dignum (ex-officio).  
Graham Bailey, Bernadette McKenna  
in attendance.

### FINANCE

Chair Phillip Ransom, Margaret Darton, Sean Dignum.  
Graham Bailey, Bernadette McKenna  
in attendance.

### CLINICAL GOVERNANCE & CREDENTIALING

Chair Dr Simon Fraser, Dr Joe Rabar,  
Nicole Steers, Sean Dignum (ex-officio),  
Graham Bailey, Bernadette McKenna  
in attendance.

### NOMINATIONS

Chair Sean Dignum,  
Margaret Darton,  
Nicole Steers.

## EXECUTIVE AND SENIOR MANAGEMENT

Graham Bailey, Chief Executive Officer  
Bernadette McKenna, Director Clinical Services (Director of Nursing)

Rick Brown, Nurse Unit Manager Hospital and Aged Care  
Sue Griggs, Nurse Unit Manager Perioperative Services  
Geraldine Freriks, Infection Control and Prevention Officer

# OUR SERVICES

Neerim Health delivers health services with revenue streams through the Commonwealth Government, Department of Veteran Affairs (DVA), Private Health Insurers, Fee for Service and Public Health Sub-contracted Services. This year services were also supported through COVID-19 Business Support Schemes through the State and Commonwealth Governments.

Our services are accessed by people from across the broader Gippsland region as well as our local community.

Our services are underpinned by robust clinical governance systems, policies and processes that are regularly reviewed and updated.

## Impacts of COVID-19 on our services.

An unexpected consequence of the COVID-19 pandemic across the world has been a drop in demand for residential aged care. NH had a significant decline in numbers of aged care residents during the year. COVID-19 also negatively impacted the demand for Short Term Restorative Care Services (STRC) with clients uncomfortable with allied health staff visiting their homes. Elective surgery was also affected by periodic government restrictions on elective surgery. The National Partnership Agreement which compensated for lost income from our theatre operations, was suspended in March 2021, when elective surgery recommenced. Despite these challenges Neerim Health ensured our services were maintained and ready to respond as the situation changed.

Wellbeing of staff was a high priority, especially with effects of constant Personal Protective Equipment (PPE) requirements, screening patients, residents and visitors. The increased workloads placed our staff under considerable extra stress.

## Theatre

Theatre operations were interrupted several times during the year, sometimes with relatively short notice. However, NH continued to provide public cataract surgery on behalf of LRH along with other elective surgeries including dental and scopes. Eight new surgeons and anaesthetists were accredited to work at NH during the year. This should provide opportunities for increased services now that there is more certainty for elective surgery.

In addition to interruptions caused by COVID-19, a burst water pipe caused flooding in the operating suite. Our insurance enabled us to repair damage caused by the flood promptly. The Manager Clinical Services, theatre Nurse Unit Manager, Facilities

Officer and other theatre staff worked tirelessly to minimize the disruption to the theatre operations, surgeons, and patients.

## **Residential Aged Care**

We received a positive response from residents and their families to ensure vaccinations against flu and COVID-19, 100% of residents were vaccinated for both.

Staff and the Executive are focusing efforts on documentation and training in preparation to meet new national standards for aged care. One major area for development is community engagement.

Commonwealth Aged Care retention bonuses were paid to our aged care staff this financial year.

Low occupancy provided an opportunity to refurbish some rooms to attract more residents.

## **Hospital and Sub-acute**

It is disappointing that our sub-acute beds continue to be under-utilized. This will be a focus of action to more effectively engage with local GPs and WGHS to relieve some of the pressures on demand for hospital beds for sub-acute patients.

## **Short Term Restorative Care (STRC)**

Provides time limited flexible care for older people that is designed with, and approved by, the individual. As most of the care is usually provided within a person's home, the demand for STRC services was up and down during the year, largely affected by the pandemic. We are beginning to see some positive signs for similar levels pre-pandemic and have recruited new staff to further build this important community service.

NH successfully tendered to Baw Baw Shire Council to continue to provide meals on wheels services to local residents.

# OUR PEOPLE

As at 30 June NH had 50 permanent staff and 30 casual staff.

## Staff Awards

The following staff were recognised for their years of continuous service: -

### 5 Years

- Amanda Barton
- Alexandra Blackwood
- Debbie Gourley
- Lexie Mapleson
- Lisa O'Neill
- Emma Rhodes

### 10 Years

- Belinda Behncke

### 15 Years

- Judith Carey

### 20 Years

- Suzanne Candappa

### 25 Years

- Lynette Debyl

Special recognition with a celebratory dinner was held for Registered Nurse Shirley Le Page – who retired this year after 45 years of dedicated service at NH. We congratulate Shirley and thank her for the care she has shown to so many members of our community. The Board recognised the exceptional service of Shirley by bestowing her with life membership of the Association.

# REPORTS

## Ladies Guild Report

Office bearers for the year: -

President Marilyn Lewis

Vice President Jenny Neil

Treasurer Deb McCann

Secretary Jacky Bailey

We currently have thirteen (13) members and would welcome more members from the community to assist in our fundraising efforts.

Due to the COVID-19 pandemic lockdowns and restrictions we have been very limited in fundraising efforts.

Our biggest fundraiser was the making and selling of face masks. We thank everyone who helped to make them and to Misty Hills Café for selling them on our behalf.

All in all, with the odd stall, raffle and donations etc. we raised over \$6000 for this financial year.

No funds have been allocated to purchases this year.

**Jacky Bailey,**

**Secretary,**

**Neerim District Health Service Ladies Guild,**

**P.O. Box 498,**

**Neerim South 3831**

## Treasurer's Report

The 2021 financial year saw the ongoing effect of the COVID-19 pandemic across almost all areas of the organisation, with constraints on theatre operations, reduced aged care residents and reductions in hospital and STRC activity.

The reduction in revenue across the organisation was somewhat compensated by the considerable funding received from government (FY21 - \$1.69m; FY20 - \$0.8m).

We were also impacted by a flood which resulted in the theatre being closed for a considerable period and damage which required rectification. Our insurance cover resulted in a cost recovery of \$150,000 however revenue was lost because procedures could not be undertaken while the theatre was closed.

In years prior to the COVID-19 pandemic, NH has benefited from some significant bequests and donations. During the past two years this has not been the case. Despite this situation, the severe operational constraints caused by the COVID-19 pandemic and flood during the year, NH has managed to maintain a reasonable financial position.

NH produced an operating loss of \$143k for the year (FY20 – loss of \$69k) and has a net asset position of \$1.9m. It should be noted that the property is carried on the balance sheet at cost and does not reflect current market value which would be considerably greater. The Board has chosen not to revalue the property for financial reporting purposes at this time and not to incur considerable costs to obtain a formal valuation given the current operating environment.

The Finance Committee has continued to meet on a monthly basis. Additional meetings have been held to discuss and consider the organisation's annual budget and other matters from time to time. These additional matters included the proposal to install solar power during the year which was approved by the Board and works subsequently completed. This should deliver long term power cost savings as well as greatly improving the delivery of clean energy.

Our audit process this year was successfully concluded once again with a clean audit report being provided.

Management and staff are to be again congratulated for their tireless efforts during another extremely difficult year.

**Phil Ransom**  
**Treasurer and Chair of Finance Committee**

Please note that the full financial report will be available on the website: [www.neerimhealth.org.au](http://www.neerimhealth.org.au)

# THANK YOU

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We are indebted to our supporters/volunteers for their generous donations (monetary and time) and bequests throughout the year. NH is privileged to benefit from the generous Association and community members who donate on a regular basis. We extend our sincere thanks and appreciation.



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