

# State Budget 2014-15

## Service Delivery Statements

Queensland Health

# **2014–15 State Budget Papers**

- 1. Budget Speech**
  - 2. Budget Strategy and Outlook**
  - 3. Capital Statement**
  - 4. Budget Measures**
  - 5. Service Delivery Statements**
- Appropriation Bills**
- Concessions Statement**

The suite of Budget Papers is similar to that published in 2013-14.

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**Service Delivery Statements**

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# Health Portfolio

## Summary of portfolio budgets

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
4	<b>Health Consolidated</b>	<b>12,679,673</b>	<b>12,707,922</b>	<b>13,621,951</b>
40	Department of Health - controlled	19,495,099	19,619,222	20,648,470
	Department of Health - administered	32,499	31,299	33,910
58	Cairns and Hinterland Hospital and Health Service	620,352	644,215	667,270
68	Central Queensland Hospital and Health Service	447,142	457,169	465,973
80	Central West Hospital and Health Service	51,120	56,965	57,466
88	Children's Health Queensland Hospital and Health Service	303,787	325,687	460,832
100	Darling Downs Hospital and Health Service	568,347	584,895	616,456
110	Gold Coast Hospital and Health Service	964,000	987,240	1,064,311
120	Mackay Hospital and Health Service	295,886	322,597	320,830
132	Metro North Hospital and Health Service	2,036,154	2,117,503	2,088,465
144	Metro South Hospital and Health Service	1,751,299	1,817,628	1,890,497
156	North West Hospital and Health Service	135,454	139,633	140,483

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
166	South West Hospital and Health Service	108,882	116,820	118,941
174	Sunshine Coast Hospital and Health Service	639,894	672,320	695,463
184	Torres and Cape Hospital and Health Service	..	..	171,704
191	Cape York Hospital and Health Service	81,979	82,323	..
196	Torres Strait – Northern Peninsula Hospital and Health Service	87,507	88,386	..
202	Townsville Hospital and Health Service	737,172	741,663	758,072
212	West Moreton Hospital and Health Service	418,575	432,949	457,144
222	Wide Bay Hospital and Health Service	449,194	465,531	458,311
232	The Council of the Queensland Institute of Medical Research	106,791	92,386	101,173
242	Queensland Mental Health Commission	7,147	5,948	8,504
250	Office of the Health Ombudsman	..	..	10,245
256	Health Quality and Complaints Commission	10,191	10,191	..

Notes:

1. Explanations of variances are provided in the financial statements.
2. The Health Consolidated Budget includes the Department of Health – Controlled Budget and Hospital and Health Service's Budgets with funding movements between the entities eliminated to present a consolidated position.
3. The Health Consolidated budget also includes the Queensland Ambulance Service which became part of Queensland Health as a result of a Machinery-of-Government change from 1 October 2013.
4. The Department of Health – Controlled Budget includes transactions with Hospital and Health Services for Contract Labour Recoveries and Fee-For-Service arrangements. The amount of funding relating to these arrangements is provided in the financial statements. This funding is then eliminated to present the Health consolidated position.
5. While further information regarding variances between the 2013-14 Adjusted Budget and 2013-14 Est. Actual is provided in the notes to the financial statements, it should be noted that 2013-14 Est. Actual expenditure for Hospital and Health Services includes expenditure against budget increases subsequent to the publication of the 2013-14 Budget. In addition, 2014-15 Estimates for Hospital and Health Services reflect Round 3 service agreement offers and funding and activity targets may be amended prior to the commencement of 2014-15 and during that year.
6. From 1 July 2014, the Torres Strait – Northern Peninsula and Cape York Hospital and Health Services will merge to form the Torres and Cape Hospital and Health Service.
7. The Office of the Health Ombudsman will be established from 1 July 2014, hence there are no comparative figures for 2013-14.
8. The Health Quality and Complaints Commission will cease operations on 30 June 2014, hence there are no 2014-15 budget figures.
9. Reductions in Mackay, Metro North and Wide Bay Hospital and Health Service budgets for 2014-15 is a result of non-recurrent items being included in 2013-14 funding and actual expenditure.

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Health:

<p style="text-align: center;"><b>Minister for Health</b> The Honourable Lawrence Springborg MP</p>
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<p style="text-align: center;"><b>Department of Health</b> Director-General: Ian Maynard</p> <p><b>Service Area 1:</b> Prevention, Promotion and Protection</p> <hr/> <p><b>Service Area 2:</b> Primary Health Care</p> <hr/> <p><b>Service Area 3:</b> Ambulatory Care</p> <hr/> <p><b>Service Area 4:</b> Acute Care</p> <hr/> <p><b>Service Area 5:</b> Rehabilitation and Extended Care</p> <hr/> <p><b>Service Area 6:</b> Integrated Mental Health Services</p>
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<p style="text-align: center;"><b>Queensland Ambulance Service</b> Director-General: Ian Maynard Commissioner: Russell Bowles</p> <p><b>Service Area 7:</b> Ambulance Services</p>
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<p style="text-align: center;"><b>Hospital and Health Services</b></p> <p><b>Objective:</b> Hospital and Health Services are independent statutory bodies established on 1 July 2012 to provide public hospital and health services in accordance with the <i>Hospital and Health Boards Act 2011</i>, the principles and objectives of the national health system and the Queensland Government's priorities for the public health system. On 1 July 2014 the Torres and Cape Hospital and Health Service (HHS) will commence operations, merging the former Cape York and Torres Strait – Northern Peninsula HHSs.</p> <p style="text-align: center;"><b>Cairns and Hinterland Hospital and Health Service</b> Board Chair: Robert (Bob) Norman Chief Executive: Julie Hartley-Jones</p> <p style="text-align: center;"><b>Central Queensland Hospital and Health Service</b> Board Chair: Roy (Charles) Ware Chief Executive: Len Richards</p>
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**Central West Hospital and Health Service**

Board Chair: Edward Warren

Chief Executive: Michel Lok

**Children's Health Queensland Hospital and Health Service**

Board Chair: Susan Johnston

Chief Executive: Dr Peter Steer

**Darling Downs Hospital and Health Service**

Board Chair: Michael Horan AM

Chief Executive: Dr Peter Bristow

**Gold Coast Hospital and Health Service**

Board Chair: Ian Langdon

Chief Executive: Ron Calvert

**Mackay Hospital and Health Service**

Board Chair: Colin Meng

A/Chief Executive: Danielle Hornsby

**Metro North Hospital and Health Service**

Board Chair: Dr Paul Alexander AO

Chief Executive: Malcolm Stamp

**Metro South Hospital and Health Service**

Board Chair: Terry White AO

Chief Executive: Dr Richard Ashby

**North West Hospital and Health Service**

Board Chair: Paul Woodhouse

Chief Executive: Sue Belsham

**South West Hospital and Health Service**

Board Chair: Lindsay Godfrey

Acting Chief Executive: Glynis Schultz

**Sunshine Coast Hospital and Health Service**

Board Chair: Emeritus Professor Paul Thomas AM

Chief Executive: Kevin Hegarty

**Torres and Cape Hospital and Health Service**

Board Chair: Robert (Bob) McCarthy AM

Acting Chief Executive: Philip Davies

**Townsville Hospital and Health Service**

Board Chair: John Bearne

Chief Executive: Julia Squire

**West Moreton Hospital and Health Service**

Board Chair: Dr Mary Corbett

Chief Executive: Lesley Dwyer

**Wide Bay Hospital and Health Service**

Board Chair: Dominic Devine

Chief Executive: Adrian Pennington

**The Council of the Queensland Institute of Medical Research (QIMR)**

Council Chair: Chief Justice Paul de Jersey AC

Director and Chief Executive Officer: Professor Frank Gannon

**Objective:** Working in close collaboration with clinicians and other research institutes, QIMR aims to enhance health by developing improved diagnostics, treatments and prevention strategies in the areas of cancer, infectious diseases, mental health and complex disorders.

**Queensland Mental Health Commission**

Commissioner: Dr Lesley van Schoubroeck

**Objective:** To drive ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health, drug and alcohol system. The objective is primarily to be achieved through developing and implementing a whole-of-Government strategic plan for mental health services; monitoring, reviewing and reporting on issues affecting those with mental health or substance misuse issues; and promoting prevention, early intervention and community awareness strategies.

**Office of the Health Ombudsman**

Ombudsman: Leon Atkinson-MacEwen

**Objective:** To protect the health and safety of the public, promote professional, safe and competent practice by health practitioners, promote high standards of service delivery by health service organisations, and maintain confidence in Queensland's health system by managing health complaints in a timely, fair, impartial and independent manner, while operating transparently and reporting publicly on its performance.

Additional information about these agencies can be sourced from:

[www.health.qld.gov.au](http://www.health.qld.gov.au)

[www.qimrberghofer.edu.au](http://www.qimrberghofer.edu.au)

[www.qmhc.qld.gov.au](http://www.qmhc.qld.gov.au)

[www.oho.qld.gov.au](http://www.oho.qld.gov.au) (from 1 July 2014)

# RESOURCES AND PERFORMANCE

## HEALTH OVERVIEW

### Strategic direction

The Queensland public healthcare system, collectively known as 'Queensland Health,' comprises the Department of Health, the Queensland Ambulance Service (QAS) and, from 1 July 2014, 16 independent Hospital and Health Services (HHSs). The Department of Health is responsible for managing the public health system, including purchasing services from the HHSs which are responsible for delivering public healthcare services.

The portfolio for the Minister for Health also includes the following reporting entities:

- The Queensland Institute of Medical Research, an independent statutory body committed to better health through medical research
- The Queensland Mental Health Commission, an independent statutory body responsible for driving ongoing reform towards an integrated, evidence based, recovery-oriented mental health, drug and alcohol system
- Office of the Health Ombudsman, from 1 July 2014, a new independent statutory position appointed to oversee the health complaints management system in Queensland and manage serious allegations against health practitioners.

The Government has articulated its plan to achieve a contemporary and sustainable health care system in the *Blueprint for better healthcare in Queensland* ('the *Blueprint*') released in February 2013. Health portfolio reform to achieve the vision for transformation set out in the *Blueprint* is well underway. The Government is facilitating improvements through increasing the autonomy of HHSs, while supporting models of care that focus on patients and people to achieve a continually improving, but sustainable, health care system.

In accordance with the Government's commitment to refocus and revitalise frontline services through collaboration and implementation of best practice models, the Government commissioned Mr Michael Keelty to undertake a comprehensive review (the Keelty Review) into the Police and Community Safety portfolio. As recommended by the review, from 1 October 2013, the QAS was transferred into the Health portfolio. The move will enhance and improve delivery of emergency services through strengthened links between QAS and Queensland Health through representation of QAS on key health portfolio executive committees and the realignment of QAS regional boundaries with HHS boundaries.

The HIV Foundation Queensland was established from 1 December 2013 to elevate the fight against HIV/AIDS as a priority health issue in Queensland. In 2014-15, the Foundation will be supported with an operating budget of \$2.4 million and will have an important role in driving the delivery of the Queensland HIV Strategy 2013-2015. The 'E.N.D.H.I.V.' campaign will further raise awareness of HIV and address stigma and discrimination in the wider community.

A further change was the transfer of responsibility for community helicopters to the Public Safety Business Agency from 1 November 2013 as part of the improved efficiencies with Queensland Government provided air services. From 1 May 2014, the Community Aids, Equipment and Assistive Technology Initiative (CAEATI) and Vehicle Options Subsidy Scheme (VOSS) was transferred from the Department of Communities, Child Safety and Disability Services to Queensland Health. The CAEATI and VOSS will be administered alongside the Medical Aids Subsidy Scheme (MASS) to create a single entity for aids, equipment and assistance for Queenslanders with a disability or a permanent and stabilised medical condition. This change is part of Government's preparations for the implementation of the National Disability Insurance Scheme from 2016.

From 1 July 2014, a range of system enhancements will come into effect including:

- the commencement of the new Torres and Cape HHS to serve the far northern communities in our State. The new HHS, which will merge the Torres Strait – Northern Peninsula and Cape York HHSs, will enable Aboriginal and Torres Strait Islander communities and remote communities in the region to have a greater voice and more control of their health services. The Torres and Cape HHS will comprise a single, efficient, administrative structure, allowing the new HHS to provide a clear strategic focus on delivering quality health care for local communities
- the commencement of a strengthened health complaints management system. A transparent, accountable and fair system for effectively and expeditiously dealing with complaints and other matters related to the provision of health services will be led by Queensland's inaugural Health Ombudsman.

In addition, from 1 July 2014, a number of HHSs will be designated as prescribed employers, which provides them with the authority to employ health service employees and administer employment related processes. This initiative is part of the wider reform program to enhance local decision-making and accountability and will empower HHSs with more autonomy, workforce flexibility and a greater ability to respond to the health needs of the local community.

The *National Health Reform Agreement* of 2011 (the NHRA) included the objective of the Commonwealth and State governments working in partnership to implement reforms for a nationally unified and locally controlled health system. In Queensland, the initial phase of National Health Reform centred on key system and structural changes.

Queensland is now moving into the next phase of National Health Reform, including key changes to funding arrangements. From 1 July 2014, the Commonwealth Government will fund 45% of efficient growth in public hospital services. Hence Commonwealth hospital funding will depend on the level of activity growth and the National Efficient Price. However, the Commonwealth Government has indicated that this approach will be replaced with an indexation formula from 1 July 2017. Based on the current Commonwealth Government forward estimates, it is expected that Queensland will receive significantly lower funding growth under this arrangement post 1 July 2017 than under efficient growth funding.

## **2014-15 Highlights**

In 2014-15, Queensland Health's operating budget will be \$13.622 billion, an increase of \$942 million from its 2013-14 adjusted operating budget position of \$12.680 billion. The Adjusted budget takes account of the Machinery-of-Government change which, from 1 October 2013, brought the QAS into Queensland Health from the former Department of Community Safety and exemption from payroll tax from 1 July 2014.

To ensure comparability the overall budget growth of 6.4% takes into account the QAS budget adjusted for 12 months and exemption from payroll tax.

A total of \$11.006 billion (or 80.8% of the total budget) will be allocated through service agreements to provide public healthcare services from HHSs and other organisations including Mater Health Services and St Vincent's Health Australia.

As per the *Blueprint* objective of providing Queenslanders with value and quality in health services, the development of HHS service agreements for 2014-15 will include additional growth in purchased activity over 3% year on year and incentivise health service providers to introduce new models of care and provide services closer to the patient. In 2014-15, the Department of Health will purchase 1,738,096 total weighted activity units, an increase of 71,815 or 4.3% on the 2013-14 budget.

This increase will enable significant service expansion in a number of HHSs during 2014-15, including in Darling Downs, Gold Coast, Metro South and Sunshine Coast HHSs. New and expanded services will include orthopaedics, radiation oncology, mental health services, urology, respiratory medicine, dialysis, endoscopy and allied health services.

Later this year, the opening of the Lady Cilento Children's Hospital (LCCH) will create the biggest public children's hospital in the country. A hub and spoke network model will be utilised between LCCH and the other greater Brisbane metropolitan area children's health facilities to establish links to create an enhanced state-wide network of safe and sustainable children's health services.

All existing services provided by the Royal Children's Hospital and the Mater Children's Hospital will be available to LCCH patients. Most services will be expanded and some new services will be available, for example new clinics to treat obesity, pain and allergies; a specialist adolescent service; and paediatric renal treatment.

In line with the Government's commitment to reduce waste and get Queensland Back on Track, the Department of Health achieved record savings of \$96 million in 2012-13. These savings will support a range of initiatives in 2014-15 including:

- additional hospital activity and service improvements targeting patient's outpatient appointments
- commencement of the implementation of a new Information and Communication Technology (ICT) strategy focussed on improving, rationalising and simplifying ICT in the agency, and leveraging partnerships with private providers to deliver and support innovative delivery of health services through corporate and clinical portfolios.

Further initiatives that will commence from 1 July 2014 include:

- planning for the establishment of Magnetic Resonance Imaging (MRI) services at Toowoomba Hospital
- delivery of a Mobile Surgical Van pilot program for rural and remote communities
- implementing a suite of initiatives to optimise the use of the allied health professional workforce to improve patient access and address waiting times in key priority areas
- progressing the replacement of clinical systems including PRIME (Clinical Incident and Consumer Feedback) and IMS.NET (Occupational Health and Safety Management) with a new Integrated Safety Information System and introduction of a new Notifiable Conditions System
- continuing ongoing funding of \$4.1 million per year for hearing health outreach services for Aboriginal and Torres Strait Islander children under the award-winning *Deadly Ears, Deadly Kids, Deadly Communities* Program
- investment of \$1.2 million to jointly fund Wellbeing Centres at Aurukun, Hope Vale, Coen and Mossman Gorge with the Australian Government. The Wellbeing Centres deliver community based and culturally appropriate social health services with a focus on drug and alcohol, mental health, and family violence issues
- supporting the Government's Safe Night Out Strategy by delivering compulsory counselling for certain individuals involved in alcohol related violence
- expanding support for rural drought declared communities by facilitating the provision of additional mental health support workshops provided by non-Government organisations to assist communities identify mental health related issues, promote normal recovery pathways, increase resilience and facilitate access to physical, emotional and social supports. The Department of Health will also develop and implement additional mental health and wellbeing programs and services to support individuals and local communities in drought affected areas
- allocation of a further \$5.5 million through the revitalisation of regional, rural and remote services program to five HHSs to enhance ambulatory and primary health care models with a focus on mental health, chronic disease, emergency care and outreach services.

The QAS budget in 2014-15 will support the recruitment of an additional 100 ambulance officers to provide enhanced roster coverage and commission 155 new and replacement ambulance vehicles. These enhancements build on the additional ambulance officers recruited and new and replacement ambulance vehicles commissioned in 2013-14.

To support more appropriate and efficient models of care to meet patient's needs, the Low Acuity Response Unit (LARU) utilises a 'single paramedic and sedan' service model. This response option allows for alternative treatment pathways for those patients not requiring stretcher transport in an emergency ambulance. Following the successful piloting of this model in 2013-14, the QAS will expand this service into Townsville, Metro North, Metro South and Gold Coast Local Ambulance Service Networks.

In 2014-15, \$41.4 million will be invested in new and replacement ambulance vehicles and equipment, replacing, refurbishing or redeveloping ambulance stations at Collinsville, Gladstone, Injune, Miriam Vale, Pittsworth, Russell Island, Thursday Island and Spring Hill and a new ambulance station at Birtinya.

In addition, from 2014-15, the QAS will commence a two year, state-wide rollout of replacement defibrillators which will provide state of the art vital sign monitoring, defibrillation and early detection of life threatening cardiac conditions.

The Government will also continue its support of world-leading medical research, maintaining the record \$18.9 million funding commitment to the Queensland Institute of Medical Research.

In 2014-15, a total capital investment program for the health portfolio of \$1.554 billion (including capital grants) will progress a range of health infrastructure priorities including hospitals, health technology, research and scientific services, mental health services and information technologies.

Capital investment program highlights for 2014-15 include:

- \$255.2 million towards the Lady Cilento Children's Hospital and Centre for Children's Health Research (at a total cost of \$1.513 billion)
- \$369.8 million towards the Sunshine Coast Public University Hospital (at a total cost of \$1.872 billion)
- \$114.2 million allocated to Hospital and Health Services for capital purchases and health technology equipment
- \$81.4 million towards the Cairns Hospital redevelopment (at a total cost of \$446.3 million)
- \$29.4 million towards the Mackay Hospital redevelopment (at a total cost of \$408.3 million)
- \$7.7 million towards the Mount Isa Health Campus redevelopment (at a total cost of \$62.6 million)
- \$81.8 million to continue the \$327 million four year Backlog Maintenance Remediation Program providing capital expenditure and maintenance funding to address high priority and critical operational maintenance, life cycle replacements and upgrades.

### **Recent achievements**

The Government allocated an additional \$23.8 million in 2013-14 to support the third significant pay increase for nurses and midwives since the Government was elected. The 3% pay increase from April 2014 represents a total increase of 9.27% over the three year life of the Nurse EB8 agreement for over 32,500 nurses and midwives. For most of our nurses this will equate to an additional \$259 per fortnight in base pay.

Substantial progress has been made towards meeting the *Blueprint* goal of improving the performance of Queensland's healthcare system to match the national efficient price (NEP) by mid-2014. For the 12 months to the end of September 2013, the cost per Queensland Weighted Activity Unit (QWAU) was 0.6% above the benchmark Queensland Efficient Price (QEP). The QEP is equivalent to the National Efficient Price (NEP), adjusted to reflect differences in the Queensland Activity Based Funding (ABF) model compared to the national ABF model. It is projected that cost per QWAU for 2013-14 as a whole will be below the QEP.

Improvements at the hospital level are being achieved through new models of care and partnerships to support programs for out of hospital care, care coordination for patients with chronic disease, oral health and improved demand management. These ongoing enhancements are delivering improved health services better focussed on patients and people – one of the Government's key objectives as articulated in the *Blueprint*. Key examples of these improvements include:

- significant progress in reducing the waiting times for emergency services and elective surgery. National Elective Surgery Target (NEST) data for the 2013 calendar year shows that 93.7% of Category 1 patients were treated within 30 days, compared to 89.0% in 2012. National Emergency Access Target (NEAT) performance in 2013 showed a significant improvement – NEAT data for the 2013 calendar year shows that Queensland achieved 75.6% (patients attending an emergency department whose length of stay is within four hours), compared to 66.9% in 2012
- since the change of Government, the number of 'long wait' elective surgery patients has decreased by 55.4% (from a total of 6,366 long waits as at 1 April 2012 to 2,842 as at 1 April 2014)
- significant reduction in Queensland's dental long waiting list from 62,513 in February 2013 to 923 in April 2014 and general dental waiting list from an average wait time of 1,025 days in February 2013 to 182 days in April 2014
- the reopening of the Beaudesert Hospital Birthing Unit. The successful reintroduction of birthing services in Beaudesert will act as a template for the reintroduction of similar services to other Queensland towns including Cooktown.

The Diamond Jubilee Trust is delivering the provision of eye services via the Indigenous Diabetes Eyes and Screening (IDEAS) van, aimed at treating and preventing avoidable blindness in Aboriginal and Torres Strait Islander communities in partnership with Queensland Health, Queensland Eye Institute and the Royal Flying Doctors and CheckUp. The project provides education, equipment and specialist support to 27 Aboriginal Medical Services across the State.

The department has continued to progress a number of key Government commitments to improve access and support the delivery of public health services. Examples of these include:

- enhancing the Maternal and Child Health Service – 2013-14 is the first full year of the *Mums and Bubs* initiative. HHSs received additional funding to increase access to home visits for newborn babies at two and four weeks of age with follow-up community consultations at community centres at two, four, eight and 12 months. The Government is providing \$28.9 million over four years from 2012-13 towards this initiative
- backlog maintenance – HHSs are delivering important upgrades and improvements to their assets through the additional funding allocated to them under the Backlog Maintenance Remediation Program (which has a total value of \$327 million over four years)
- Cochlear Implant Waiting Lists – additional funding of \$5.8 million in 2013-14 has enabled the waiting lists to be cleared
- Patient Travel Subsidy Scheme (PTSS) – since the implementation of the Government's commitment to double the mileage and commercial accommodation subsidies from 1 January 2013, over 73,000 rural and remote Queenslanders have been assisted to travel to access specialist medical services. The Government provided increased funding of \$97.7 million over four years from 2012-13 for this initiative, while the Department of Health reallocated a further \$8.6 million over three years for the PTSS from 2013-14

- Hospital in the Home (HITH) – an additional \$28.3 million was allocated over four years (from 2013-14) for additional HITH services to be provided by the private sector and non-government organisations. A program being delivered by Blue Care and Silver Chain commenced in January 2014 to expand HITH in the Metro North and Metro South HHSs and establish HITH services within the Sunshine Coast and Townsville HHSs
- Rural Mental Health – the Department of Health has facilitated the provision of over 35 Mental Health First Aid and Psychological First Aid workshops in rural communities declared in drought
- revitalisation of regional, rural and remote services – \$51.6 million over four years was allocated as part of the 2013-14 State budget with six sites in five HHS areas initially prioritised. A variety of initiatives are underway at each of the six sites. At Moura, Alpha and Chinchilla funds are being directed towards rural services including managing and supporting chronic disease, while at Charleville the initial focus is on enhancing and sustaining surgical services and purchasing medical equipment. At St George enhanced maternity, mental health and allied health services are being prioritised, whilst at Eidsvold rural Telehealth and renal services are among those that are benefitting
- Rural Telehealth Program – the Government committed \$30.9 million over four years to establish a Rural Telehealth Service. The Department of Health has established dedicated telehealth coordinator positions across all of the HHSs to support implementation of telehealth enabled service delivery models. In addition, a Telehealth Emergency Management Support Unit has been created to support provision of emergency management support and advice for rural and remote communities with an initial focus on Moura, Kowanyama, Normanton, Alpha, Bedourie, Roma and Eidsvold. The results of this investment are already being realised, non-admitted telehealth occasions of service have increased by 38% across the state when compared with the same period the previous year (July to March 2013)
- Ambulance Bypass – the Department of Health, in collaboration with the QAS, identified 15 recommendations to reduce ambulance ramping and improve patient access to emergency care through the Metropolitan Emergency Department Access Initiative (MEDAI) project. On 2 August 2012, the Minister for Health tabled the final MEDAI report. The Government pledged full support for the implementation of all recommendations. Since 1 January 2013, no Queensland Health facilities have initiated ambulance bypass.

Planning and investment in capital infrastructure is integral to the delivery of health services and contributes to improved health outcomes for Queenslanders. The new Gold Coast University Hospital, opened in October 2013, is providing increased capacity in existing services and a range of new services including comprehensive cancer care (including radiotherapy), neurosciences, neonatal intensive care, trauma response, cardiac surgery and nuclear medicine enabling thousands of patients to access high quality services closer to home.

As part of its *Blueprint* priority of ensuring health services are focussed on patients and people, the Government is addressing key health priority areas through a range of social marketing campaigns targeting various areas of the population to improve health and well-being and reduce the need for intervention. Areas addressed include sun safety, nutrition and physical activity, anti-smoking, immunisation and communicable disease prevention, such as flu and dengue. These campaigns use a range of advertising, engagement and support tools across mass media, digital and social media to address health behaviours. A range of campaigns were commenced in 2013-14 including:

- raising awareness of HIV/Aids through the Government's 'E.N.D. H.I.V.' campaign, the Queensland HIV Strategy 2013-2015 and the newly established HIV Foundation Queensland
- reducing the use of commercial solariums through legislative provisions which will mean all ultra violet commercial tanning beds being switched off by 31 December 2014
- reducing smoking rates through the Young Women and Smoking campaign to encourage young women to consider their smoking habit and how it impacts on their health, and through the Workplace Quit Smoking Program which combines the use of behavioural counselling (delivered by the Quitline service) with nicotine replacement therapy

- reducing the rates of overweight and obesity through the *Healthier. Happier.* campaign, which supports individuals to assess their diet and lifestyle and provides information to assist people to change unhealthy habits, including strategies for weight loss and maintenance
- preventing and controlling *Legionella pneumophila* infection in Queensland's hospitals through the development of water quality risk management plans and strengthening legislative requirements relating to cooling water systems and water delivery systems in hospitals and residential aged care facilities.

#### *Activity-based Funding and Weighted Activity Units*

Under the *National Health Reform Agreement*, Australian Governments have committed to the implementation of Activity Based Funding (ABF) for public hospital services. ABF ensures that HHSs are funded on the basis of the public hospital services they deliver, and provides a mechanism to benchmark and compare the efficiency of public hospital service delivery.

ABF defines activity in terms of a single measure called a Weighted Activity Unit (WAU). A WAU provides a common unit of comparison so that all activity can be measured consistently. It is a measure of the relative value of care provided to patients, across various treatment types (including acute inpatient, emergency department, outpatient services, sub-acute care and mental health).

Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. The Service Delivery Statement (SDS) for Queensland Health includes the total WAUs for each service type to be delivered by the public health system in the coming year. SDSs for the HHSs show the number of WAUs each HHS will deliver.

The adoption of the national ABF model in 2013-14 provides a clear line of sight between the Queensland ABF price and the national efficient price, the basis on which Commonwealth funding for public hospital services is calculated. Through the *Blueprint*, the Government set a target for the cost of healthcare in Queensland to equal or better the national efficient price by mid-2014. This target is expected to be achieved by the end of 2013-14. The average cost per weighted activity unit represents the average cost for all activity types.

## Health Consolidated Budget Summary<sup>1</sup>

The table below shows the total resources available in 2014-15 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Queensland Health Consolidated	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue			
Deferred from previous year/s	..	..	..
Balance of service appropriation	8,422,359	8,459,370	8,971,194
Other revenue	4,257,963	4,333,442	4,641,839
<b>Total income</b>	<b>12,680,322</b>	<b>12,792,812</b>	<b>13,613,033</b>
<b>Expenses</b>			
Acute Inpatient	6,406,411	6,479,599	6,957,144
Ambulatory	2,451,533	2,449,328	2,629,784
Integrated Mental Health	1,118,295	1,115,191	1,152,117
Rehabilitation and Extended Care	1,054,724	1,029,278	1,034,215
Prevention, Promotion and Protection	576,637	574,873	598,738
Primary Care	669,639	677,102	729,264
Ambulance	402,433	382,549	520,688
<b>Total expenses</b>	<b>12,679,673</b>	<b>12,707,921</b>	<b>13,621,951</b>
<b>Operating surplus/deficit</b>	<b>649</b>	<b>84,890</b>	<b>(8,918)</b>
<b>Net assets</b>	<b>11,340,773</b>	<b>11,411,052</b>	<b>12,529,795</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation of administered items	32,499	31,299	33,910
Other administered revenue	..	..	..
<b>Total revenue</b>	<b>32,499</b>	<b>31,299</b>	<b>33,910</b>
<b>Expenses</b>			
Transfers to government	..	..	..
Administered expenses	32,499	31,299	33,910
<b>Total expenses</b>	<b>32,499</b>	<b>31,299</b>	<b>33,910</b>
<b>Net assets</b>	<b>..</b>	<b>..</b>	<b>..</b>

Notes:

- Totals may vary due to rounding.

## Budget Measures Summary

The table shows a summary of Budget measures relating to the department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4.

Health Consolidated	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental <sup>1</sup>	..	5,950	4,500	4,500	4,500
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

- Expense measures do not reconcile with Budget Paper No. 4 due to funding for initiatives to support the rehabilitation of road trauma victims included in the Road Safety measure being reported wholly in the Department of Transport and Main Roads section.

## Staffing

Health Consolidated	Notes	2013-14 Adjusted Budget <sup>1</sup>	2013-14 Est. Actual <sup>2</sup>	2014-15 Budget <sup>3</sup>
Hospital and Health Services	4,5	58,937	59,982	61,848
Queensland Ambulance Service	6	3,915	3,905	4,015
Department of Health		6,892	6,632	6,732
		<b>69,744</b>	<b>70,519</b>	<b>72,595</b>

Notes:

- For Hospital and Health Services and the Department of Health, the 2013-14 Adjusted budget published in the 2013-14 SDS represents 2013-14 projected Full-time equivalents (FTEs).
- 2013-14 Est. Actual represents the estimated FTEs as at 30 June 2014.
- 2014-15 Budget represents the forecast FTEs at 30 June 2015 and, for HHSs, may change due to updates to the 2014-15 service agreements subsequent to the Round 3 contract offers.
- Increases in FTEs from 2013-14 Adjusted budget to 2013-14 Est. Actual reflect commissioning of new services and additional activity purchased from HHSs through amendments to 2013-14 service agreements including new services at the Gold Coast, QEII Hospital, Logan Hospital and the Elective Surgery Long Wait initiative.
- Projected increases for HHS FTEs in 2014-15 are based on service levels as outlined in the 2014-15 service agreements. Increases in 2014-15 include additional staffing related to commissioning of new services at the Gold Coast, Logan and Cairns and transfer of services from the Mater Children's Hospital to the Lady Cilento Children's Hospital. However, where HHSs elect to deliver additional public health services under arrangements with the private sector and/or non-government organisations, FTEs in the public system may not increase commensurate with activity.
- The 2013-14 Adjusted budget reflects the transfer of the Queensland Ambulance Service to the Health Portfolio from 1 October 2013.

## SERVICE PERFORMANCE

### Services

With the addition of the QAS to the portfolio from 1 October 2013, Queensland Health now reports service delivery under seven service areas that reflect our planning priorities and support investment decision-making across the Queensland public healthcare system. Our service areas are:

#### **Prevention, Promotion and Protection**

Aims to prevent illness and injury, actively promote and protect the good health and wellbeing of Queenslanders and reduce the health status gap between the most and least advantaged in the community. This service area is directed at the entire well population or specific sub populations rather than individual treatment and care, using a range of strategies such as disease control, immunisation program, regulation, social marketing, mass media campaigns, community development and screening.

#### **Primary Health Care**

Address health problems or established risk factors of individuals and small targeted groups by providing curative, promotive, preventative and rehabilitative services. Queensland Health, through multidisciplinary teams of healthcare professionals, provides a range of primary health care services that include early detection and intervention services and risk factor management programs through community health facilities, child health centres and dental clinics.

#### **Ambulatory Care**

Provides equitable access to quality emergency medical services provided in public hospital Emergency Departments and services provided through Queensland's public hospital outpatient departments including a range of pre-admission, post-acute and other specialist medical, allied health, nursing and ancillary services.

#### **Acute Care**

Aims to increase equity of access to high quality acute hospital services on a state-wide basis and includes the provision of medical, surgical and obstetric services to people treated as acute admitted patients in Queensland's public acute hospitals.

#### **Rehabilitation and Extended Care**

Targets people with prolonged conditions and chronic consequences by improving the functional status of a patient with an impairment or disability, slowing the progression of and assisting them to maintain and better manage their health condition. This service area includes rehabilitation, palliative care, respite, psychogeriatric, geriatric evaluation and management, residential aged care services, residential services for young people with physical and intellectual disabilities, and extended care services.

#### **Integrated Mental Health Services**

Spanning the health continuum through the provision of mental health promotion and prevention activities (including suicide prevention strategies), community-based services, acute inpatient services and extended treatment services. The aim of mental health services is to promote the mental health of the community, prevent the development of mental health problems where possible, and to provide timely access to assessment and treatment services.

#### **Ambulance Services**

QAS provides timely and quality emergency and non-emergency ambulance services to meet the needs of the community. This service area supports the needs of the community by providing pre-hospital ambulance response services, emergency and routine pre-hospital patient care and transport services, inter-facility ambulance transport, planning and coordination of multi-casualty incidents and disasters, and casualty room services.

## Red tape reduction

The Department of Health is undertaking a range of actions to support the Government's commitment to red tape reduction and reports to Queensland Treasury and Trade on these actions. The department also reports to the Office of Best Practice Regulation on a range of initiatives to reduce the regulatory burden of quasi-regulation (e.g. guidelines and codes of practice).

Many of the red tape reduction initiatives relate to reducing or removing onerous regulatory burdens leading to a reduction in, or cessation of, administrative processes. The department completed a number of initiatives in 2013-14 including:

- the roll out of the Enterprise Discharge Summary (EDS) tool, which provides consistent electronic patient admission and discharge data securely to the patient's general practitioner. This improves continuity and timeliness of post-discharge patient care. Prior to the EDS, general practitioners requiring discharge summaries from hospitals often had to make telephone calls to request that a fax be sent containing the relevant information
- the cessation of State-based registration of speech pathologists and dental technicians. This saved health professionals registration fees and reduced the administration and compliance burden
- aligning the format of Sentinel Events reporting with the State Coroner's reporting requirements. This initiative reduced the burden on private health facilities reporting of sentinel events.

Examples of initiatives that have made significant progress and are currently underway include:

- the development of online licencing and compliance for radiation, pest management, poisons and medicines is being trialled in 2014
- the department is repealing regulatory provisions arising from the National Poisons Control Project, establishing nationally agreed provisions for dealing with poisons and reducing the regulatory burden for businesses while developing consistent nationwide regulatory controls
- changes to the approvals for possession of scheduled drugs to allow organisation based approvals rather than for individuals. This reduces the burden of approvals for organisations such as the RSPCA and universities
- reducing the administrative burden for medical researchers and Government by combining duplicated annual reporting to a Human Research Ethics Committee. A Public Health Application is used when medical researchers require access to confidential patient information from Queensland Health for the purpose of research.

## 2014-15 Service Summary<sup>1</sup>

Service area	Sources of Revenue					Retained Surplus <sup>3</sup> \$'000
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000	
Acute Inpatient	6,957,144	4,342,659	889,837	1,655,604	67,259	1,784
Ambulatory	2,629,784	1,729,559	103,975	763,659	25,457	7,134
Integrated Mental Health	1,152,117	720,383	18,316	402,948	10,470	..
Rehabilitation and Extended Care	1,034,215	596,675	33,813	360,806	42,921	..
Prevention, Promotion and Protection	598,738	310,915	16,636	259,219	11,967	..
Primary Care	729,264	629,800	2,801	91,270	5,393	..
Ambulance Services <sup>4</sup>	520,688	468,583	37,176	..	14,929	..
<b>TOTAL<sup>2</sup></b>	<b>13,621,951</b>	<b>8,798,575</b>	<b>1,102,555</b>	<b>3,533,505</b>	<b>178,397</b>	<b>8,918</b>

### Notes:

1. Explanations of variances are provided in the financial statements.
2. Totals may vary due to rounding.
3. Retained Surplus identifies the funding source for the budgeted deficit identified in 2014-15.
4. Queensland Ambulance Service revenue and costs for internal transactions with the Department of Health have been eliminated on consolidation.

## Performance Statement

Health Consolidated	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Prevention, Promotion and Protection</b>				
<b>Service standards</b>				
Percentage of the Queensland population who consume recommended amounts of:				
• fruits		56.1%	56.1%	56.6%
• vegetables	1	9.7%	9.3%	9.2%
Percentage of the Queensland population who engaged in levels of physical activity for health benefit:				
• Persons		63.0%	62.1%	64.0%
• Male		68.2%	67.3%	69.7%
• Female	1	57.7%	56.8%	58.2%
Percentage of the Queensland population who are overweight or obese:				
• Persons		59.1%	59.3%	60.1%
• Male		66.2%	66.5%	67.2%
• Female	1	52.2%	52.1%	53.0%
Percentage of the Queensland population who consume alcohol at risky and high risk levels:				
• Persons		11.4%	11.4%	11.4%
• Male		13.1%	13.1%	13.2%
• Female	1	9.8%	9.6%	9.5%
Percentage of the Queensland population who smoke daily:				
• Persons		12.5%	15.8%	15.8%
• Male		13.7%	17.1%	17.1%
• Female	2	11.3%	14.4%	14.4%
Percentage of the Queensland population who were sunburnt in the last 12 months:				
• Persons		52.7%	52.7%	53.0%
• Male		57.2%	55.5%	55.0%
• Female	1	48.3%	49.8%	50.9%
Annual notification rate of HIV infection	3	5.0%	4.1%	5.0%
Number of rapid HIV tests performed	4	6,000 92%	1,300 91.3%	1,500 92.5%

Health Consolidated	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Vaccination rates at designated milestones for:				
• All children 12-15 months		92%	92.9%	92.5%
• All children 24-27 months				
• All children 60-63 months	5	92%	92.0%	92.5%
Percentage of target population screened for:				
• Breast cancer		57.6%	57.5%	58.0%
• Cervical cancer		55.3%	55.8%	57.2%
• Bowel cancer	6	38.0%	33.9%	33.9%
Percentage of invasive cancers detected through BreastScreen Queensland that are small (<15mm) in diameter	7	60.0%	55.4%	57.0%
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	8	0.9	1.0	<2.0
<b>State contribution (\$000)</b>		<b>306,294</b>	<b>306,394</b>	<b>310,915</b>
<b>Other revenue (\$000)</b>		<b>270,343</b>	<b>268,479</b>	<b>287,823</b>
<b>Total cost (\$000)</b>		<b>576,637</b>	<b>574,873</b>	<b>598,738</b>

### Service Area: Primary Health Care

#### Service standards

Ratio of potentially preventable hospitalisations - rate of Aboriginal and Torres Strait Islander hospitalisations to rate of non-Aboriginal and Torres Strait Islander hospitalisations

9	1.7	1.8	1.7
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Percentage of women who, during their pregnancy were smoking after 20 weeks:

- |   |    |       |       |       |
|---|----|-------|-------|-------|
| • Non-Aboriginal and Torres Strait Islander women |    | 10.1% | 10.1% | 9.5%  |
| • Aboriginal and Torres Strait Islander women     | 10 | 39.4% | 42.8% | 37.6% |

Number of in-home visits, families with newborns (in accordance with the Mums and Bubs commitment)

11, 12	75,827	69,806	87,924
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<b>Health Consolidated</b>	<b>Notes</b>	<b>2013-14 Target/Est.</b>	<b>2013-14 Est. Actual</b>	<b>2014-15 Target/Est.</b>
Number of adult oral health weighted occasions of service (ages 16+)	13	2,400,000	2,625,532	2,275,265
Number of children and adolescent oral health weighted occasions of service (0-15 years)	13	1,300,000	1,316,086	1,300,000
Percentage of public general dental care patients seen within the recommended timeframe of two years	14	New measure	93%	95%
Percentage of oral health weighted occasions of service which are preventive	15	15%	12%	15%
Percentage of oral health weighted occasions of service provided by private dental partners	16	8%	15%	8%
<b>State contribution (\$000)</b>		<b>569,922</b>	<b>571,160</b>	<b>629,800</b>
<b>Other revenue (\$000)</b>		<b>99,717</b>	<b>105,942</b>	<b>99,464</b>
<b>Total cost (\$000)</b>		<b>669,639</b>	<b>677,102</b>	<b>729,264</b>
<b>Service Area: Ambulatory Care</b>				
<b>Service standards</b>				
Percentage of patients transferred off-stretcher within 30 minutes	17	90%	88%	90%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	18	80%	76%	86%
Median wait time for treatment in emergency departments (minutes)	19	20	19	20
Percentage of emergency department patients seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	81%	80%
• Category 3 (within 30 minutes)		75%	67%	75%

Health Consolidated	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
• Category 4 (within 60 minutes)		70%	73%	70%
• Category 5 (within 120 minutes)		70%	90%	70%
• All categories	20	..	72%	..
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		48%	39%	48%
• Category 2 (90 days)		33%	28%	33%
• Category 3 (365 days)	21	90%	50%	90%
Percentage of babies born of low birth weight to:				
• Non Aboriginal and Torres Strait Islander mothers		5.8%	3.7%	4.0%
• Aboriginal and Torres Strait Islander mothers	22	8.7%	8.4%	8.4%
Total weighted activity units:				
• Emergency Department		213,110	226,656	226,296
• Outpatients		235,731	247,462	256,223
• Interventions and Procedures	23, 24	128,378	116,260	124,523
<b>State contribution (\$000)</b>		<b>1,592,899</b>	<b>1,595,865</b>	<b>1,729,559</b>
<b>Other revenue (\$000)</b>		<b>858,634</b>	<b>853,463</b>	<b>900,225</b>
<b>Total cost (\$000)</b>		<b>2,451,533</b>	<b>2,449,328</b>	<b>2,629,784</b>

#### Service Area: Acute Care

##### Service standards

Median wait time for elective surgery (days):

• Category 1 (30 days)		..	11	..
• Category 2 (90 days)		..	57	..
• Category 3 (365 days)		..	179	..
• All categories	25	25	28	25

Percentage of elective surgery patients treated within clinically recommended times:

• Category 1 (30 days)		100%	94%	100%
• Category 2 (90 days)		91%	78%	97%
• Category 3 (365 days)	26	96%	86%	98%

Percentage of admitted patients discharged against medical advice:

• Non-Aboriginal and Torres Strait Islander patients		0.8%	1.1%	0.8%
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<b>Health Consolidated</b>	<b>Notes</b>	<b>2013-14 Target/Est.</b>	<b>2013-14 Est. Actual</b>	<b>2014-15 Target/Est.</b>
• Aboriginal and Torres Strait Islander patients	27	1.7%	3.4%	1.4%
Average cost per weighted activity unit for Activity Based Funding facilities	28	\$4,437	\$4,342	\$4,402
Total weighted activity units – acute inpatient	23, 24	867,683	889,174	915,099
<b>State contribution (\$000)</b>		<b>3,949,613</b>	<b>3,958,114</b>	<b>4,342,659</b>
<b>Other revenue (\$000)</b>		<b>2,456,798</b>	<b>2,521,485</b>	<b>2,614,485</b>
<b>Total cost (\$000)</b>		<b>6,406,411</b>	<b>6,479,599</b>	<b>6,957,144</b>
<b>Service Area: Rehabilitation and Extended Care</b>				
<b>Service standard</b>				
Total weighted activity units – sub acute	23, 24	98,635	90,778	98,721
<b>State contribution (\$000)</b>		<b>546,108</b>	<b>546,717</b>	<b>596,675</b>
<b>Other revenue (\$000)</b>		<b>508,616</b>	<b>482,561</b>	<b>437,539</b>
<b>Total cost (\$000)</b>		<b>1,054,724</b>	<b>1,029,278</b>	<b>1,034,215</b>
<b>Service Area: Integrated Mental Health Services</b>				
<b>Service standards</b>				
Proportion of re-admissions to acute psychiatric care within 28 days of discharge	29	<12%	13.5%	<12%
Rate of community follow up within 1 – 7 days following discharge from an acute mental health inpatient unit		>60%	64.1%	>60%
Percentage of the population receiving clinical mental health care	30	1.8% - 2.0%	1.8%	1.8% - 2.0%
Ambulatory mental health service contact duration (hours)	31	961,388 – 1,164,571	777,277	>934,589
Total weighted activity units – Mental Health	23, 24	122,744	117,431	117,234
<b>State contribution (\$000)</b>		<b>700,347</b>	<b>700,751</b>	<b>720,383</b>
<b>Other revenue (\$000)</b>		<b>417,948</b>	<b>414,440</b>	<b>431,734</b>
<b>Total cost (\$000)</b>		<b>1,118,295</b>	<b>1,115,191</b>	<b>1,152,117</b>
<b>Service Area: Ambulance Services</b>				
<b>Service standards</b>				
Time within which code 1 incidents are attended:				
• 50 <sup>th</sup> percentile response time	32, 33, 34	8.2 minutes	8.2 minutes	8.2 minutes

Health Consolidated	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
• 90 <sup>th</sup> percentile response time	32, 33, 35	16.5 minutes	16.3 minutes	16.5 minutes
Percentage of Triple Zero (000) calls answered within 10 seconds	36	90%	90%	90%
Percentage of non-urgent incidents attended to by the appointment time	33, 37	>70%	82.5%	>70%
Percentage of patients who report a clinically meaningful pain reduction	38	New measure	88%	>85%
Gross cost per incident	39, 40	\$671	\$643	\$642
Gross cost per head of population	41, 42	\$130	\$121	\$122
<b>State contribution (\$000)</b>		<b>361,344</b>	<b>341,567</b>	<b>468,583</b>
<b>Other revenue (\$000)</b>		<b>41,089</b>	<b>40,982</b>	<b>52,105</b>
<b>Total cost (\$000)</b>		<b>402,433</b>	<b>382,549</b>	<b>520,688</b>

Notes:

1. The 2013-14 Est. Actual is derived from the time trend for this indicator since 2000. The 2014-15 Target/Est. is derived from the same trend analysis as the expected prevalence in 2014-15. The data should be interpreted with caution.
2. For daily smoking, the 2013-14 Est. Actual and 2014-15 Target/Est. assumes no further increase from the 2012-13 Actuals, which were significantly greater than expected, based upon the time trend since 2000 (for persons, males and females). Both these new data points should be interpreted with caution.
3. The annual notification rate of HIV infection is a reflection of the number of notifications per 100,000 population. The 2013-14 Est. Actual is an estimate based on the number of first diagnoses of HIV in Queensland for the 2013 calendar year. From 2012, measures to address HIV notifications have been under the direction of the new HIV Foundation Queensland (formerly the Ministerial Advisory Committee).
4. Rapid HIV testing was implemented from June 2013 in eleven Sexual Health Services across the State. A HIV rapid test is a point of care test which enables clinicians to test the patient for HIV on site. The 2013-14 Target/Est. was made to ensure that there was sufficient funding and available tests to cope with the maximum projected level of demand. Access to the tests is available in an increasing number of locations, but the initial target was an overestimate of demand. The focus of rapid testing is now on increasing access to testing in different locations in line with the Queensland HIV Strategy. The 2014-15 Target/Est. has been revised to 1,500.
5. Only two quarters of data (from July to December 2013) was available for the calculation of the 2013-14 Est. Actual figure.
6. 2013-14 Est. Actual for participation rates for BreastScreen Queensland and the Queensland Cervical Screening Program relate to the latest period for which data is available (2011-2012 biennial period). Target/Est. data for breast and cervical screening participation for 2014-15 relate to the 2012-2013 biennial period. 2013-14 Est. Actual data for participation rates for the National Bowel Cancer Screening Program (NBCSP) are for the 2011-12 financial year (when people aged 50, 55 and 65 years of age were invited to participate). Target/Est. data for NBCSP participation in 2014-15 relate to the 2012-13 financial year. A range of factors are likely to be involved with the observed reduction in participation in the NBCSP during the 2011-12 period, including a pause in the National Program between January and June 2011 due to the uncertainty of program continuation and funding. This may have affected the Program's momentum, causing some of the reduction.
7. The 2014-15 Target/Est. is based on trend data from the previous five to ten years. The 2013-14 Est. Actual results may fluctuate from year to year based on the demographics of the women screened.

8. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
9. This indicator provides the ratio of total potentially preventable hospitalisations for Aboriginal and Torres Strait Islander hospitalisations as a percentage of total admissions. The 2014-15 Target/Est. is based on a trajectory to Close the Gap in Indigenous health outcomes by 2032-33. The 2013-14 Est. Actual is a preliminary figure based on year-to-date data as at March 2014.
10. The 2013-14 Est. Actual data are preliminary figures based on data as at March 2014.
11. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The 2013-14 Target/Est. of 75,827 visits, as published in the 2013-14 Service Delivery Statement, was subsequently revised downwards to 72,313 to reflect revised targets for two HHSs (Metro South and Townsville). The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due in part to data collection issues in some HHSs.
12. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs. It is anticipated that, where required, improvements will occur in relation to staffing capacity and data collection.
13. The 2013-14 Est. Actual and the 2014-15 Target/Est. both include additional oral health service activity funded under the National Partnership Agreement for Treating More Public Dental Patients (the NPA). The reduction in the adult 2014-15 Target/Est. from the previous year's target reflects the level of funding available from the NPA in 2014-15.
14. This measure has been introduced to report on access to non-urgent care for eligible adult patients on the general care public dental waiting list. The information reported is complimentary to the data on oral health service waiting lists published on the Queensland Health Hospital Performance internet site at [www.health.qld.gov.au/performance/dental/default.asp](http://www.health.qld.gov.au/performance/dental/default.asp)
15. Preventative treatment is reported according to item numbers recorded in each patient's clinical record. This measure includes procedures such as removal of plaque and calculus from teeth, application of fluoride to teeth, dietary advice, oral hygiene instruction, quit smoking advice, mouthguards and fissure sealants. All of these items are important to improve and maintain the health of teeth, gums and soft tissues within the mouth, and also have general health benefits.
16. As reflected in the 2013-14 Est. Actual data, the increase in the percentage of oral health weighted occasions of service provided by private dental partners is primarily due to additional funding for oral health services in 2013-14 from the National Partnership Agreement for Treating More Public Dental Patients.
17. The 2013-14 Est. Actual figure is based on data from July 2013 to January 2014.
18. The 2013-14 Target/Est. was set as the midway point between the 2013 and 2014 calendar year National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 Target/Est. has been set as the midway point between the 2014 and 2015 calendar year NEAT. The 2013-14 Est. Actual figure is based on data from July 2013 to February 2014.
19. There is no nationally agreed target for median waiting time for treatment in emergency departments. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
20. A target is not included for all triage categories as there is no national benchmark. The service standard has been included without a target as it is a nationally recognised standard measure. The 2013-2014 Est. Actual figures are based on data from July to December 2013.
21. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014 and excludes Princess Alexandra and Mater public facilities.
22. Low birth weight is defined as less than 2,500 grams and excludes multiple births, stillbirths and births of unknown weight. The 2014-15 Target/Est. for Aboriginal and Torres Strait Islander mothers is sourced from the annually published Department of Health Performance Indicators in Aboriginal and Torres Strait Islander Health. The 2013-14 Est. Actual data are preliminary figures based on year-to-date data as at March 2014.

23. Estimates of the number of WAUs are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model applying in 2014-15 to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. figures have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
24. State-wide totals sum to more than the totals for individual HHSs because of public hospital activity by the Mater Public Hospitals and St Vincent's Hospital, and activity that has not yet been allocated to HHSs in Service Agreements (e.g. funding for activity held in the in-year activity pool and other amounts yet to be allocated).
25. A target is not included for categories 1-3 as there is no national benchmark at the 50<sup>th</sup> percentile. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
26. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
27. The 2014-15 Target/Est. for Aboriginal and Torres Strait Islander patients is sourced from the annually published Department of Health Performance Indicators in Aboriginal and Torres Strait Islander Health. The 2013-14 Est. Actual data are preliminary figures based on data as at March 2014.
28. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
29. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. HHSs have made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
30. The indicator provides a mechanism for monitoring population treatment rates and assesses these against what is known about distribution of a mental disorder in the community. This measure is linked to the data collected as part of the Report on Government Services (ROGS).
31. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.
32. A code 1 incident is potentially life threatening necessitating the use of ambulance warning devices (lights and/or siren) en route.
33. An incident is an event that results in one or more responses by the ambulance service.
34. This measure reports the time within which 50% of the first responding ambulance resources arrive at the scene of an emergency in code 1 situations.
35. This measure reports the time within which 90% of the first responding ambulance resources arrive at the scene of an emergency in code 1 situations.
36. This measure reports the percentage of Triple Zero (000) calls answered by ambulance service communication centre staff in a time equal to or less than ten seconds.
37. This measure reports the proportion of medically authorised road transports (code 3) (excluding Queensland Health and aero-medical transports) which arrive on time for a designated appointment, or are met for returned transport within two hours of notification of completion of an appointment (code 4).
38. Clinically meaningful pain reduction is defined as a minimum two point reduction in pain score from first to final recorded measurement. Includes patients aged 16 years and over who received care from the ambulance service which included the administration of pain medication (analgesia). Includes patients where at least two pain scores (pre- and post-treatment) were recorded and, on a numeric rating scale of one to ten, the initial pain score was at least seven.
39. An incident is an event that results in one or more responses by the ambulance service.
40. This measure reports ambulance service expenditure divided by the number of incidents and relates to the period 1 October 2013 to 30 June 2014.

41. This measure reports ambulance service expenditure divided by the population of Queensland. The 2013-14 Est. Actual data relates to the period 1 October 2013 to 30 June 2014 and has been calculated on a pro-rata basis to provide a full year (2013-14) comparative figure.
42. A population figure of 4,740,113 was used to calculate the 2013-14 Target/Est., a population figure of 4,741,200 was used to calculate the 2013-14 Est. Actual, and a population figure of 4,834,000 was used to calculate the 2014-15 Target/Est. These figures were sourced from Queensland Treasury and Trade.

## CAPITAL

### Capital program

The total capital program for Queensland Health (including the Department of Health, QAS, Hospital and Health Services and capital grants) will invest \$1.554 billion in 2014-15, with an additional capital investment of \$6.4 million for the Council of the Queensland Institute of Medical Research. In 2014-15, Queensland Health will continue its capital investment across a broad range of health infrastructure including hospitals, ambulance stations and vehicles, health technology, research and scientific services, mental health services, staff accommodation, and information and communication technologies.

The capital investment program will ensure that health infrastructure and assets support the delivery of health services and contribute to improved health outcomes for Queenslanders.

### Capital budget statement

Health System	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total property, plant and equipment	2, 3	1,774,199	1,479,185	1,552,906
Total capital grants	..	5,660	2,140	1,000
<b>Total Capital Purchases</b>	..	<b>1,779,859</b>	<b>1,481,325</b>	<b>1,553,906</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. Decrease from the 2013-14 Adjusted budget to the 2013-14 Estimated actual relates to a range of issues including deferred investment in the Information Communication and Technology (ICT) program, realignment of programs and revised investment strategies.
3. The 2013-14 Adjusted budget and 2013-14 Estimated actual data takes account of the Machinery-of-Government change which, from 1 October 2013, brought the Queensland Ambulance Service into Queensland Health from the former Department of Community Safety.

# BUDGETED FINANCIAL STATEMENTS

## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

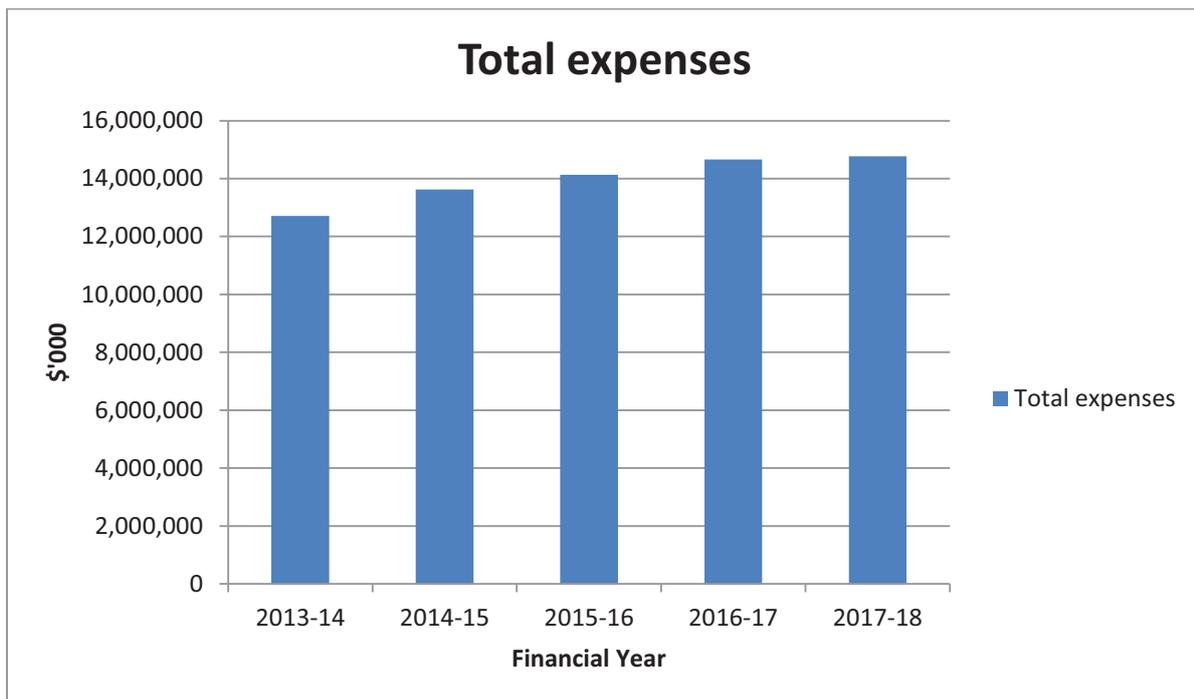
An analysis of Queensland Health’s budgeted financial statements, inclusive of the Department of Health, Queensland Ambulance Service and HHSs, as reflected in the financial statements, is provided below.

### Queensland Health income statement

Total expenses are estimated to be \$13.622 billion in 2014-15, an increase of \$942.3 million from 2013-14 Adjusted budget (note: includes 9 months QAS MoG and payroll tax exemption compared to 2014-15 which includes a 12 month QAS adjusted operating budget and payroll tax exemption).

The 2014-15 Budget supports growing demand and critical service needs and includes increased expenditure for Enterprise Bargaining Agreements and Depreciation and existing initiatives including Better Access to Emergency Care, Patient Travel Subsidy Scheme and increasing hospital beds. This increase is offset by increased efficiencies (ie. improved performance against the NEP - refer to page 8), reduced Queensland Health Payroll System expenses, and the culmination of the National Partnership Agreement for Improving Public Hospitals and Nursing Homes.

**Chart: Total Queensland Health expenses across the Forward Estimates period**



### Queensland Health balance sheet

Queensland Health’s major assets are in Property, plant and equipment – \$11,821 million (2014-15) and this category is expected to increase by 14.6% over the next three years to 2017-18, as a result of a revaluation indexation of buildings and commissioning of major projects. Queensland Health’s main liabilities relate to Accrued employee benefits \$706 million (2014-15) and are estimated to decrease by 22.5% by 2017-18. This decrease is attributed to the end of year payroll accrual days reducing from 22 to 13 days in 2017-18.

## CONTROLLED INCOME STATEMENT

Health Consolidated	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1, 10, 15	8,422,359	8,459,370	8,971,194
Taxes		..	..	..
Royalties and land rents		..	..	..
User charges and fees		1,078,742	1,078,257	1,108,868
Grants and other contributions	11, 16	3,150,463	3,132,190	3,426,789
Interest		6,112	5,287	5,405
Other revenue	2, 12	22,646	114,112	99,972
Gains on sale/revaluation of assets	3	..	3,596	805
<b>Total income</b>		<b>12,680,322</b>	<b>12,792,812</b>	<b>13,613,033</b>
<b>Expenses</b>				
Employee expenses	4, 17	8,112,618	7,839,473	8,208,161
Supplies and services:				
- Outsourced service delivery	5, 18	..	890,428	827,801
- Other supplies and services	6, 19	3,604,756	2,961,895	3,458,783
Grants and subsidies	6	245,458	269,615	267,233
Depreciation and amortisation	13, 20	558,591	553,441	673,555
Finance/borrowing costs		..	..	..
Other expenses	7, 14	132,991	156,879	164,073
Losses on sale/revaluation assets	8, 21	25,259	36,191	22,345
<b>Total expenses</b>		<b>12,679,673</b>	<b>12,707,922</b>	<b>13,621,951</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	9, 22	<b>649</b>	<b>84,890</b>	<b>(8,918)</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Health Consolidated	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..		..
Increase/(decrease) in asset revaluation reserve	23, 26, 29	259,969	204,165	266,778
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	(3,636)
<b>Net income recognised directly in equity</b>		<b>259,969</b>	<b>204,165</b>	<b>263,142</b>
Surplus/(deficit) for the period	24, 27, 30	649	84,890	(8,918)
<b>Total recognised income and expense for the period</b>		<b>260,618</b>	<b>289,055</b>	<b>254,224</b>
Equity injection/(withdrawal)	25, 28, 31	1,123,188	832,578	929,237
Equity adjustments (inc. MoG transfers)	32	435,087	435,090	(64,718)
<b>Total movement in equity for period</b>		<b>1,818,893</b>	<b>1,556,723</b>	<b>1,118,743</b>

## CONTROLLED BALANCE SHEET

Health Consolidated	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	33, 48, 64	153,495	351,262	443,656
Receivables	34, 49	750,112	547,816	534,265
Other financial assets		..	..	..
Inventories	35, 50	137,522	120,271	124,282
Other	36, 51	137,881	144,362	148,486
Non-financial assets held for sale	37, 52	465	7,196	7,196
<b>Total current assets</b>		<b>1,179,475</b>	<b>1,170,907</b>	<b>1,257,885</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	34, 49	20,911	424,464	424,464
Other financial assets	38, 53	119,038	103,339	103,339
Property, plant and equipment	39, 54, 65	11,452,443	10,785,265	11,821,309
Intangibles	40, 55, 66	153,924	255,121	295,259
Other		7,628	3,598	3,598
<b>Total non-current assets</b>		<b>11,753,944</b>	<b>11,571,787</b>	<b>12,647,969</b>
<b>TOTAL ASSETS</b>		<b>12,933,419</b>	<b>12,742,694</b>	<b>13,905,854</b>
<b>CURRENT LIABILITIES</b>				
Payables	41, 56	490,956	378,995	387,445
Accrued employee benefits	42, 57, 67	823,083	670,042	706,134
Interest-bearing liabilities and derivatives	43, 58	276,100	9,073	9,073
Provisions		..	630	630
Other		521	2,127	2,127
<b>Total current liabilities</b>		<b>1,590,660</b>	<b>1,060,867</b>	<b>1,105,409</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	44, 59	..	265,797	265,797
Provisions		..	..	..
Other	45, 60	1,986	4,978	4,853
<b>Total non-current liabilities</b>		<b>1,986</b>	<b>270,775</b>	<b>270,650</b>
<b>TOTAL LIABILITIES</b>		<b>1,592,646</b>	<b>1,331,642</b>	<b>1,376,059</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>11,340,773</b>	<b>11,411,052</b>	<b>12,529,795</b>
<b>EQUITY</b>				
Capital/contributed equity	61, 68	7,624,700	7,351,724	8,216,243
Accumulated surplus/(accumulated deficit)	46, 62	2,437,451	3,661,537	3,648,983
Reserves:				
- Asset revaluation surplus	47, 63, 69	1,278,622	397,791	664,569
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>11,340,773</b>	<b>11,411,052</b>	<b>12,529,795</b>

## CONTROLLED CASH FLOW STATEMENT

Health Consolidated	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	70, 78, 87	8,422,359	8,450,462	8,971,194
User charges and fees		1,090,033	1,056,553	1,113,282
Grants and other contributions	79, 88	3,150,232	3,131,759	3,426,789
Royalties and land rent receipts		..	..	..
Interest Received		6,112	5,287	5,405
Taxes		..	..	..
Other		524,526	451,464	452,317
<b>Outflows</b>				
Employee costs	71, 80, 89	(8,073,282)	(7,800,170)	(8,176,925)
Supplies and services	72, 81, 90	(3,548,957)	(4,251,545)	(4,629,307)
Grants and subsidies	72, 81	(877,777)	(272,887)	(263,195)
Borrowing costs		..	..	..
Other	73, 82	(131,771)	(174,088)	(183,657)
<b>Net cash provided by/(used in) operating activities</b>		<b>561,475</b>	<b>596,835</b>	<b>715,903</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	74, 83	76,858	8,775	469
Investments redeemed		262	262	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	75, 84, 91	(1,769,340)	(1,474,326)	(1,552,906)
Payments for investments		..	..	..
Loans and advances made		(309)	(309)	(309)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,692,529)</b>	<b>(1,465,598)</b>	<b>(1,552,746)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		2,219	2,132	..
Equity injections	76, 85, 92	2,015,028	1,179,990	1,404,879
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	77, 86, 93	(891,840)	(347,412)	(475,642)
<b>Net cash provided by/(used in) financing activities</b>		<b>1,125,407</b>	<b>834,710</b>	<b>929,237</b>
<b>Net increase/(decrease) in cash held</b>		<b>(5,647)</b>	<b>(34,053)</b>	<b>92,394</b>
<b>Cash at the beginning of financial year</b>		<b>146,910</b>	<b>373,083</b>	<b>351,262</b>
Cash transfers from restructure		12,232	12,232	..
<b>Cash at the end of financial year</b>		<b>153,495</b>	<b>351,262</b>	<b>443,656</b>

## ADMINISTERED INCOME STATEMENT

Health Consolidated	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	94, 96, 98	32,499	31,299	33,910
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>32,499</b>	<b>31,299</b>	<b>33,910</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies	95, 97, 99	25,950	24,750	27,361
Depreciation and amortisation		..	..	..
Finance/borrowing costs		6,549	6,549	6,549
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		..	..	..
<b>Total expenses</b>		<b>32,499</b>	<b>31,299</b>	<b>33,910</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Health Consolidated	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		21	5	5
Receivables		9,261	10,058	10,058
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>9,282</b>	<b>10,063</b>	<b>10,063</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	101, 103	68,304	67,109	58,247
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>68,304</b>	<b>67,109</b>	<b>58,247</b>
<b>TOTAL ASSETS</b>		<b>77,586</b>	<b>77,172</b>	<b>68,310</b>
<b>CURRENT LIABILITIES</b>				
Payables		(180)	..	..
Transfers to Government Payable		29	6	6
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	100	9,433	10,057	10,057
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>9,282</b>	<b>10,063</b>	<b>10,063</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	102	68,304	67,109	58,247
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>68,304</b>	<b>67,109</b>	<b>58,247</b>
<b>TOTAL LIABILITIES</b>		<b>77,586</b>	<b>77,172</b>	<b>68,310</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED CASH FLOW STATEMENT

Health Consolidated	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	104, 106, 108	32,499	31,299	33,910
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Taxes		..	..	..
Interest received		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	105, 107, 109	(25,950)	(24,750)	(27,361)
Borrowing costs		(6,549)	(6,549)	(6,549)
Other		..	..	..
Transfers to Government		..	..	..
<b>Net cash provided by/(used in) operating activities</b>		..	..	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		8,862	8,862	8,862
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		8,862	8,862	8,862
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		(8,862)	(8,862)	(8,862)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		(8,862)	(8,862)	(8,862)
<b>Net increase/(decrease) in cash held</b>		..	..	..
<b>Cash at the beginning of financial year</b>		<b>21</b>	<b>5</b>	<b>5</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>21</b>	<b>5</b>	<b>5</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget appropriation revenue and Employee expenses for controlled and administered operations have been reduced by \$49.181 million. The 2013-14 Estimated actual appropriation revenue and Employee expenses for controlled and administered operations have been reduced by \$52.115 million.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The increase in Appropriation includes funding for Voluntary Redundancy (VR) payments, reimbursement of fraudulently misappropriated funds, additional operating funds resultant from capital program activity and a one off payment from the Commonwealth to offset National Health Reform Agreement funding adjustments. This increase is offset by reductions in Commonwealth funding for programs where funding has been received in advance of need and has subsequently been deferred to future years in line with activity expectations.
2. Increase relates to the change in accounting treatment for salary related recoveries within the HHSs and other third party reimbursements.
3. Increase relates to gains achieved by the sales of property, plant and equipment and the recognition of revised asset revaluations.
4. Decrease follows the revision of estimates due to ongoing productivity and efficient performance.
5. The reclassification of Supplies and services to either Outsourced service delivery or Other supplies and services has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
6. The reclassification of expenditure is due to the introduction of the new Guideline *Distinction between Grants and Service Procurement Payments*. Supplies and services (including some items that were previously classified as Grants) have been reclassified as either Outsourced service delivery or Other supplies and services. Outsourced service delivery includes contracts with parties external to the department to provide front line services to the community. The increase also reflects the funding held corporately for purchasing decisions yet to be finalised primarily between the department and HHSs.
7. Increase includes additional insurance related expenses, audit costs and other sundry expenses.
8. Increase expenses related to losses incurred on the sale of assets.
9. The increase in operating surplus represents the estimated end of financial year position for the Department of Health, Queensland Ambulance Service and HHSs. The community dividend is resultant from efficiency savings and vacancies below estimated expenditure, together with some one-off benefits. The surplus will be reinvested in additional services and improvements across HHSs

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

10. The increase in Appropriation includes increased funding for additional activity, Enterprise Bargaining, full year funding for Queensland Ambulance Service Machinery of Government (MOG) change, increased depreciation and returned prior year surplus funds offset by a reduction in funding for the Queensland Health Payroll System and the Procurement Transformation Program. The increase is further offset by the finalisation of the Commonwealth National Partnership Agreement for Improving Public Hospitals and Longer Stay Older Patients initiative.
11. Increase due to additional Commonwealth funding under the National Health Reform Agreement and general indexation for a number of smaller programs. The increase is offset by reductions to Nursing Home funding and for programs either ceasing or yet to be renegotiated and lower revenue estimates from other Government entities and community organisations.
12. Increase relates to the change in accounting treatment for salary related recoveries within HHSs.
13. Increase relates to revised commissioning of assets.
14. Increase includes additional insurance related expenses, audit costs and other sundry expenses.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

15. The increase in Appropriation includes increased funding for additional activity, Enterprise Bargaining, full year funding for Queensland Ambulance Service MOG, increased depreciation and returned prior year surplus funds offset by a reduction in funding for the Queensland Health Payroll System and the Procurement Transformation Program. The increase is further offset by the finalisation of the Commonwealth National Partnership Agreement for Improving Public Hospitals and Longer Stay Older Patients initiative.
16. Increase due to additional Commonwealth funding under the National Health Reform Agreement and general indexation for a number of smaller programs. The increase is offset by reductions to Nursing Home funding and for programs either ceasing or yet to be renegotiated and lower revenue estimates from other Government entities and community organisations.
17. Increase relates to estimated Enterprise Bargaining Agreement increases and full year effect of the Queensland Ambulance Service MOG.
18. Reduction relates to revised estimates for existing arrangements with third party providers.
19. The increase is associated with the revised estimates of the purchase of goods and services to support health service delivery and includes funding held corporately for purchasing decisions yet to be finalised primarily between the department and HHSs.
20. Increase relates to revised commissioning of assets.
21. Decrease relates to lower losses estimates for bad debts and asset disposals.
22. The 2014-15 Budget reflects an operating deficit for West Moreton HHS, which represents the reinvestment of prior year surplus in service delivery. All other Queensland Health entities are forecasting a balanced operating position for 2014-15. This deficit is offset by the expected operating surplus for QAS.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

23. Decrease due to revised indexation for the valuation of land and buildings.
24. Increase reflects expected surplus for HHSs and Queensland Ambulance Service.
25. Decrease relates to deferral in the capital program.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. Increase due to revised indexation for the valuation of land and buildings.
27. Decrease reflects lower expected surplus for HHSs and Queensland Ambulance Service.
28. Decrease relates to deferrals in the capital program from 2013-14 to 2014-15.

Major variations between 2013-14 Estimated actual and 2014-15 Budget include:

29. Increase due to revised indexation for the valuation of land and buildings.
30. Decrease reflects lower expected surplus for HHSs and Queensland Ambulance Service.
31. Increase relates to deferral in the capital program from 2013-14 to 2014-15.
32. Decrease due to 2014-15 MOG transfer of Government Employee Housing to the Department of Housing and Public Works.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

33. Increase due to HHS's 2012-13 retained surpluses, 2013-14 budgeted surpluses and lower operating receivables offset by reduced operating payables.
34. Decrease due to reclassification of loans paid to staff for the pay date change from current to non-current and lower receivables of an operating nature.
35. Decrease reflects a lower carried forward inventory balance from prior year.
36. Increase due to higher prepaid grants and subsidies.
37. Increase relates to assets identified for sale within the next 12 months being reclassified to the current asset class in accordance with accounting standards.
38. Decrease relates to a revised share of profit under equity accounting for the Translational Research Institute (TRI).
39. Decrease relates to deferrals in the capital program.
40. Increase due to transfer of software from Department of Science, Information Technology, Innovation and the Arts (DSITIA).
41. Decrease due to lower estimated payables of an operating nature.
42. Decrease due to reduced estimate of the end of year Salary and wages accrual.

43. Decrease due to reclassification of current to non-current liabilities for TRI.
44. Increase due to reclassification of current to non-current liabilities for TRI.
45. Increase due to carried forward unearned revenue accrual.
46. Increase due to transfer between Asset Revaluation Reserve and Accumulated Surplus.
47. Decrease due to transfer between Asset Revaluation Reserve and Accumulated Surplus.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

48. Increase due to HHS's 2012-13 retained surpluses, 2013-14 budgeted surpluses and lower operating receivables offset by reduced operating payables.
49. Decrease due to reclassification of loans paid to staff for the pay date change from current to non-current and lower receivables of an operating nature.
50. Decrease reflects a lower carried forward inventory balance from prior year.
51. Increase due to higher prepaid grants and subsidies.
52. Increase relates to assets identified for sale within the next 12 months being reclassified to the current asset class in accordance with accounting standards.
53. Decrease relates to a revised share of profit under equity accounting for TRI.
54. Increase reflects investment in the capital program including Sunshine Coast University Hospital, Lady Cilento Children's Hospital and the Cairns Base Hospital redevelopment.
55. Increase due to transfer of software from DSITIA.
56. Decrease due to lower estimated payables of an operating nature.
57. Decrease due to reduced estimate of the end of year Salary and Wages accrual.
58. Decrease due to reclassification of current to non-current liabilities for TRI.
59. Increase due to reclassification of current to non-current liabilities for TRI.
60. Increase due to carried forward unearned revenue accrual.
61. Increase reflects investment in the capital program including Sunshine Coast University Hospital, Lady Cilento Children's Hospital and the Cairns Base Hospital redevelopment.
62. Increase due to transfer between Asset Revaluation Reserve and Accumulated Surplus.
63. Decrease due to transfer between Asset Revaluation Reserve and Accumulated Surplus.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

64. Increase predominately relates to reduction in current receivables offset by a decrease in accrued employee benefits.
65. Increase reflects investment in the capital program including Sunshine Coast University Hospital, Lady Cilento Children's Hospital and the Cairns Base Hospital redevelopment.
66. Increase is due to Information Technology purchases including eHealth Clinical Systems.
67. Increase relates to an additional day's accrual for Salary and Wages.
68. Increase reflects investment in the capital program including Sunshine Coast University Hospital, Lady Cilento Children's Hospital and the Cairns Base Hospital redevelopment.
69. Increase due to indexation for the valuation of land and building.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

70. Increase relates to change of accounting treatment for third party salary related recoveries.
71. Decrease in employee costs reflects revised estimate of employee expenses.
72. The increase relates to the introduction of the new Guideline *Distinction between Grants and Service Procurement Payments*. Supplies and services (including some items that were previously classified as Grants) have been reclassified as either Outsourced service delivery or Other supplies and services. Outsourced service delivery includes contracts with parties external to the department to provide front line services to the community.
73. Increase is associated with increased insurance related expenses and other sundry type expenses.
74. Decrease relates to deferral of sale of the Gold Coast Hospital.
75. Decrease relates to deferrals in the Capital Program.
76. Decrease relates to deferrals and reduction in the Capital Program.
77. Decrease in Equity withdrawal relates to the treatment of the depreciation funding withdrawal on consolidation.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

78. Increase relates to funding for additional activity, Enterprise Bargaining, increased depreciation funding offset by funding reductions for the Queensland Health Payroll system and the finalisation of certain Commonwealth funded programs.
79. Increase relates to additional Commonwealth funding under the National Health Reform Agreement offset by reductions to some smaller programs that are either ceasing or are yet to be renegotiated.
80. Increase allows for expected costs associated with Enterprise Bargaining and the full effect of the Queensland Ambulance Service MoG into the department.
81. The increase relates to the introduction of the new Guideline *Distinction between Grants and Service Procurement Payments*. Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either Outsourced Service Delivery or Other Supplies and Services. Outsourced service delivery includes contracts with parties external to the department to provide front line services to the community.
82. Increase is associated with increased insurance related expenses and other sundry type expenses.
83. Decrease relates to deferral of sale of the Gold Coast Hospital.
84. Decrease relates to deferrals in the capital program.
85. Decrease relates to deferrals and reductions in the capital program.
86. Decrease in Equity withdrawal relates to the treatment of the depreciation funding withdrawal on consolidation.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

87. Increase relates to funding for additional activity, Enterprise Bargaining, increased depreciation funding offset by funding reductions for the Queensland Health Payroll system and the finalisation of certain Commonwealth funded programs.
88. Increase relates to additional Commonwealth funding under the National Health Reform Agreement offset by reductions to some smaller programs that are either ceasing or are yet to be renegotiated.
89. Increase allows for expected costs associated with Enterprise Bargaining and the full effect of the Queensland Ambulance Service MoG into the department.
90. The increase is associated with the revised estimate of the purchase of goods and services to support the provision of health service delivery.
91. Increase due to deferrals in capital program from 2013-14 to 2014-15.
92. Increase due to deferrals in capital program from 2013-14 to 2014-15.
93. Increase in Equity withdrawal relates to additional funding for depreciation withdrawn from Queensland Health.

### **Administered income statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

94. Decrease relates to the deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.
95. Decrease relates to the deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

96. Increase relates to deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.
97. Increase relates to deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

98. Increase relates to deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.
99. Increase relates to deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.

### **Administered balance sheet**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

100. Increase reflects the transfer from non-current to current liabilities for the amount payable to Queensland Treasury Corporation (QTC) in respect of borrowings for the Mater Hospital redevelopment loan.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

101. Decrease reflects the transfer from non-current to current receivables for the portion of the advance to the Mater Hospital for repayment.
102. Decrease reflects the transfer from non-current to current liabilities for the amount payable to QTC in respect of borrowings for the Mater Hospital redevelopment loan.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

103. Decrease reflects the transfer from non-current to current receivables for the portion of the advance to the Mater Hospital for repayment.

### **Administered cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

104. Decrease relates to the deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.
105. Decrease relates to the deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

106. Increase relates to the deferral of funding for the Queensland Mental Health Commission.
107. Increase relates to the deferral of funding for the Queensland Mental Health Commission.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

108. Increase relates to the deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.
109. Increase relates to the deferral of funding from 2013-14 to 2014-15 for the Queensland Mental Health Commission.

# DEPARTMENT OF HEALTH

## OVERVIEW

The Department of Health is responsible for providing leadership and direction for the public healthcare sector, and creating an environment that encourages innovation and improvement in the delivery of health services that are patient focussed and provide better health outcomes.

Among the responsibilities of the Department of Health are to:

- manage, guide and coordinate the healthcare system through policy and regulation
- manage state-wide planning, industrial relations and major capital works
- purchase health services
- monitor the performance of individual HHSs and the system as a whole
- employ departmental staff and non-prescribed HHS staff
- own land and buildings and enter into occupancy agreements with the HHSs, prior to proposed devolution to HHSs.

The department's strategic objectives, as identified in its 2012-2016 Strategic Plan (2013 update), are to:

- facilitate the integration of health system services that focus on keeping patients, people and communities well
- ensure access to appropriate health services is simple, equitable and timely for all Queenslanders
- focus healthcare resources on models of care that are patient-centred, safe, effective, economically sustainable and responsive to community needs
- provide value in health services by maximising public investment in multi-sector partnerships in service delivery, health and medical research, infrastructure and assets
- foster a health system that is transparent, accountable and innovative
- cultivate a high quality health system through positive engagement and cooperation with our workforce and health system partners.

The strategic plan will be further updated to reflect, for the first time, the department's role in providing ambulance services. The transfer of the QAS provides the opportunity to build on the already close working relationships between the department and QAS to support the delivery of a seamless healthcare system.

These objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to revitalise frontline services for families and deliver better infrastructure and better planning and restoring accountability for public healthcare services.

Since establishment on 1 July 2012, the department's role has strengthened and significant gains have been made across the system including:

- developing, negotiating and managing service agreements between the department and HHSs to drive improved health service outcomes
- maintaining, reviewing and updating the performance management framework which underpins the department's role as the overall manager of public health system performance
- ongoing improvements to the payroll and rostering system, including moving the staff pay date by one week to enable more time to submit, approve and process payroll forms, improved recovery of overpayments, and the establishment of a Payroll Program Board to oversee payroll and workforce management projects

- expanding the use of social media, enabling greater direct interaction with healthcare consumers on a range of health topics (for example, the development of smart phone applications such as the *Sun Effects Booth* which allows important messages about sun safety to reach younger people).

The department continues to implement reforms to realise the shift from a centralised health system to one in which HHSs are supported by the Department of Health as policy setter, regulator and purchaser of health services. Implementation of the Agency Renewal Plan will further contribute to the department's achievement of a healthcare system with new capacity, transparent reporting systems and financial accountability. A range of initiatives will focus on critical business improvement processes and models, policy directions in industrial relations, application of contestability and workforce reforms and greater use of ICT services and other technologies.

In 2014-15, the department will further develop its future Information and Communications Technology (ICT) Strategy. Implementing a new ICT strategy is critical to Queensland Health's future and the next stage in our renewal agenda. This Strategy supports a patient-centred and collaborative approach focussed on improving, streamlining, simplifying and integrating health service delivery through contemporary ICT processes, automation and business intelligence functionality across both corporate and clinical platforms.

## RESOURCES AND PERFORMANCE

The Department of Health's core responsibilities are delivered through the following divisions:

- **System Policy and Performance Division:** provides a range of policy and 'Ministry' functions and has accountabilities in three broad areas: governance; policy and planning; and funding, purchasing and performance.
- **Health Service and Clinical Innovation Division:** responsible for statutory functions related to public health, private health licensing and mental health, as required under relevant legislation, and for state-wide coordination and monitoring in areas such as health protection, disease surveillance, prevention and control. The Division provides advice and support to maximise patient safety outcomes and clinical process improvement to help resolve and improve patient access to care and improve health system performance. The Division also develops strategies to meet future workforce clinician challenges and has responsibility for emergency coordination and response in crisis situations.
- **System Support Services Division:** responsible for major corporate functions including financial, legal and human resources services, administering the capital infrastructure program and overseeing key governance functions such as audit and ethical standards. The Division also provides strategic oversight and coordination on contestability reforms.
- **Queensland Ambulance Service:** responsible for timely and quality emergency and non-emergency ambulance services to meet the needs of the community.

Additionally, the Department of Health includes two agencies which provide core health system support services principally delivered under fee-for-service arrangements:

- **Health Services Support Agency (HSSA)** – provides a range of support services to enable the delivery of frontline health services by Hospital and Health Services in Queensland. These services include: pathology, biomedical technology services, Central Pharmacy, Medication Services Queensland, Radiology Support Services, Group Linen Services and procurement services. In addition, the Health Contact Centre and Forensic and Scientific Services have a broader community support function. HSSA has commenced a process of transformation to a market leading, contemporary provider of healthcare support services and an innovative and commercially competitive organisation that partners with its customers to improve health outcomes for the community.

- **Health Services Information Agency** – provides Information and Communication Technology (ICT) support for its front-line customers, i.e. the clinicians and staff who treat patients and clients. The HSIA is moving from the traditional role of owner and manager, towards adopting an ‘ICT as a service’ strategy.

## Staffing

Department of Health	Notes	2013-14 Budget <sup>1,2</sup>	2013-14 Est. Actual <sup>3</sup>	2014-15 Budget <sup>4</sup>
Department of Health	1, 2, 3	6,892	6,632	6,732
Queensland Ambulance Service	1, 2, 3	3,915	3,905	4,015
		<b>10,807</b>	<b>10,537</b>	<b>10,747</b>

### Notes:

- 2013-14 Estimate published in the 2013-14 SDS represents 2013-14 projected FTEs. For Queensland Ambulance Service (QAS) the 2013-14 budget figure represent the FTEs transferred to QH on 1 October 2013 as a result of the MOG change from the former Department of Community Safety (DCS). The DCS 2013-14 budget FTE of 4012, published in the SDS for Ambulance included QAS FTEs and allocated FTEs from Corporate and Support areas of DCS. The majority of FTEs retained by DCS, now PSBA, provide ICT and other services to QAS.
- 2013-14 Est. actual reflects the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget reflects the forecast at 30 June 2015. For QAS this includes increases to operational positions to meet increased demand.

## Performance Statement

Department of Health	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Performance and Governance</b>				
<b>Service standards</b>				
Percentage of Hospital and Health Services improving or maintaining their performance category	1	100%	100%	100%
<b>Service Area: Corporate Support Services</b>				
<b>Service Standards</b>				
Percentage of capital infrastructure projects delivered on budget and within time and scope within a 5% unfavourable tolerance	2	95%	95%	95%
<b>Service Area: Safety, Quality and Clinical Support</b>				
<b>Service Standards</b>				
Percentage of Hospital and Health Services participating in Statewide Clinical Networks		100%	100%	100%
Percentage of formal reviews undertaken on Hospital and Health Service responses to significant negative variance in Variable Life Adjusted Displays and other National Safety and Quality indicators		100%	100%	100%
<b>Service Area: Human Resources</b>				
<b>Service Standards</b>				
Percentage of correct, on time pays	3	New measure	96.9%	98.5%
<b>Service Area: Health Services Support Agency – Safety, Quality and Clinical Support</b>				
<b>Service Standards</b>				
Percentage of calls to 13HEALTH answered within 20 seconds	4	80%	80%	80%
<b>Service Area: Health Services Information Agency – Health Information Technology</b>				
<b>Service Standards</b>				
Percentage of ICT availability for major enterprise applications:				
• Metro		99.8%	99.9%	99.8%
• Regional		95.7%	99.9%	95.7%
• Remote	5	92%	99.8%	92%
Percentage of all high level ICT incidents resolved within targets defined in the Service Catalogue	6	80%	90%	80%

Department of Health	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Percentage of initiatives with a status reported as critical (Red)	7, 8	<20%	0%	<20%

Notes:

1. Under the HHS Performance Framework, each HHS is assigned a performance category. The performance category is a measure of a HHS's performance against the Tier One key performance indicators in the service agreements. The HHS Performance Management Framework includes the criteria assigned to each performance category and the performance required for a HHS to move to another performance category.
2. The phrasing of this service standard has been modified. Quality has been removed as a component of the service standard due to its subjective nature. The revised measure is provided through a calculation which uses three components (budget, time and scope) which gives a truer reflection of actual performance. The three components are weighted equally.
3. The 2013-14 Est. Actual and 2014-15 Target/Est. data represent a combination of the number of underpayment payroll enquiries received and the number of overpayments identified each fortnight divided by the number of employee pays processed, based on an average across the last six pay periods for the year of reporting. The 2014-15 Target/Est. is based on a 50% improvement in the on-time submission of payroll forms which will reduce the number of employee underpayment claims and number of overpayments identified.
4. The 2013-14 and 2014-15 Target/Est. are set at 80% as this is internationally recognised as a suitable target / grade of service for health call centres.
5. This service standard measures continuity and availability of ICT services via the wide area network (WAN). The 2014-15 Target/Est. is based on trend data from previous years.
6. This service standard measures ICT incidents resolved within recommended timeframes.
7. This measure relates to all new initiatives and initiatives that are not yet fully operational.
8. The 2013-14 Est. Actual figure of 0% is based on actual reported critical (Red) status for July 2013 to February 2014. The Health Services Information Agency ICT Portfolio Office continues to monitor and report on performance status on a monthly basis to the Queensland Health ICT Portfolio Board.

## CONTROLLED INCOME STATEMENT

Department of Health	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1, 12, 18	8,422,359	8,459,370	8,971,194
Taxes		..	..	..
User charges and fees	2, 13, 19	520,372	405,102	415,096
- Hospital and Health Service Revenue		7,635,350	7,839,253	8,054,791
Royalties and land rents		..	..	..
Grants and other contributions	14, 20	2,905,707	2,896,513	3,199,704
Interest		1,393	1,856	1,902
Other revenue	3, 15, 21	10,567	23,330	6,765
Gains on sale/revaluation of assets	4	..	1,024	..
<b>Total income</b>		<b>19,495,748</b>	<b>19,626,448</b>	<b>20,649,452</b>
<b>Expenses</b>				
Employee expenses	5, 22	1,441,744	974,030	1,146,344
- Hospital and Health Service Contracted Employees		6,652,307	6,840,383	7,036,254
Supplies and services:				
- Outsourced service delivery	6, 23	..	9,850,725	10,035,454
- Hospital and Health Services				
- Other supplies and services	7, 24	10,898,493	1,399,247	1,827,926
Grants and subsidies	7	241,598	240,656	248,741
Depreciation and amortisation	8, 16, 25	144,010	173,113	219,866
Finance/borrowing costs		..	..	..
Other expenses	9, 17	112,277	130,469	132,935
Losses on sale/revaluation assets	10	4,670	10,599	950
<b>Total expenses</b>		<b>19,495,099</b>	<b>19,619,222</b>	<b>20,648,470</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	11, 26	<b>649</b>	<b>7,226</b>	<b>982</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of Health	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	27, 31	12,563	4,633	5,668
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>12,563</b>	<b>4,633</b>	<b>5,668</b>
Surplus/(deficit) for the period	28, 34	649	7,226	982
<b>Total recognised income and expense for the period</b>		<b>13,212</b>	<b>11,859</b>	<b>6,650</b>
Equity injection/(withdrawal)	29, 32, 35	1,427,875	1,095,050	1,291,348
Equity adjustments (inc. MoG transfers)	30, 33, 36	(1,982,307)	(1,629,654)	(1,529,547)
<b>Total movement in equity for period</b>		<b>(541,220)</b>	<b>(522,745)</b>	<b>(231,549)</b>

## CONTROLLED BALANCE SHEET

Department of Health	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	49, 63	(335,467)	(324,541)	(248,182)
Receivables	37, 50, 64	1,076,468	940,921	971,710
Other financial assets		..	..	..
Inventories		62,640	54,395	55,719
Other	52	126,783	134,941	138,067
Non-financial assets held for sale		465	465	7,569
<b>Total current assets</b>		<b>930,889</b>	<b>806,181</b>	<b>924,883</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	38, 51	20,911	424,464	424,464
Other financial assets		119,038	103,339	103,339
Property, plant and equipment	39, 53, 65	2,857,786	3,010,027	2,655,541
Intangibles	40, 54, 66	151,598	252,906	293,740
Other		7,446	3,394	3,394
<b>Total non-current assets</b>		<b>3,156,779</b>	<b>3,794,130</b>	<b>3,480,478</b>
<b>TOTAL ASSETS</b>		<b>4,087,668</b>	<b>4,600,311</b>	<b>4,405,361</b>
<b>CURRENT LIABILITIES</b>				
Payables	41, 55	322,414	343,438	344,224
Accrued employee benefits	42, 56, 67	821,714	668,904	704,842
Interest-bearing liabilities and derivatives	43, 57	276,100	9,073	9,073
Provisions		..	..	..
Other		156	92	92
<b>Total current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
		<b>1,420,384</b>	<b>1,021,507</b>	<b>1,058,231</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	44, 58	..	265,797	265,797
Provisions		..	..	..
Other	45, 59	1,986	4,828	4,703
<b>Total non-current liabilities</b>		<b>1,986</b>	<b>270,625</b>	<b>270,500</b>
<b>TOTAL LIABILITIES</b>		<b>1,422,370</b>	<b>1,292,132</b>	<b>1,328,731</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>2,665,298</b>	<b>3,308,179</b>	<b>3,076,630</b>
<b>EQUITY</b>				
Capital/contributed equity	46, 60, 68	(732,103)	(199,011)	(437,210)
Accumulated surplus/(accumulated deficit)	47, 61	2,437,451	3,424,308	3,425,290
Reserves:				
- Asset revaluation surplus	48, 62, 69	959,950	82,882	88,550
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>2,665,298</b>	<b>3,308,179</b>	<b>3,076,630</b>

## CONTROLLED CASH FLOW STATEMENT

Department of Health	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	78, 86	8,422,359	8,450,462	8,971,194
User charges and fees	70, 79, 87	8,106,067	8,212,673	8,442,858
Royalties and land rent receipts		..	..	..
Grants and other contributions	80, 88	2,905,476	2,899,901	3,203,742
Interest received		1,393	1,856	1,902
Taxes		..	..	..
Other	71, 81	317,779	165,869	153,709
<b>Outflows</b>				
Employee costs	72, 89	(8,054,803)	(7,775,156)	(8,151,516)
Supplies and services	73, 90	(11,219,878)	(11,386,574)	(11,995,184)
Grants and subsidies	73	(241,645)	(349,584)	(248,741)
Borrowing costs		..	..	..
Other	74	(111,057)	(146,992)	(155,447)
<b>Net cash provided by/(used in) operating activities</b>		<b>125,691</b>	<b>72,455</b>	<b>222,517</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	75,82	76,858	9,772	1,500
Investments redeemed		262	262	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	76, 91	(1,659,446)	(1,334,349)	(1,438,697)
Payments for investments		..	..	..
Loans and advances made		(309)	(309)	(309)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,582,635)</b>	<b>(1,324,624)</b>	<b>(1,437,506)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		2,219	2,132	..
Equity injections	77, 85, 92	1,905,134	1,560,318	1,858,568
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	83, 93	(477,259)	(465,268)	(567,220)
<b>Net cash provided by/(used in) financing activities</b>		<b>1,430,094</b>	<b>1,097,182</b>	<b>1,291,348</b>
<b>Net increase/(decrease) in cash held</b>		<b>(26,850)</b>	<b>(154,987)</b>	<b>76,359</b>
<b>Cash at the beginning of financial year</b>		<b>(320,849)</b>	<b>(181,786)</b>	<b>(324,541)</b>
Cash transfers from restructure	84, 94	12,232	12,232	..
<b>Cash at the end of financial year</b>		<b>(335,467)</b>	<b>(324,541)</b>	<b>(248,182)</b>

## ADMINISTERED INCOME STATEMENT

Department of Health	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	95, 97, 99	32,499	31,299	33,910
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rent		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>32,499</b>	<b>31,299</b>	<b>33,910</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies	96, 98, 100	25,950	24,750	27,361
Depreciation and amortisation		..	..	..
Finance/borrowing costs		6,549	6,549	6,549
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		..	..	..
<b>Total expenses</b>		<b>32,499</b>	<b>31,299</b>	<b>33,910</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Department of Health	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		21	5	5
Receivables		9,261	10,058	10,058
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>9,282</b>	<b>10,063</b>	<b>10,063</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	102, 104	68,304	67,109	58,247
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>68,304</b>	<b>67,109</b>	<b>58,247</b>
<b>TOTAL ASSETS</b>		<b>77,586</b>	<b>77,172</b>	<b>68,310</b>
<b>CURRENT LIABILITIES</b>				
Payables		(180)	..	..
Transfers to Government Payable	101	29	6	6
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		9,433	10,057	10,057
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>9,282</b>	<b>10,063</b>	<b>10,063</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	103	68,304	67,109	58,247
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>68,304</b>	<b>67,109</b>	<b>58,247</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>77,586</b>	<b>77,172</b>	<b>68,310</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED CASH FLOW STATEMENT

Department of Health	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	105, 107, 109	32,499	31,299	33,910
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Taxes		..	..	..
Interest received		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	106, 108, 110	(25,950)	(24,750)	(27,361)
Borrowing costs		(6,549)	(6,549)	(6,549)
Other		..	..	..
Transfers to Government		..	..	..
<b>Net cash provided by/(used in) operating activities</b>		..	..	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		8,862	8,862	8,862
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>8,862</b>	<b>8,862</b>	<b>8,862</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		(8,862)	(8,862)	(8,862)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(8,862)</b>	<b>(8,862)</b>	<b>(8,862)</b>
<b>Net increase/(decrease) in cash held</b>		..	..	..
<b>Cash at the beginning of financial year</b>		<b>21</b>	<b>5</b>	<b>5</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>21</b>	<b>5</b>	<b>5</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget appropriation revenue and Employee expenses for controlled and administered operations have been reduced by \$49.181 million. The 2013-14 Estimated actual appropriation revenue and Employee expenses for controlled and administered operations have been reduced by \$52.115 million.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The increase in Appropriation includes funding for Voluntary Redundancy (VR) payments, reimbursement of fraudulently misappropriated funds, additional operating funds resultant from capital program activity and a one off payment from the Commonwealth to offset National Health Reform Agreement funding adjustments. This increase is offset by reductions in Commonwealth funding for programs where funding has been received in advance of need and has subsequently been deferred to future years in line with activity expectations.
2. Increase due to recognition of Fee for Service revenues and increased Contract Labour receipts from the Hospital and Health Services (HHSs) offset with general revisions of corporately receipted account items.
3. Increase relates to higher revenues from licencing activities and increased recoveries and reimbursements.
4. Increase includes the sales proceeds from asset sales including Yaralla Place Residential Aged Care Facility.
5. Decrease follows the revision of estimates due to ongoing productivity and efficiency performance.
6. The reclassification of Supplies and Services to either Outsourced service delivery or Other supplies and services has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change. The 2013-14 Estimated actual includes \$9,125,571,000 for the HHSs as outsourced services.
7. The reclassification of expenditure is due to the introduction of the new Guideline *Distinction between Grants and Service Procurement Payments*. Supplies and services (including some items that were previously classified as Grants) have been reclassified as either Outsourced service delivery or Other supplies and services. Outsourced service delivery includes contracts with parties external to the department to provide front line services to the community. The increase also reflects the funding held corporately for purchasing decisions yet to be finalised primarily between the department and HHSs.
8. Increase relates to revised commissioning of assets.
9. Increase includes additional insurance related expenses and other sundry expenses.
10. Increase due to losses on sales of property, plant and equipment and inventory adjustments.
11. Operating surplus relates to the Queensland Ambulance Service and is attributed to savings initiatives and vacancies below estimated expenditure. The operating surplus will be re-invested in Queensland Ambulance Service's capital program.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

12. The increase in Appropriation includes increased funding for additional activity, Enterprise Bargaining, full year funding for Queensland Ambulance Service MOG, increased depreciation and returned prior year surplus funds offset by a reduction in funding for the Queensland Health Payroll System and the Procurement Transformation Program. The increase is further offset by the finalisation of the Commonwealth National Partnership Agreement for Improving Public Hospitals and Longer Stay Older Patients initiative.
13. Increase due to recognition of Fee for Service revenues and increased Contract Labour receipts from HHSs offset by general revisions of corporately receipted account items.
14. Increase due to additional Commonwealth funding under the National Health Reform Agreement offset by reduced funding estimates for programs either ceasing or yet to be renegotiated. This is further decreased by changes to receipting arrangements between the department and HHSs whereby items previously receipted by the department are now being receipted at the HHS level.
15. Decrease due to lower estimates of recovery and reimbursement accounts.
16. Increase relates to revised commissioning of assets.
17. Increase includes additional insurance related expenses and other sundry expenses.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

18. The increase in Appropriation includes increased funding for additional activity, Enterprise Bargaining, full year funding for Queensland Ambulance Service MOG, increased depreciation and returned prior year surplus funds offset by a reduction in funding for the Queensland Health Payroll System and the Procurement Transformation Program. The increase is further offset by the finalisation of the Commonwealth National Partnership Agreement for Improving Public Hospitals and Longer Stay Older Patients initiative.
19. Increase relates to higher Contract Labour receipts from HHSs.
20. Increase due to additional Commonwealth funding under the National Health Reform Agreement offset by reduced funding estimates for programs either ceasing or yet to be renegotiated.
21. Decrease due to lower estimates of recovery and reimbursement accounts.
22. Increase relates to estimated Enterprise Bargaining Agreement increases and full year effect of the Queensland Ambulance Service MOG.
23. Increase relates to additional services purchased from HHSs together with indexation for current arrangements with third party suppliers. The 2014-15 Budget includes \$9,403,946,000 for the HHSs as outsourced services.
24. The increase is associated with the revised estimates of the purchase of goods and services to support health service delivery and includes funding held corporately for purchasing decisions yet to be finalised primarily between the department and HHSs.
25. Increase relates to revised commissioning of assets.
26. Operating surplus relates to the QAS and is attributed to savings initiatives and vacancies below estimated expenditure.

### Statement of change in Equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

27. Decrease due to revised indexation for the valuation of land and buildings.
28. Increase reflects expected surplus for Queensland Ambulance Service.
29. Decrease relates to deferrals in the capital program.
30. Decrease in equity adjustments due to reduced Building and Plant and Equipment transfers to HHS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

31. Decrease due to revised indexation for the valuation of land and buildings.
32. Decrease due to increased equity withdrawal relating to depreciation funding.
33. Decrease in equity adjustments due to reduced Building and Plant and Equipment transfers to HHS.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

34. Decrease reflects lower expected surplus for Queensland Ambulance Service.
35. Increase due to deferrals in capital program from 2013-14 to 2014-15.
36. Decrease in equity adjustments due to reduced Building and Plant and Equipment transfers to HHS.

### Balance Sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

37. Decrease due to reclassification of loans paid to staff for the pay date change from current to non-current.
38. Increase predominantly relates to a new finance lease for the Translational Research Institute (TRI) and reclassification of loans paid to staff for the pay date change from current to non-current.
39. Increase relates to change in commissioning dates of various capital projects.
40. Increase due to transfer of software from the Department of Science, Information Technology, Innovation and the Arts (DSITIA).
41. Increase predominately relates to end of year grants payments to HHSs.
42. Decrease predominately relates to lower salaries and wages accrual.
43. Decrease due to reclassification of current liabilities to non-current liabilities for TRI.
44. Increase due to reclassification of current liabilities to non-current liabilities for TRI.
45. Increase due to carried forward unearned revenue accrual.
46. Increase due to lower estimate of Buildings and Plant & Equipment transferred to HHSs offset by deferrals in the capital program.
47. Increase due to transfer between Asset Revaluation Reserve and Accumulated Surplus.
48. Decrease due to transfer between Asset Revaluation Reserve and Accumulated Surplus.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

49. Increase due to reduction in receivables of an operating nature offset by a decrease in accrued employee benefits. The Department of Health's overdraft position reflects high cash receivables and is offset by cash held within HHS bank accounts at a Health Consolidated level.
50. Decrease predominantly relates to the reclassification of loans paid to staff for the pay date change from current to non-current.
51. Increase predominantly relates to a new finance lease for TRI and reclassification of loans paid to staff for the pay date change from current to non-current.
52. Increase relates to carried forward prepayment balances
53. Decrease relates to commissioning of Sunshine Coast University Hospital offset by investment in the capital program by projects including Sunshine Coast University Hospital, Lady Cilento Children's Hospital and the Cairns Base Hospital Redevelopment.
54. Increase due to transfer of software from DSITIA.
55. The increase predominately relates to end of year grants payments to HHSs.
56. Decrease predominately relates to lower expected salaries and wages accrual.
57. Decrease due to reclassification of current to non-current for TRI.
58. Increase due to reclassification of current to non-current for TRI.
59. Increase due to carried forward unearned revenue accrual.
60. Increase due to investment in the capital program offset by Buildings and Plant & Equipment transferred to HHSs.
61. Increase due to transfer between Asset Revaluation Reserve and Accumulated Surplus.
62. Decrease due to transfer between Asset Revaluation Reserve and Accumulated Surplus.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

63. Increase due to reduction in receivables of an operating nature offset by a decrease in accrued employee benefits. The Department of Health's overdraft position reflects high cash receivables and is offset by cash held within HHS bank accounts at a Health Consolidated level.
64. Increase due to receivables of an operating nature carried forward.
65. Decrease relates to commissioning of Sunshine Coast University Hospital offset by investment in the capital program by projects including Sunshine Coast University Hospital, Lady Cilento Children's Hospital and the Cairns Base Hospital Redevelopment.
66. Increase is due to Information Technology purchases including eHealth Clinical Systems.
67. Increase relates to additional day's accrual for Salary and Wages.
68. Decrease due to Buildings and Plant & Equipment transferred to HHSs including Lady Cilento Children's Hospital offset by investment in the capital program.
69. Increase due to indexation for the valuation of land and buildings.

## Cash Flow Statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

70. Increase due to recognition of Fee for Service revenues and increased Contract Labour receipts from HHSs offset by general revisions of corporately receipted account items.
71. Decrease due to lower estimated Tax Credits.
72. Decrease is associated with the revision of estimates due to ongoing productivity and efficiency performance.
73. The reclassification of expenditure is due to the introduction of the new Guideline *Distinction between Grants and Service Procurement Payments*. Supplies and services (including some items that were previously classified as Grants) have been reclassified as either Outsourced service delivery or Other supplies and services. Outsourced service delivery includes contracts with parties external to the department to provide front line services to the community. The increase also reflects the funding held corporately for purchasing decisions yet to be finalised primarily between the department and HHSs.
74. Increase includes additional insurance related expenses and other sundry expenses.
75. Decrease relates to deferral of sale of the Gold Coast Hospital.
76. Decrease relates to deferrals in the capital program.
77. Decrease relates to deferrals in the capital program.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

78. The increase in services revenue includes increased funding for additional activity, Enterprise Bargaining, full year funding for Queensland Ambulance Service MOG, increased depreciation and returned prior year surplus funds offset by a reduction in funding for the Queensland Health Payroll System and the Procurement Transformation Program. The increase is further offset by the finalisation of the Commonwealth National Partnership Agreement for Improving Public Hospitals and Longer Stay Older Patients.
79. Increase associated with Fee for Service revenues and increased Contract Labour receipts from HHSs offset by general revisions of corporately received account items.
80. Increase due to additional Commonwealth funding under the National Health Reform Agreement offset by reduced funding estimates for programs either ceasing or yet to be renegotiated and by changes to receiving arrangements between the department and HHSs.
81. Decrease due to lower estimated Tax Credits.
82. Decrease relates to deferral of sale of the Gold Coast Hospital.
83. Increase in Equity Withdrawal relates to the return of cash for depreciation funding.
84. Decrease relates to the 2013-14 cash transferred for the Queensland Ambulance Service MOG transfer.
85. Decrease relates to deferrals in the capital program.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

86. The increase in services receipts includes increased funding for additional activity, Enterprise Bargaining, full year funding for Queensland Ambulance Service MOG, increased depreciation and returned prior year surplus funds offset by a reduction in funding for the Queensland Health Payroll System and the Procurement Transformation Program. The increase is further offset by the finalisation of the Commonwealth National Partnership Agreement for Improving Public Hospitals and Longer Stay Older Patients initiative.
87. Increase relates to higher Contract Labour receipts from HHSs.
88. Increase due to additional Commonwealth funding under the National Health Reform Agreement offset by reduced funding estimates for programs either ceasing or yet to be renegotiated.
89. Increase relates to estimated Enterprise Bargaining Agreement increases and full year effect of the Queensland Ambulance Service MOG.
90. The increase is associated with the revised estimates of the purchase of goods and services to support health service delivery and includes funding held corporately for purchasing decisions yet to be finalised primarily between the department and HHSs.
91. Increase relates to deferrals in the capital program from 2013-14 to 2014-15.
92. Increase relates to deferrals in the capital program from 2013-14 to 2014-15.
93. Increase in Equity Withdrawal relates to the return of cash for depreciation funding.
94. Decrease relates to the 2013-14 cash transferred for the Queensland Ambulance Service MOG transfer.

### **Administered income statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

95. Decrease relates to the deferral of funding for the Queensland Mental Health Commission.
96. Decrease relates to the deferral of funding for the Queensland Mental Health Commission.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

97. Increase due to recognition of deferred funding and general indexation arrangement for the Queensland Mental Health Commission.
98. Increase due to recognition of deferred funding and general indexation arrangement for the Queensland Mental Health Commission.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

99. Increase relates to funding indexation for the Queensland Mental Health Commission.
100. Increase relates to funding indexation for the Queensland Mental Health Commission.

### **Administered balance sheet**

Major variations between 2013-14 Budget and 2013-14 Estimated actual include:

101. Decrease reflects the transfer from non-current to current liabilities for the amount payable to Queensland Treasury Corporation (QTC) in respect of borrowings for the Mater Hospital redevelopment loan.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

102. Decrease reflects the transfer from non-current to current receivables for the portion of the advance to the Mater Hospital for repayment.
103. Decrease reflects the transfer from non-current to current liabilities for the amount payable to QTC in respect of borrowings for the Mater Hospital redevelopment loan.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

104. Decrease reflects the transfer from non-current to current receivables for the portion of the advance to the Mater Hospital for repayment.

### **Administered cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

105. Decrease relates to the deferral of funding for the Queensland Mental Health Commission.
106. Decrease relates to the deferral of funding for the Queensland Mental Health Commission.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

107. Increase due to recognition of deferred funding and general indexation arrangement for the Queensland Mental Health Commission.
108. Increase due to recognition of deferred funding and general indexation arrangement for the Queensland Mental Health Commission.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

109. Increase relates to funding indexation for the Queensland Mental Health Commission.
110. Increase relates to funding indexation for the Queensland Mental Health Commission.

# STATUTORY BODIES

## CAIRNS AND HINTERLAND HOSPITAL AND HEALTH SERVICE

### AGENCY OVERVIEW

#### Strategic direction

The Cairns and Hinterland Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The Cairns and Hinterland HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of around 250,000 people residing in the geographical area stretching from Tully in the south to Mossman in the north and Croydon in the west.

The Cairns and Hinterland HHS is responsible for the direct management of the facilities within the HHS's geographical boundaries including:

- Atherton Hospital
- Babinda Hospital
- Cairns Hospital
- Gordonvale Memorial Hospital
- Herberton Hospital/Aged Care Unit
- Innisfail Hospital
- Mareeba Hospital
- Mossman Multi-Purpose Health Service
- Tully Hospital

The Cairns and Hinterland HHS operates a number of Community Health Centres and Primary Health Care Centres providing a comprehensive range of community and primary health services, including aged care assessment; Aboriginal and Torres Strait Islander health programs; child and maternal health services; alcohol, tobacco and other drug services; home care services; community health nursing; sexual health service; allied health services; oral health; offender and refugee health services; and health promotion programs.

The Cairns and Hinterland HHS is determined to achieve its vision of providing world-class health services to improve the social, emotional and physical well-being of people in Cairns and Hinterland and the North East Australian region.

The strategic objectives for the Cairns and Hinterland HHS are aligned with the Queensland Government *Blueprint for Better Healthcare in Queensland* and the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

These objectives are to:

- strive to continually improve patient care, safety and outcomes
- provide integrated and coordinated health care services that are patient-focussed and culturally appropriate
- actively engage stakeholders and consider their input in the delivery of services
- deploy the right people to the right service in the right place at the right time
- ensure fiscally responsible decision making while providing stable and sustainable health services
- establish engaged, consistent and timely decision making processes at the closest point of care delivery

- build and develop information technology that supports integrated health care delivery and organisation performance
- recognise and promote our standing in our achievements – locally, nationally and internationally.

## **RESOURCES AND PERFORMANCE**

The Cairns and Hinterland HHS has an operating budget of \$667.3 million for 2014-15 which is an increase of \$46.9 million (7.6%) from the published 2013-14 operating budget of \$620.4 million.

The Service Agreement between the Cairns and Hinterland HHS and the Department of Health identifies the health services to be provided, funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved. The HHS will manage activity so as to achieve the requirements and performance standards identified in the Service Agreement and ensure that all services are provided to patients within the time limits prescribed.

The operating surplus for 2012-13, generated through the identification and implementation of efficiencies while retaining a focus on safe, quality and strengthened service delivery, has been reinvested in service development and delivery for North Queenslanders. This full amount was reinvested as the HHS's contribution towards achieving the National Elective Surgery Targets.

Key initiatives in 2013-14 were focused on reducing waiting lists for elective surgery, maintaining surgical activity, having fewer long wait patients and achieving shorter stays in emergency departments. In 2014-15, work will continue to progress on maintaining performance against elective surgery and emergency access targets, as well as an emphasis on reducing waiting times for outpatients.

In 2015, the HHS will also commence operation of clinical services in the \$446.3 million Cairns Hospital redevelopment. The facility will host services including cancer care, cardiac care, additional surgical capacity, intensive care, birthing services, aged and rehabilitation, mental health and pathology facilities and a planned procedure centre.

## STATEMENTS

### Staffing

Cairns and Hinterland Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	3,761	3,890	3,965

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 3,961 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Cairns and Hinterland Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	83%	80%
• Category 3 (within 30 minutes)		75%	71%	75%
• Category 4 (within 60 minutes)		70%	77%	70%
• Category 5 (within 120 minutes)		70%	92%	70%
• All categories	1	..	77%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	72%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	15	20
Median wait time for elective surgery (days)				
	3	25	33	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	91%	100%
• Category 2 (90 days)		91%	49%	97%
• Category 3 (365 days)	2	96%	51%	98%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		49%	35%	49%
• Category 2 (90 days)		38%	28%	38%
• Category 3 (365 days)	4	90%	57%	90%

Cairns and Hinterland Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Total weighted activity units:				
• Acute Inpatient		56,741	55,608	58,636
• Outpatients		17,963	16,640	17,998
• Sub-acute	5	9,297	6,879	9,297
• Emergency Department		15,604	17,694	16,024
• Mental Health		3,935	7,195	4,152
• Interventions and Procedures	6	8,810	8,489	8,810
Average cost per weighted activity unit for Activity Based Funding facilities				
	7	\$4,145	\$4,054	\$4,243
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days				
	8	0.9	1.6	<2.0
Number of in-home visits, families with newborns				
		4,189	4,505	4,936
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit				
		>60%	61.5%	>60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge				
	9	<12%	12.6%	<12%
Ambulatory mental health service contact duration (hours)				
	10	74,156 – 91,010	61,343	>73,433

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The variance between 2013-14 Target/Est. and 2013-14 Est. Actual is due to delay in commissioning 16 new sub-acute beds. These beds will be fully operational in 2014-15.
6. The 2013-14 Target/Est. and the Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint Value for Money* indicator methodology, excluding Site Specific Grants and Clinical Education and Training.

7. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
8. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
9. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. This HHS has made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
10. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Cairns and Hinterland Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,3,6	537,709	617,819	643,565
Grants and other contributions		82,043	17,276	17,453
Interest		177	87	94
Other revenue		423	5,954	6,158
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>620,352</b>	<b>641,136</b>	<b>667,270</b>
<b>Expenses</b>				
Employee expenses		952	947	975
Supplies and services:				
- Outsourced service delivery	2,4,7	..	12,735	13,753
- Other supplies and services	2,4,7	160,911	163,545	168,561
- Department of Health Contract Staff		427,503	438,522	451,677
Grants and subsidies		3,448	550	550
Depreciation and amortisation	5,8	22,567	22,879	26,564
Finance/borrowing costs		..	..	..
Other expenses		1,181	3,259	3,360
Losses on sale/revaluation of assets		3,790	1,778	1,830
<b>Total expenses</b>		<b>620,352</b>	<b>644,215</b>	<b>667,270</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>(3,079)</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Cairns and Hinterland Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		14,349	3,922	3,071
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>14,349</b>	<b>3,922</b>	<b>3,071</b>
Surplus/(deficit) for the period		..	(3,079)	..
<b>Total recognised income and expense for the period</b>		<b>14,349</b>	<b>843</b>	<b>3,071</b>
Equity injection/(withdrawal)		(17,201)	(17,458)	(21,249)
Equity adjustments (inc. MoG transfers)		46,889	86,936	81,827
<b>Total movement in equity for period</b>		<b>44,037</b>	<b>70,321</b>	<b>63,649</b>

## BALANCE SHEET

Cairns and Hinterland Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		29,949	27,798	32,565
Receivables		9,739	10,626	10,940
Other financial assets		..	..	..
Inventories		5,015	2,396	1,453
Other		95	399	408
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>44,798</b>	<b>41,219</b>	<b>45,366</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	9,11,13	373,893	405,951	469,635
Intangibles		95	106	71
Other		..	..	..
<b>Total non-current assets</b>		<b>373,988</b>	<b>406,057</b>	<b>469,706</b>
<b>TOTAL ASSETS</b>		<b>418,786</b>	<b>447,276</b>	<b>515,072</b>
<b>CURRENT LIABILITIES</b>				
Payables		43,104	38,590	42,732
Accrued employee benefits		45	40	45
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		1	153	153
<b>Total current liabilities</b>		<b>43,150</b>	<b>38,783</b>	<b>42,930</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>43,150</b>	<b>38,783</b>	<b>42,930</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>375,636</b>	<b>408,493</b>	<b>472,142</b>
<b>EQUITY</b>				
Capital/contributed equity	10,12,14	356,898	383,905	444,483
Accumulated surplus/(accumulated deficit)		..	2,288	2,288
Reserves:				
- Asset revaluation surplus		18,738	22,300	25,371
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>375,636</b>	<b>408,493</b>	<b>472,142</b>

## CASH FLOW STATEMENT

Cairns and Hinterland Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		533,374	615,584	641,544
Grants and other contributions		82,043	28,844	17,453
Interest received		177	87	94
Taxes		..	..	..
Other		15,291	20,822	21,846
<b>Outflows</b>				
Employee costs		(949)	(944)	(970)
Supplies and services		(601,511)	(626,987)	(644,726)
Grants and subsidies		(3,448)	(550)	(550)
Borrowing costs		..	..	..
Other		(1,181)	(3,259)	(3,360)
<b>Net cash provided by/(used in) operating activities</b>	15,16	<b>23,796</b>	<b>33,597</b>	<b>31,331</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(5,366)	(6,321)	(5,315)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(5,366)</b>	<b>(6,321)</b>	<b>(5,315)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		5,366	5,421	5,315
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(22,567)	(22,879)	(26,564)
<b>Net cash provided by/(used in) financing activities</b>		<b>(17,201)</b>	<b>(17,458)</b>	<b>(21,249)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,229</b>	<b>9,818</b>	<b>4,767</b>
<b>Cash at the beginning of financial year</b>		<b>28,720</b>	<b>17,980</b>	<b>27,798</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>29,949</b>	<b>27,798</b>	<b>32,565</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Budget was adjusted for comparative purposes. Increase in User charges reflects additional grant funding provided for in amendments in the Service Agreement between Cairns and Hinterland Hospital and Health Service (CHHHS) and the Department of Health, including growth in activity, elective surgery, oral health, backlog maintenance and non-labour escalation.
2. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity, elective surgery, oral health, backlog maintenance and non-labour escalation.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

3. Increase in User charges reflects additional grant funding provided for in amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity, emergency, elective surgery, backlog maintenance, oral health, Enterprise Bargaining Agreements and non-labour escalation.
4. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity, emergency, elective surgery, backlog maintenance, oral health, Enterprise Bargaining Agreements and non-labour escalation.
5. Increase in depreciation expense relates predominantly to the commissioning of assets in the 2014-15 financial year.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

6. Increase in User charges reflects additional grant funding provided for in amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity, Enterprise Bargaining Arrangements and non-labour escalation.
7. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity, Enterprise Bargaining Arrangements and non-labour escalation.
8. Increase in depreciation expense relates predominantly to the commissioning of assets in the 2014-15 financial year.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

9. Increase in Property, plant and equipment due to commissioning of assets and expected upward movement in the revaluation of Buildings.
10. Increase in Contributed equity predominantly due to changes in Depreciation funding.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

11. Increase in Property, plant and equipment due to commissioning of assets and expected upward movement in the revaluation of Buildings.
12. Increase in Contributed equity predominantly due to changes in Depreciation funding and higher capital works reimbursements through Equity.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

13. Increase in Property, plant and equipment due to commissioning of assets and expected upward movement in the revaluation of Buildings.
14. Increase in Contributed equity predominantly due to changes in Depreciation funding and higher capital works reimbursements through Equity.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

15. Net increase in cash provided from operating activities reflects timing of growth funding provided for in amendments in the Service Agreement between CHHS and the Department of Health, including growth in activity, elective surgery, oral health, backlog maintenance and non-labour escalation.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

16. Net increase in cash provided from operating activities reflects timing of growth funding provided for in amendments in the Service Agreement between CHHS and the Department of Health, including growth in activity, emergency, elective surgery, backlog maintenance, oral health, Enterprise Bargaining Agreements and non-labour escalation.

# CENTRAL QUEENSLAND HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

Central Queensland Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. Central Queensland HHS is responsible for providing public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services. Central Queensland HHS is responsible for the direct management of more than 16 hospitals and facilities including:

- Rockhampton Hospital
- Gladstone Hospital
- Emerald Hospital
- Biloela Hospital
- Capricorn Coast Hospital
- Moura Hospital.

Central Queensland HHS has four strategic objectives that focus on tangible priorities for the organisations. These objectives are:

- improve local access to services through the delivery of sustainable and safe models of care
- work with partners to secure greater value and sustainability of services
- great place to work
- create a strong, highly performing organisation.

These objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

The *Central Queensland HHS Needs Assessment 2014* highlighted the need to address the community's health issues before hospital services are required. The Health Needs Assessment shows tobacco smoking, poor diet, harmful alcohol consumption, insufficient exercise and excessive sun exposure, combined with the alarming rate of obesity and its associated health issues such as diabetes, cardiovascular and respiratory disease will put increased strain on our hospital and health services.

## RESOURCES AND PERFORMANCE

The Central Queensland HHS has an operating budget of \$466.0 million for 2014-15 which is an increase of \$18.9 million (4.2%) from the published 2013-14 operating budget of \$447.1 million.

Central Queensland HHS performed well in the clinical area meeting its two key performance indicator targets during the financial year: the National Emergency Access Target (NEAT) and National Elective Surgery Target (NEST).

The operating surplus for 2012-13, generated through the identification and implementation of efficiencies while retaining a focus on safe, quality and strengthened service delivery, has been reinvested in service development and delivery for Central Queenslanders. This includes \$5 million in funding for a rooftop helipad and \$12 million towards the development of a new Intensive Care Unit with additional bed capacity. Both will be integrated into the new Ward Block development at Rockhampton Hospital, and will serve the most critically ill and injured from across the region.

The new Ward Block Development at Rockhampton Hospital, to be completed in June 2014, will house the Regional Cancer Centre. This centre will allow the future delivery of a range of services, including medical oncology, clinical haematology and radiation oncology. This will reduce the need for patients to travel to Brisbane for their assessment and treatment.

The 2012-13 surplus also funded the Health Needs Assessment commissioned in conjunction with health service delivery partner Central Queensland Medicare Local. This initiative will provide a solid base on which to plan health service delivery to Central Queenslanders.

Central Queensland HHS continued to focus on the creation of stable and safe services during 2013-14, including the development of partnerships to deliver sustainable medical services at Capricorn Coast Hospital and the delivery of a trial ophthalmology service at Rockhampton Hospital. Additionally, a prime objective is to re-energise rural services including investigating opportunities for increased surgical services at Gladstone, Biloela and Emerald Hospitals.

Central Queensland HHS will focus on the development of a strong organisation and capitalising on opportunities during 2014-15. This includes using the new Cancer Centre, Intensive Care Unit and helipad to strengthen the reliability of current specialist services and broadening the range of available specialist services at the Rockhampton Hospital. Other major initiatives to be undertaken in the 2014-15 year will be investigating and actioning opportunities in relation to the contestability agenda. A key activity in this respect will be the divestment of Central Queensland HHS aged care facilities (Eventide Rockhampton and North Rockhampton Nursing Centre) to enable better focus on the provision of hospital services.

## STATEMENTS

### Staffing

Central Queensland Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	2,696	2,572	2,623

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 2,618 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Central Queensland Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	84%	80%
• Category 3 (within 30 minutes)		75%	82%	75%
• Category 4 (within 60 minutes)		70%	78%	70%
• Category 5 (within 120 minutes)		70%	93%	70%
• All categories	1	..	81%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	79%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	16	20
Median wait time for elective surgery (days)				
	3	25	26	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	98%	100%
• Category 2 (90 days)		91%	97%	97%
• Category 3 (365 days)	2	96%	100%	98%

Central Queensland Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		51%	39%	51%
• Category 2 (90 days)		31%	32%	31%
• Category 3 (365 days)	4	90%	72%	90%
Total weighted activity units:				
• Acute Inpatient	5	30,693	32,928	33,524
• Outpatients		8,326	8,984	9,022
• Sub-acute	6	5,246	3,097	3,427
• Emergency Department		14,348	14,831	14,831
• Mental Health		2,840	2,375	2,622
• Interventions and Procedures		4,047	3,430	3,420
Average cost per weighted activity unit for Activity Based Funding facilities	7	\$4,427	\$4,427	\$4,446
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	8	0.8	0.6	<2.0
Number of in-home visits, families with newborns	9	3,105	5,265	3,937
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		>60%	73.1%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	10	<12%	13.0%	<12%
Ambulatory mental health service contact duration (hours)	11	39,724 – 48,752	23,135	>39,230

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
6. The 2013-14 Target/Est. was not met because of delays in establishing new sub-acute services. The 2014-15 Target/Est. has been rebased on 2013-14.
7. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
8. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
9. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs proportionate to projected births per HHS. It is anticipated that, where required, improvements will occur in relation to data collection.
10. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. This HHS has made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
11. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Central Queensland Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 4	427,414	444,024	444,344
Grants and other contributions		19,128	18,615	19,266
Interest		252	240	248
Other revenue	2, 5	348	2,043	2,115
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>447,142</b>	<b>464,922</b>	<b>465,973</b>
<b>Expenses</b>				
Employee expenses	3, 6	523	1,611	1,652
Supplies and services:				
- Outsourced service delivery		..	4,021	4,142
- Other supplies and services	7, 9	142,905	138,072	141,208
- Department of Health Contract Staff	8, 10	283,222	286,473	294,239
Grants and subsidies		371	384	395
Depreciation and amortisation		18,857	20,892	22,569
Finance/borrowing costs		..	..	..
Other expenses		990	1,458	1,502
Losses on sale/revaluation of assets		274	4,258	266
<b>Total expenses</b>		<b>447,142</b>	<b>457,169</b>	<b>465,973</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>7,753</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Central Queensland Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	11, 16	..	(8,563)	..
Increase/(decrease) in asset revaluation reserve	17	12,610	9,974	8,579
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>12,610</b>	<b>1,411</b>	<b>8,579</b>
Surplus/(deficit) for the period		..	7,753	..
<b>Total recognised income and expense for the period</b>		<b>12,610</b>	<b>9,164</b>	<b>8,579</b>
Equity injection/(withdrawal)	12, 14, 18	(14,065)	(16,461)	(18,505)
Equity adjustments (inc. MoG transfers)	13, 15, 19	26,652	65,796	100,751
<b>Total movement in equity for period</b>		<b>25,197</b>	<b>58,499</b>	<b>90,825</b>

## BALANCE SHEET

Central Queensland Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	20, 27, 33	32,439	57,601	42,424
Receivables	21, 28	3,125	5,162	5,253
Other financial assets		..	..	..
Inventories		2,424	2,942	2,970
Other		590	473	527
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>38,578</b>	<b>66,178</b>	<b>51,174</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	22, 29, 34	345,327	353,441	462,389
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>345,327</b>	<b>353,441</b>	<b>462,389</b>
<b>TOTAL ASSETS</b>		<b>383,905</b>	<b>419,619</b>	<b>513,563</b>
<b>CURRENT LIABILITIES</b>				
Payables	23, 35	33,975	30,480	33,599
Accrued employee benefits		..	89	89
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		3	10	10
<b>Total current liabilities</b>		<b>33,978</b>	<b>30,579</b>	<b>33,698</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>33,978</b>	<b>30,579</b>	<b>33,698</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>349,927</b>	<b>389,040</b>	<b>479,865</b>
<b>EQUITY</b>				
Capital/contributed equity	24, 30, 36	333,611	343,120	425,366
Accumulated surplus/(accumulated deficit)	25, 31	..	26,488	26,488
Reserves:				
- Asset revaluation surplus	26, 32, 37	16,316	19,432	28,011
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>349,927</b>	<b>389,040</b>	<b>479,865</b>

## CASH FLOW STATEMENT

Central Queensland Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	38, 39	406,933	422,814	421,581
Grants and other contributions		20,331	22,777	19,266
Interest received		252	240	248
Taxes		..	..	..
Other		16,439	18,134	19,093
<b>Outflows</b>				
Employee costs		(523)	(1,601)	(1,652)
Supplies and services	40, 43	(441,085)	(442,326)	(453,600)
Grants and subsidies		(371)	(297)	(395)
Borrowing costs		..	..	..
Other		(990)	(1,458)	(1,502)
<b>Net cash provided by/(used in) operating activities</b>		<b>986</b>	<b>18,283</b>	<b>3,039</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	41, 44	(4,792)	(4,758)	(22,280)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,792)</b>	<b>(4,758)</b>	<b>(22,280)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		4,792	4,431	4,064
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>4,792</b>	<b>4,431</b>	<b>4,064</b>
<b>Net increase/(decrease) in cash held</b>		<b>986</b>	<b>17,956</b>	<b>(15,177)</b>
<b>Cash at the beginning of financial year</b>		<b>31,453</b>	<b>39,645</b>	<b>57,601</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>32,439</b>	<b>57,601</b>	<b>42,424</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Budget was adjusted for comparative purposes. An increase in Own Source Revenue was generated, as well as increased departmental funding for voluntary redundancy payments and additional service delivery have also impacted.
2. Reclassification of recovery of contract labour costs from external bodies to Other Revenue in 2013-14 rather than as a contra-expenditure as previously reported in the 2013-14 Adjusted budget has resulted in the higher reported Other Revenue figure.
3. Increase in employee expenses relates to an increase in FTEs directly employed by the HHS. The 2013-14 Budget understated actual staffing requirements.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

4. Increased budget relates to increase in Own Source Revenue generation and Government funding increased departmental funding for additional service delivery initiatives.
5. Reclassification of recovery of contract labour costs from external bodies to Other Revenue in 2013-14 rather than as a contra-expenditure as previously reported in the 2013-14 Adjusted budget has resulted in the higher Other Revenue figure.
6. Increase in employee expenses relates to an increase in FTEs directly employed by the HHS. The 2013-14 Budget understated actual staffing requirements.
7. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Budget has not been recast for this change. Other supplies and services increase represents escalation of costs based on CPI increase as well as impact of additional service delivery initiatives.
8. Increase in Department of Health Contract Staff costs reflects the impact of Enterprise Bargaining as well as FTE growth for new services such as enhanced Cancer Services.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

9. Other Supplies and Services increase represents escalation of costs based on CPI increase as well as impact of additional service delivery initiatives.
10. Increase in Department of Health Contract Staff costs reflects the impact of Enterprise Bargaining as well as FTE growth for new services such as enhanced Cancer Services.

### Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

11. Prior year adjustment relates to the revision of two hospital building valuations as at 30 June 2013 due to errors made in the calculation of gross floor area and asset condition assessments. These revised valuations were received subsequent to the finalisation of the 2012-13 accounts.
12. Net increase in Equity Withdrawal reflects higher depreciation funding provided by Department of Health for componentisation of complex assets (hospital buildings). As depreciation is a non-cash expenditure item, the Health Minister has approved a withdrawal of equity by the State for the same amount, resulting in a non-cash revenue and non-cash equity withdrawal.
13. Equity adjustment increase relates to commissioning of major capital projects including the refurbishment and upgrade of Biloela, Emerald, Rockhampton, Capricorn Coast and Mount Morgan Hospitals (completed by the Department of Health and transferred to CQHHS).

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

14. Net increase in Equity Withdrawal reflects the higher depreciation funding provided by the Department of Health for componentisation of complex assets (hospital buildings). As depreciation is a non-cash expenditure item, the Health Minister has approved a withdrawal of equity by the State for the same amount, resulting in a non-cash revenue and non-cash equity withdrawal.
15. Equity Adjustments increase relates to the transfer of the Cancer Services Building at Rockhampton Hospital, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

16. Prior year adjustment in 2013-14 relates to the reissue of two hospital building valuations as at 30 June 2013 due to errors made in calculation of gross floor area and asset condition assessments. These revised valuations were received subsequent to finalisation of the 2012-13 accounts.
17. Decrease in Asset Valuation Reserve movement in 2014-15 reflects a return to normal levels of revaluation. The 2013-14 movement in Asset Valuation Reserve includes a significant one-off write-back of the Aged Care facilities previously recorded as being Held for Sale reflecting a change in valuation method adopted from market value to Depreciated Replacement Cost.
18. Net increase in Equity Withdrawal reflects the higher depreciation funding provided by the Department of Health for componentisation of complex assets (hospital buildings). The increase also relates to the depreciation relating to commissioning of the Cancer Services Building at Rockhampton Hospital as well as full year effect of 2013-14 completed capital projects.
19. Equity Adjustment increase relates to the commissioning of the Cancer Services Building at Rockhampton Hospital in 2014-15, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

20. Cash Assets increase relates to retained surplus from 2012-2013 plus increased funds from Department of Health and Own Source Revenue activities.
21. Receivables increase relates to increase of Own Source Revenue generation including private patients and PBS reimbursements.
22. Property Plant and Equipment increase relates to the commissioning of several major capital projects including the refurbishment and upgrades of Biloela, Emerald, Rockhampton, Capricorn Coast and Mount Morgan Hospitals completed by the Department of Health and transferred to CQHHS.
23. The decrease in Payables reflects a reduction in locum medical officer utilisation for 2013-14 compared to earlier estimates.
24. Increase in Contributed Equity relates to the commissioning of several major capital projects including the refurbishment and upgrades of Biloela, Emerald, Rockhampton, Capricorn Coast and Mount Morgan Hospitals completed by the Department of Health and transferred to CQHHS.
25. Increase in Accumulated Surplus reflects the cumulative impact of the operating surplus achieved in 2012-13 (\$18.735M) and the projected operating surplus in 2013-14 (\$7.753M).
26. Increase in Asset Revaluation Surplus reflects higher than anticipated growth in values for land and buildings (budgeted 2.5% indexation compared to 4.7% for land and 9.6% for buildings). This higher escalation in cost has flowed through to the opening balances for estimated actuals for 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

27. Cash Assets increase relates to retained surplus from 2012-2013 plus increased funds from the Department of Health and Own Source Revenue activities.
28. Receivables increase relates to increase of Own Source Revenue generation including private patients and PBS reimbursements.
29. Property, Plant and Equipment increase relates to the commissioning of several major capital projects including the refurbishment and upgrades of Biloela, Emerald, Rockhampton, Capricorn Coast and Mount Morgan Hospitals completed by the Department of Health and transferred to CQHHS, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
30. The increase in Contributed Equity relates to the commissioning of several major capital projects including the combined impact of the commissioning of the Cancer Services Building at Rockhampton Hospital and the upgrades of Biloela, Emerald, Rockhampton, Capricorn Coast and Mount Morgan Hospitals completed by the Department of Health during 2013-14 and 2014-15, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
31. Increase in Accumulated Surplus reflects the cumulative of the operating surplus achieved by CQHHS in 2012-13 (\$18.735M) and the projected operating surplus in 2013-14 (\$7.753M).
32. Increase in Asset Revaluation Surplus reflects higher than anticipated growth in values for land and buildings (budgeted 2.5% indexation compared to 4.7% for land and 9.6% for buildings). This higher escalation in cost has flowed through to the opening balances for estimated actuals for 2013-14.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

33. Decrease in Cash Assets budget in 2014-15 relates to a reduction in cash assets secondary to cash outflows in relation to the Helipad and ICU fit-out at Rockhampton Hospital.
34. Increase in 2014-15 Property, Plant and Equipment budget reflects the commissioning of the Helipad and ICU fit-out at Rockhampton Hospital, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
35. Increase in Payables for 2014-15 reflects an anticipated increase in costs for Department of Health contract staff relating to Enterprise Bargaining and FTE growth.
36. The increase in Contributed Equity relates to the commissioning of several major capital projects including the combined impact of the commissioning of the Cancer Services Building at Rockhampton Hospital and the upgrades of Biloela, Emerald, Rockhampton, Capricorn Coast and Mount Morgan Hospitals completed by the Department of Health during 2013-14 and 2014-15, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
37. Asset Revaluation Surplus increase reflects the indexation of buildings and land at 2.5% representing approximate market growth for replacement of current infrastructure.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

38. Increase in revenue relating to additional Own Source Revenue generated as well as funding inflows to fund additional service delivery initiatives.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

39. Increase in revenue relating to additional Own Source Revenue generated as well as funding inflows to fund additional service delivery initiatives.
40. Increase in Supplies and Services due to increase in costs related to additional service delivery and CPI increases.
41. Increased budget in 2014-15 for non-financial assets relates to the funding of the Helipad and ICU fit-out at Rockhampton Hospital.
42. Change in Equity withdrawals relates to impact of reduction in land valuations.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

43. Increase in Supplies and Services due to increase in costs related to additional service delivery and CPI increases.
44. Increase to payments for non-financial assets relates to the funding of the Helipad and ICU fit-out at Rockhampton Hospital.



# CENTRAL WEST HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

Central West Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. Central West HHS is responsible for providing public hospital and health services including acute care, general surgery, emergency care, medical, paediatrics, gynaecology and obstetrics to the communities of rural central west Queensland from Tambo, in the south-east, to Boulia in the north-west and serves a population of around 12,500 people.

The model of service delivery is based on five hospital hubs in Alpha, Barcaldine, Blackall, Longreach and Winton with satellite primary health clinics at Aramac, Boulia, Isisford, Jericho, Jundah, Muttaburra, Tambo and Windorah and a procedural hub at Longreach.

Region-wide services for child and maternal health, Aboriginal and Torres Strait Islander health and chronic disease management, together with a range of allied health and community health services are based in Longreach and other service hubs.

Central West HHS doctors also work in general practices across the region under contract or right of private practice arrangements to deliver an integrated approach to primary and acute health care.

The Central West HHS's Strategic Plan was developed in collaboration with the Central and North West Queensland Medicare Local, Royal Flying Doctor Service, Queensland Ambulance Service and the seven local government councils to enhance the organisation and coordination of services. The plan reflects local identified priorities including chronic disease management, mental health, dental care and access to allied and specialist services. The plan also aligns with the *Blueprint for Better Health care in Queensland* and the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

Central West HHS has an operating budget of \$57.5 million for 2014-15 which is an increase of \$6.4 million (12.5%) from the published 2013-14 operating budget of \$51.1 million.

Central West HHS's strategic objectives for 2014-15 are to:

- ensure patients have access to safe and high quality health care services
- grow and develop a range of healthcare responses in our communities that demonstrate value for money
- encourage innovation and the use of health technologies to improve access
- attract, retain and develop a motivated healthcare workforce to meet our communities future needs
- involve our communities and stakeholders in the planning, design and delivery of services in our unique region and
- provided responsible governance and effective leadership of the healthcare system in the central west.

In line with these objectives, the Central West HHS will

- implement the redesign of health care services in Alpha and Jericho
- advance planning for health infrastructure renewal in Aramac, Blackall, Boulia and Windorah and
- complete the transition of health service delivery in Birdsville and Bedourie in partnership with the Diamantina Shire Council.

## STATEMENTS

### Staffing

Central West Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	278	304	304

Notes:

1. 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
2. 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
3. 2014-15 Budget is the forecast at 30 June 2015.
4. 303 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
5. Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Central West Hospital and Health Service	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Total weighted activity units:				
• Acute Inpatient		1,921	1,775	1,775
• Outpatients		705	966	966
• Sub-acute		217	189	189
• Emergency Department		1,219	1,093	1,093
• Mental Health		82	148	148
• Interventions and Procedures	1	36	25	25
Number of in-home visits, families with newborns	2, 3	187	145	233
Ambulatory mental health service contact duration	4	1,886 – 2,357	1,503	>2,214

Notes:

1. The 2013-14 Target/Est. and the Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
2. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due to data collection issues.
3. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs proportionate to projected births per HHS. It is anticipated that, where required, improvements will occur in relation to data collection.
4. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Central West Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,5,8	48,983	53,993	55,177
Grants and other contributions		2,107	2,107	2,121
Interest		3	2	2
Other revenue		27	162	166
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>51,120</b>	<b>56,264</b>	<b>57,466</b>
<b>Expenses</b>				
Employee expenses		234	234	239
Supplies and services:				
- Outsourced service delivery	3,7	..	310	310
- Other supplies and services	2,6,9	21,090	26,499	25,216
- Department of Health Contract Staff		26,432	26,432	28,214
Grants and subsidies	3	120	..	..
Depreciation and amortisation	4	3,100	3,346	3,343
Finance/borrowing costs		..	..	..
Other expenses		69	69	69
Losses on sale/revaluation of assets		75	75	75
<b>Total expenses</b>		<b>51,120</b>	<b>56,965</b>	<b>57,466</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>(701)</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Central West Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		2,591	2,433	2,613
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>2,591</b>	<b>2,433</b>	<b>2,613</b>
Surplus/(deficit) for the period		..	(701)	..
<b>Total recognised income and expense for the period</b>		<b>2,591</b>	<b>1,732</b>	<b>2,613</b>
Equity injection/(withdrawal)		(1,813)	(2,141)	(2,304)
Equity adjustments (inc. MoG transfers)		7,000	276	2,435
<b>Total movement in equity for period</b>		<b>7,778</b>	<b>(133)</b>	<b>2,744</b>

## BALANCE SHEET

Central West Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		3,023	3,708	3,205
Receivables		160	403	409
Other financial assets		..	..	..
Inventories		386	477	481
Other		88	152	160
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>3,657</b>	<b>4,740</b>	<b>4,255</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,19	52,615	47,351	50,095
Intangibles		..	..	..
Other		28	..	..
<b>Total non-current assets</b>		<b>52,643</b>	<b>47,351</b>	<b>50,095</b>
<b>TOTAL ASSETS</b>		<b>56,300</b>	<b>52,091</b>	<b>54,350</b>
<b>CURRENT LIABILITIES</b>				
Payables	11,15,20	3,676	2,975	2,490
Accrued employee benefits		..	18	18
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>3,676</b>	<b>2,993</b>	<b>2,508</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>3,676</b>	<b>2,993</b>	<b>2,508</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>52,624</b>	<b>49,098</b>	<b>51,842</b>
<b>EQUITY</b>				
Capital/contributed equity	12,16,21	49,228	43,139	43,270
Accumulated surplus/(accumulated deficit)	13,17	..	1,729	1,729
Reserves:				
- Asset revaluation surplus	14,18,22	3,396	4,230	6,843
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>52,624</b>	<b>49,098</b>	<b>51,842</b>

## CASH FLOW STATEMENT

Central West Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	23,25,27	48,278	53,982	55,170
Grants and other contributions		2,801	2,386	2,121
Interest received		3	2	2
Taxes		..	..	..
Other		1,734	1,869	1,967
<b>Outflows</b>				
Employee costs		(234)	(234)	(239)
Supplies and services	24,26	(49,181)	(55,570)	(56,112)
Grants and subsidies		(120)	(120)	..
Borrowing costs		..	..	..
Other		(69)	(69)	(69)
<b>Net cash provided by/(used in) operating activities</b>		<b>3,212</b>	<b>2,246</b>	<b>2,840</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(1,287)	(1,536)	(1,039)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,287)</b>	<b>(1,536)</b>	<b>(1,039)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		1,287	1,205	1,039
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(3,100)	(3,346)	(3,343)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,813)</b>	<b>(2,141)</b>	<b>(2,304)</b>
<b>Net increase/(decrease) in cash held</b>		<b>112</b>	<b>(1,431)</b>	<b>(503)</b>
<b>Cash at the beginning of financial year</b>		<b>2,911</b>	<b>5,139</b>	<b>3,708</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>3,023</b>	<b>3,708</b>	<b>3,205</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Budget was adjusted for comparative purposes. Increase due to additional purchased State and National Partnership Agreement outputs.
2. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Additional expenses relating to purchased State and National Partnership Agreement outputs.
3. Change in classification of grants to fee for service for purchased health services.
4. Increase due to delayed commissioning of new assets during the year.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

5. Increase due to additional purchased State and National Partnership Agreement outputs.
6. Additional expenses relating to purchased State and National Partnership Agreement outputs.
7. Change in classification of grants to fee for service for purchased health services.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

8. Increase due to additional purchased State and National Partnership Agreement outputs.
9. Additional expenses relating to purchased State and National Partnership Agreement outputs.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

10. Decrease relates to delay in commissioning of assets by the Department of Health.
11. Decrease due to change in estimated timing of payments.
12. Decrease relates to delay in commissioning of assets to be transferred by the Department of Health.
13. Surplus in operations for 2012-13 less 2013-14 forecast deficit.
14. Expected increase in asset replacement values.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

15. Decrease due to change in estimated timing of payments.
16. Decrease relates to delay in commissioning of assets to be transferred by the Department of Health and the transfer of Government Employee Housing to the Department of Housing and Public Works.
17. Surplus in operations for 2012-13, less forecast 2013-14 deficit.
18. Expected increase in asset replacement values.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

19. Increase in planned commissioning of assets and asset revaluation, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
20. Decrease due to change in estimated timing of payments.
21. Increase in expected commissioning of assets offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
22. Expected increase in asset replacement values.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

23. Increase due to additional purchased State and National Partnership Agreement outputs.
24. Additional expenses relating to purchased State and National Partnership Agreement outputs.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

25. Increase due to additional purchased State and National Partnership Agreement outputs.
26. Additional expenses relating to purchased State and National Partnership Agreement outputs.

Major variations between 2013-14 Estimated Actual and the 2014-15 Budget include:

27. Increase due to additional purchased State and National Partnership Agreement outputs.



# CHILDREN'S HEALTH QUEENSLAND HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

Children's Health Queensland HHS (CHQ HHS) is an independent statutory body overseen by a Hospital and Health Board. It is a specialist state-wide Hospital and Health Service providing care to children and young people from across Queensland and Northern New South Wales. CHQ HHS provides the following services:

- tertiary paediatric services at the Royal Children's Hospital (Brisbane)
- state-wide paediatric service co-ordination and support
- child and youth community health services including child health, child development, and child protection services
- child and youth mental health services
- outreach children's specialist services across Queensland
- paediatric education and research
- advocacy of children's health service needs across the State and nationally.

The CHQ HHS key priorities for 2014-15 include:

- commissioning the new Lady Cilento Children's Hospital (LCCH) including the integration of services and workforces of the Royal Children's Hospital and Mater Children's Hospital
- implementing CHQ's state-wide role to improve care for children and health outcomes across the state, helping to support and empower local communities and providers
- building strong engagement and developing closer working relationships with patients, families, community groups, GPs and other primary health providers
- enhancing financial stewardship and accountability to help focus resources on frontline services and revitalise services for patients;
- improving the value of the service through translating innovation, research and education into improved health outcomes
- implementing the state-wide Adolescent Extended Treatment and Rehabilitation Service for adolescent and young people with mental health issues.

The CHQ HHS key priorities and objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The CHQ HHS has an operating budget of \$460.8 million for 2014-15 which is an increase of \$157.0 million (51.7%) from the published 2013-14 operating budget of \$303.8 million.

The service agreement between CHQ HHS and Queensland Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

The service agreement for 2014-15 includes the operations of the new LCCH from late November 2014, and therefore includes funding transfer of approximately seven months of service funding from the Mater Children's Hospital.

The CHQ HHS Strategic Plan reflects priorities for children's health services in line with whole-of-Government and state-wide plans and commitments.

CHQ HHS is the only state-wide HHS, which provides a unique opportunity to work with other HHSs and health care providers to improve the health care of children across the state. In 2013-14, with input from a wide range of key stakeholders, CHQ HHS defined and progressively implemented key initiatives in accordance with its state-wide paediatric role. Further implementation of and enhancements to key initiatives including improved complex care coordination, paediatric education and training and paediatric advice will continue during 2014-15.

The building and operational commissioning of the new LCCH, Children's Research Facility and Foundation Building will occur during 2014 culminating with the opening of the hospital in late November 2014. The LCCH will bring together the existing specialist paediatric services delivered at the Royal Children's Hospital and Mater Children's Hospital. The consolidation of acute clinical services, along with the integration of Child and Youth Community Health Services and Child and Youth Mental Health Services will provide an improved quality of care and health outcomes for children across the state. There are significant opportunities as well as challenges in effectively bringing together two organisations into one new organisation.

The Government approved additional one-off funding in 2013-14 to address the growing waiting list for children and adolescents requiring cochlear implants, funding that was expected to result in an additional 22 children with moderate to profound hearing loss receiving implants in 2013-14. This funding will be provided to CHQ HHS on a recurrent basis from 2014-15 to enable the continued provision of the enhanced cochlear implant program.

The Department of Health has approved a \$3.9 million transfer from West Moreton HHS with a further \$2.0 million allocated from the Department of Health in 2014-15 to implement the state-wide Adolescent Extended Treatment and Rehabilitation Service for adolescent and young people with mental health issues.

\$3.7 million will also be allocated in 2014-15 to establish the Connected Care Program to improve clinical outcomes for Queensland's sickest children. This program will support the development of a personal care plan for children with complex care needs to better coordinate and streamline specialist appointments, access to psychosocial and welfare support and travel and accommodation requirements. It is estimated this program will help 6,500 children and their families across the state.

## STATEMENTS

### Staffing

Children's Health Queensland Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	1,858	2,033	3,073

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 3,062 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 predominantly reflects the integration of the Royal Children's Hospital and Mater Children's Hospital to establish the Lady Cilento Children's Hospital due for opening in late 2014. It may also be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Children's Health Queensland Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	96%	80%
• Category 3 (within 30 minutes)		75%	87%	75%
• Category 4 (within 60 minutes)		70%	92%	70%
• Category 5 (within 120 minutes)		70%	99%	70%
• All categories	1	..	91%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	88%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	12	20
Median wait time for elective surgery (days)				
	3	25	37	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	99%	100%
• Category 2 (90 days)		91%	99%	97%
• Category 3 (365 days)	2	96%	100%	98%

Children's Health Queensland Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		68%	59%	68%
• Category 2 (90 days)		43%	52%	43%
• Category 3 (365 days)	4	90%	91%	90%
Total weighted activity units:				
• Acute Inpatient		22,672	24,617	36,263
• Outpatients		7,889	7,604	10,243
• Sub-acute		800	827	830
• Emergency Department		3,603	3,197	6,321
• Mental Health		1,098	1,124	1,739
• Interventions and Procedures	5	1,732	2,097	2,401
Average cost per weighted activity unit for Activity Based Funding facilities	6	\$4,653	\$4,487	\$4,333
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	1.3	1.6	<2.0
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	8	>60%	44.6%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	9	<12%	5.4%	<12%
Ambulatory mental health service contact duration (hours)	10	42,535 – 51,042	22,964	>37,666

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures for CHQ are based on data for July 2013 to January 2014. The CHQ focus for the past year has resulted in the elimination of all long wait patients (>365 days). Strategies are now being developed to further reduce the median wait times for elective surgery below the target.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014. CHQ is currently meeting targets for Category 2 and 3 whilst slightly below target for Category 1 patients. Strategies have been developed to improve performance in order to achieve all targets.
5. The 2013-14 Target/Est. and the Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
6. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The CHQ HHS cost per WAU is for all activity including Ellen Barron Family Centre, and all ABF expenditure not specifically acute care services.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
8. The Department of Health and the CHQ HHS are working together with the aim of improving the rate of community follow-up for this vulnerable population.
9. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance.
10. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Children's Health Queensland Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 11, 19	297,391	313,933	448,280
Grants and other contributions	2, 12	5,057	7,021	7,040
Interest		386	276	270
Other revenue	3, 13	953	5,703	5,242
Gains on sale/revaluation of assets		-	-	-
<b>Total income</b>		<b>303,787</b>	<b>326,933</b>	<b>460,832</b>
<b>Expenses</b>				
Employee expenses	4, 14	1,928	4,255	4,361
Supplies and services:				
- Outsourced service delivery	5, 15, 20	-	3,271	15,343
- Other supplies and services	6, 15, 20	67,229	79,379	102,344
- Department of Health Contract Staff	7, 15, 20	223,287	228,020	306,888
Grants and subsidies	8, 16, 21	63	1,036	792
Depreciation and amortisation	9, 17, 22	9,354	7,221	24,658
Finance/borrowing costs		-	-	-
Other expenses	10, 18, 23	925	2,145	6,110
Losses on sale/revaluation of assets		1,001	360	336
<b>Total expenses</b>		<b>303,787</b>	<b>325,687</b>	<b>460,832</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>-</b>	<b>1,246</b>	<b>-</b>

## STATEMENT OF CHANGES IN EQUITY

Children's Health Queensland Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		-	-	-
Increase/(decrease) in asset revaluation reserve	24, 26	5,103	3,635	3,000
Net amount of all revenue and expense adjustments direct to equity not disclosed above		-	-	-
<b>Net income recognised directly in equity</b>		<b>5,103</b>	<b>3,635</b>	<b>3,000</b>
Surplus/(deficit) for the period		-	1,246	-
<b>Total recognised income and expense for the period</b>		<b>5,103</b>	<b>4,881</b>	<b>3,000</b>
Equity injection/(withdrawal)	27, 28	(5,152)	(5,472)	(21,767)
Equity adjustments (inc. MoG transfers)	25, 29	80,000	271	990,197
<b>Total movement in equity for period</b>		<b>79,951</b>	<b>(320)</b>	<b>971,430</b>

## BALANCE SHEET

Children's Health Queensland Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	30, 37, 44	15,429	31,856	39,967
Receivables	38, 45	7,602	7,587	8,771
Other financial assets		-	-	-
Inventories	31, 39, 46	3,413	2,874	5,747
Other		178	142	142
Non-financial assets held for sale	32, 47	-	7,104	-
<b>Total current assets</b>		<b>26,622</b>	<b>49,563</b>	<b>54,627</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		-	-	-
Other financial assets		-	-	-
Property, plant and equipment	33, 40, 48	183,994	93,299	1,071,834
Intangibles		1	1	-
Other		14	-	-
<b>Total non-current assets</b>		<b>184,009</b>	<b>93,300</b>	<b>1,071,834</b>
<b>TOTAL ASSETS</b>		<b>210,631</b>	<b>142,863</b>	<b>1,126,461</b>
<b>CURRENT LIABILITIES</b>				
Payables	34, 41, 49	19,977	24,293	36,461
Accrued employee benefits		-	114	114
Interest-bearing liabilities and derivatives		-	-	-
Provisions		-	-	-
Other		1	-	-
<b>Total current liabilities</b>		<b>19,978</b>	<b>24,407</b>	<b>36,575</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		-	-	-
Accrued employee benefits		-	-	-
Interest-bearing liabilities and derivatives		-	-	-
Provisions		-	-	-
Other		-	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>19,978</b>	<b>24,407</b>	<b>36,575</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>190,653</b>	<b>118,456</b>	<b>1,089,886</b>
<b>EQUITY</b>				
Capital/contributed equity	35, 42, 50	183,952	100,155	1,068,585
Accumulated surplus/(accumulated deficit)	36, 43	-	11,509	11,509
Reserves:				
- Asset revaluation surplus	51	6,701	6,792	9,792
- Other (specify)		-	-	-
<b>TOTAL EQUITY</b>		<b>190,653</b>	<b>118,456</b>	<b>1,089,886</b>

## CASH FLOW STATEMENT

Children's Health Queensland Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	52, 61, 70	296,353	317,799	446,963
Grants and other contributions	53, 62	5,057	7,021	7,040
Interest received		386	276	270
Taxes		-	-	-
Other	54, 63	5,549	10,444	10,091
<b>Outflows</b>				
Employee costs	55, 64	(1,928)	(4,255)	(4,361)
Supplies and services	56, 65, 71	(294,547)	(315,479)	(423,260)
Grants and subsidies	57, 66, 72	(63)	(1,036)	(792)
Borrowing costs		-	-	-
Other	58, 67, 73	(925)	(2,045)	(3,182)
<b>Net cash provided by/(used in) operating activities</b>		<b>9,882</b>	<b>12,725</b>	<b>32,769</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		-	-	-
Investments redeemed		-	-	-
Loans and advances redeemed		-	-	-
<b>Outflows</b>				
Payments for non-financial assets	59, 68	(4,202)	(2,067)	(2,891)
Payments for investments		-	-	-
Loans and advances made		-	-	-
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,202)</b>	<b>(2,067)</b>	<b>(2,891)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		-	-	-
Equity injections		4,202	1,749	2,891
<b>Outflows</b>				
Borrowing redemptions		-	-	-
Finance lease payments		-	-	-
Equity withdrawals	60, 69, 74	(9,354)	(7,221)	(24,658)
<b>Net cash provided by/(used in) financing activities</b>		<b>(5,152)</b>	<b>(5,472)</b>	<b>(21,767)</b>
<b>Net increase/(decrease) in cash held</b>		<b>528</b>	<b>5,186</b>	<b>8,111</b>
<b>Cash at the beginning of financial year</b>		<b>14,901</b>	<b>26,670</b>	<b>31,856</b>
Cash transfers from restructure		-	-	-
<b>Cash at the end of financial year</b>		<b>15,429</b>	<b>31,856</b>	<b>39,967</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from grants and other contributions to user charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase in user charges and fees due to additional funding provided during the 2013-14 financial year following amendments to the Service Agreement including two new state-wide programs, growth in activity and other new initiatives.
2. Increase in grants and other contributions are due to the Home Visiting program being converted to a locally received grant.
3. Increase in other revenue is related to salary recoveries and insurance recoveries.
4. Increase in employee expenses reflects increase in staff directly employed by CHQ HHS. This includes full year effect of a number of HHS positions that commenced part year during 2012-13. This category of expenses also includes non-recurrent LCCH transition costs in 2013-14 and 2014-15 for staff recruitment, staff training and transfer costs.
5. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Increase in outsourced service delivery expenses reflects outsourced hospital in the home services and costs incurred in 2013-14 with respect to transitioning to the new LCCH.
6. Increase in other supplies and services reflect amendments in the Service Agreement between CHQ HHS and Department of Health, including growth in activity, new initiatives, inflation and non-recurrent costs for the transition to the LCCH, with the exception of legal charges for the LCCH.
7. Increase in Department of Health Contract Staff reflects increase in Service Agreement and LCCH transition employee costs in preparation for the transition to the new LCCH in late November 2014 as well as staff expenses subject to salary recovery.
8. Increase in grants and subsidies relates to CHQ HHS becoming directly responsible for the administration of the Golden Casket grant to the Children's Hospital Foundation (previously managed by the Department of Health) as well as other dedicated programs.
9. Decrease in depreciation and amortisation due to the planned commissioning of the Children's Research Facility during 2014-15 instead of 2013-14.
10. Increase in other expenses reflects non-recurrent legal and other transition costs associated with the LCCH.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

11. Increase in user charges and fees due to the transfer of funding from the Mater Children's Hospital for the consolidation of children's services at the LCCH from late November 2014.
12. Increase in grants and other contributions due to the Home Visiting program being converted to a locally received grant.
13. Increase in other revenue is related to salary recoveries and additional commercial income related to the operation of the new LCCH from late 2014.
14. Increase in employee expenses reflects increase in staff directly employed by CHQ HHS. This includes full year effect of a number of HHS positions that commenced part year 2012-13. This category of expenses also includes non-recurrent LCCH transition costs in 2013-14 and 2014-15 for staff recruitment, staff training and transfer costs.
15. Increase in supplies and services reflect the seven month effect of the move to the LCCH integrating both the Royal Children's Hospital and Mater Children's Hospital. Outsourced service delivery increase in 2014-15 reflects the engagement of contract services for facilities management functions at the new LCCH.
16. Increase in grants and subsidies is due to CHQ HHS becoming responsible for administering a funding grant to the Children's Hospital Foundation (full year effect) and the part year effect of a similar grant arrangement to the Mater Children's Hospital Foundation.
17. Increase in depreciation and amortisation reflects the increase in property, plant and equipment following the commissioning of the new LCCH, Children's Research Facility and Foundation Building.
18. Increase in other expenses includes the seven month effect of the move to the new LCCH as well as the anticipated write-off of assets not transitioning to the new hospital.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

19. Increase in user charges and fees reflects the seven month effect of the move to the LCCH in late November 2014 and increased activity generated by the integration of the two children's hospitals.
20. Increase in supplies and services and Department of Health contract staff increases include additional costs and activity for the new LCCH commencing from late November 2014 due to the integration of the Royal Children's Hospital and Mater Children's Hospital. Outsourced service delivery increase in 2014-15 reflects the engagement of contract services for facilities management functions at the new LCCH.
21. Decrease in grants and subsidies in 2014-15 relates to a net reduction in program funding.
22. Increase in depreciation and amortisation reflects the increase in property, plant and equipment following the commissioning of the new LCCH, Children's Research Facility and Foundation Building.
23. Increase in other expenses include additional costs and activity for the new LCCH commencing from late November 2014 due to the integration of the Royal Children's Hospital and Mater Children's Hospital and an estimate of the write-off of assets not transitioning to the new hospital.

### **Statement of changes in equity**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

24. Decrease in asset revaluation reserve due to lower than anticipated movement following revaluation of land and buildings in 2013-14.
25. Decrease in equity adjustments as the 2013-14 budget included the commissioning of the Children's Research Facility which has now been budgeted for in 2014-15.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. Decrease in asset revaluation reserve due to a lower than expected movement in the valuation of land and buildings.
27. Increase in equity withdrawals in 2014-15 reflects the increase in depreciation resulting from the commissioning of the new LCCH, Children's Research Facility and Foundation Building.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

28. Increase in equity withdrawals in 2014-15 reflects the increase in depreciation resulting from the commissioning of the new LCCH, Children's Research Facility and Foundation Building.
29. The increase in equity adjustments is due to the transfer of property, plant and equipment in relation to the commissioning of the new LCCH, Children's Research Facility and Foundation Building from the Department of Health during 2014-15.

### **Balance sheet**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

30. Increase in cash assets predominantly due to revised opening balance following finalisation of the 2012-13 financial statements.
31. Decrease in inventories due to reduced imprest stocks within the wards and operating theatre.
32. Increase in non-financial assets held for sale due to the pending sale of land and building at Roger Street, Spring Hill to the Department of Education, Training and Employment.
33. Decrease in property, plant and equipment reflects the commissioning of the Children's Research Facility during 2014-15 instead of 2013-14.
34. Increase in payables predominantly due to revised opening balance following finalisation of the 2012-13 financial statements.
35. Decrease in capital/contributed equity reflects the commissioning of the Children's Research Facility during 2014-15 instead of 2013-14.
36. Increase in accumulated surplus due to operating surplus brought forward following finalisation of the 2012-13 financial statements.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

37. Increase in cash assets due to revised opening cash balance for the 2013-14 financial year and anticipated higher cash balances on hand at 30 June 2015 due to increased payable balances.
38. Increase in receivables due to higher user charges revenue budgeted for 2014-15.
39. Increase in inventories due to an increase in imprest stock within the new LCCH hospital.
40. Increase in property, plant and equipment due to the commissioning of the new LCCH, Children's Research Facility and Foundation Building during 2014-15.

41. Increase in payables due to expected higher payables on hand at 30 June 2015 following establishment of the LCCH.
42. Increase in contributed equity due to the transfer of property, plant and equipment in relation to the commissioning of the new LCCH, Children's Research Facility and Foundation Building from the Department of Health during 2014-15.
43. Increase in accumulated surplus due to operating surplus brought forward following finalisation of the 2012-13 financial statements as well as an estimated operating surplus for 2013-14.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

44. Increase in cash assets due to anticipated higher payables balances on hand at 30 June 2015.
45. Increase in receivables due to higher user charges revenue budgeted in 2014-15.
46. Increase in inventories due to an increase in imprest stock within the new LCCH hospital.
47. Decrease in assets held for sale due to the anticipated sale of land and building at Roger Street, Spring Hill to the Department of Education, Training and Employment.
48. Increase in property, plant and equipment due to the transfer of assets from the Department of Health relating to the commissioning of the new LCCH, Children's Research Facility and Foundation Building during 2014-15.
49. Increase in payables due to anticipated higher payables on hand at 30 June 2015 following establishment of the LCCH.
50. Increase in capital/contributed equity due to the transfer of property, plant and equipment in relation to the commissioning of the new LCCH, Children's Research Facility and Foundation Building from the Department of Health during 2014-15.
51. Increase in asset revaluation surplus due to estimated increase in land and building values following asset revaluation review in 2014-15.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

52. Increase in user charges and fees due to additional funding provided during the 2013-14 financial year following amendments to the Service Agreement including two new state-wide programs, growth in activity and other new initiatives.
53. Increase in grants and other contributions are due to the Home Visiting program being converted to a locally received grant.
54. Increase in other inflows resulting from the reclassification of GST income.
55. Increase in employee costs reflects increase in staff directly employed by CHQ HHS. This includes full year effect of a number of HHS positions that commenced part year during 2012-13. This category of expenses also includes non-recurrent LCCH transition costs in 2013-14 and 2014-15 for staff recruitment, staff training and transfer costs.
56. Increase in supplies and services reflect amendments in the Service Agreement between CHQ HHS and Department of Health, including growth in activity, new initiatives and inflation and non-recurrent costs for the transition to the LCCH, with the exception of legal charges for the LCCH.
57. Increase in grants and subsidies relates to CHQ HHS becoming directly responsible for the administration of the Golden Casket grant to the Children's Hospital Foundation (previously managed by the Department of Health) as well as other dedicated programs.
58. Increase in other expenses reflects non-recurrent legal and other transition costs associated with the LCCH.
59. Decrease in payments for non-financial assets due to lower estimated spend in 2013-14.
60. Decrease in equity withdrawals to match expected depreciation for 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

61. Increase in user charges and fees due to higher revenue primarily relating to the move in late November 2014 to the new LCCH. This will result in growth in bed numbers, staffing and occasions of services due to the integration of the Royal Children's Hospital and Mater Children's Hospital.
62. Increase in grants and other contributions due to the Home Visiting program being converted to a locally received grant.
63. Increase in other inflows resulting from the reclassification of GST income.

64. Increase in employee costs reflects increase in staff directly employed by CHQ HHS. This includes full year effect of a number of HHS positions that commenced part year 2012-13. This category of expenses also includes non-recurrent LCCH transition costs in 2013-14 and 2014-15 for staff recruitment, staff training and transfer costs.
65. Increase in supplies and services reflect the seven month effect of the move to the LCCH integrating both the Royal Children's Hospital and Mater Children's Hospital.
66. Increase in grants and subsidies is due to CHQ HHS becoming responsible for administering a funding grant to the Children's Hospital Foundation (full year effect) and the part year effect of a similar grant arrangement to the Mater Children's Hospital Foundation.
67. An increase in other costs includes the seven month effect of the move to the new LCCH.
68. Decrease in payments for non-financial assets due to lower planned spend in 2014-15 compared to the 2013-14 budget.
69. Increase in equity withdrawals to match the expected increase in depreciation following the transfer of property, plant and equipment in relation to the commissioning of the new LCCH, Children's Research Facility and Foundation Building from the Department of Health during 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

70. Increase in user charges and fees reflects the seven month effect of the move to the LCCH in late November 2014 and increased activity generated by the integration of the two children's hospitals.
71. Increase in supplies and services reflect the seven month effect of the move to the LCCH integrating both the Royal Children's Hospital and Mater Children's Hospital.
72. Decrease in grants and subsidies in 2014-15 relates to a net reduction in program funding.
73. Increase in other costs include additional costs and activity for the new LCCH commencing from late November 2014 due to the integration of the Royal Children's Hospital and Mater Children's Hospital.
74. Increase in equity withdrawals to match the expected increase in depreciation following the transfer of property, plant and equipment in relation to the commissioning of the new LCCH, Children's Research Facility and Foundation Building from the Department of Health during 2014-15.

# DARLING DOWNS HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

The Darling Downs Hospital and Health Service (HHS) is an independent statutory body, overseen by a local Hospital and Health Board. The Darling Downs HHS provides public hospital and healthcare services as defined in the service agreement with the Department of Health.

Geographically, the Darling Downs HHS provides services across an area of approximately 90,000 square kilometres, covering the local government areas of the Toowoomba Regional Council, Western Downs Regional Council, Southern Downs Regional Council, South Burnett Regional Council, Goondiwindi Regional Council, Cherbourg Aboriginal Shire Council and part of the Banana Shire Council (community of Taroom).

The Darling Downs HHS delivers clinical services to approximately 300,000 people from 26 locations. The majority of the Darling Downs HHS residents receive inpatient care either at their local hospital or at the Toowoomba Hospital. Patients are at times required to travel to Brisbane to access some types of specialist services only offered at tertiary facilities.

The Darling Downs HHS has four strategic objectives including:

- delivering quality healthcare
- ensuring resources are sustainable
- ensuring processes are clear
- ensuring dedicated trained staff.

These objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The Darling Downs HHS has an operating budget of \$616.5 million for 2014-15 which is an increase of \$48.2 million (8.5%) from the published 2013-14 operating budget of \$568.3 million.

Darling Downs HHS performed well in the clinical area meeting all of its National Emergency Access Targets (NEAT) and two of its National Elective Surgery Targets (NEST).

Significant progress has been made in reducing the specialist outpatients' waiting list to ensure all patients are seen within clinically appropriate times and reducing waiting times for general (non-urgent) dental treatments. In Toowoomba and Warwick no people are waiting longer than the clinically recommended time for general (non-urgent) dental treatment. In addition, improvements have also been made in rural areas.

The operating surplus for 2012-13, generated through the identification and implementation of efficiencies while retaining a focus on safe, quality and strengthened service delivery, has been reinvested in service development and delivery for our community. This includes the \$1 million refurbishment of the Stanthorpe Hospital maternity unit and a \$0.36 million project to build a dedicated palliative care room at Goondiwindi Hospital. Work is set to be completed in late 2014. The Board also committed funds from the surplus to underwrite the service performing extra surgery as described above.

As well as delivering core health services, priorities for 2014-15 include:

- continuing work on a \$50 million backlog maintenance and remediation program to improve buildings across the HHS. Examples of works include re-painting, roof and guttering repairs and replacements, road works, plumbing, air conditioning upgrades, improved security and electrical switchboard upgrades or replacements
- progressing a new purpose-built \$9.8 million kitchen at Toowoomba Hospital
- completion of a Commonwealth Government funded new mental health community care unit complex in Toowoomba. The 24-bed facility is for adult mental health consumers who are in recovery but require additional support and life skills rehabilitation to successfully transition to independent community living
- a \$2 million expansion of the endoscopy unit at Toowoomba Hospital which will double existing capacity in the unit and free up other operating theatres so more complex surgery can be performed and
- \$0.5 million to commence planning for the establishment of Magnetic Resonance Imaging services at Toowoomba Hospital.

## STATEMENTS

### Staffing

Darling Downs Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	3,855	3,790	3,849

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 3,843 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Darling Downs Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	94%	80%
• Category 3 (within 30 minutes)		75%	75%	75%
• Category 4 (within 60 minutes)		70%	71%	70%
• Category 5 (within 120 minutes)		70%	85%	70%
• All categories	1	..	76%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	80%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	18	20
Median wait time for elective surgery (days)				
	3	25	30	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	100%	100%
• Category 2 (90 days)		91%	100%	97%
• Category 3 (365 days)	2	96%	76%	98%

Darling Downs Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		64%	66%	64%
• Category 2 (90 days)		20%	32%	20%
• Category 3 (365 days)	4	90%	40%	90%
Total weighted activity units:				
• Acute Inpatient		40,170	42,649	43,718
• Outpatients		8,474	9,763	10,581
• Sub-acute	5	7,333	4,230	4,623
• Emergency Department		14,251	16,226	16,243
• Mental Health	6	15,636	15,636	16,013
• Interventions and Procedures	7	3,066	3,753	4,843
Average cost per weighted activity unit for Activity Based Funding facilities	8	\$4,395	\$4,104	\$4,206
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	9	0.9	1.0	<2.0
Number of in-home visits, families with newborns	10	3,742	4,517	4,633
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		>60%	74.3%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	11	<12%	14.4%	<12%
Ambulatory mental health service contact duration (hours)	12	56,491 – 69,330	59,701	>56,680

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014. Darling Downs HHS is now achieving 100% in all elective surgery categories (year to date) in calendar year 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014. The large number of Category 3 patients treated impacts on the 2013-14 Est. Actual figure.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. was based on 2011-12 data for the sub-acute category which included significant one-off activity as a result of discharge of long stay Veterans' Affairs patients in rural facilities. The 2013-14 Est. Actual and 2014-15 Target/Est. data reflects required levels of activity.
6. Actual Mental Health QWAU data fluctuates at the Baillie Henderson Hospital mental health facility based on discharges. As such, the 2013-14 Est. Actual has been set to equal the 2013-14 Target/Est.
7. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
8. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
9. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
10. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs proportionate to projected births per HHS. It is anticipated that, where required, improvements will occur in relation to data collection.
11. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. This HHS has made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
12. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Darling Downs Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 2, 7, 11	536,885	567,694	581,841
Grants and other contributions	1	30,921	31,022	30,936
Interest		187	111	111
Other revenue	3, 8	354	3,568	3,568
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>568,347</b>	<b>602,395</b>	<b>616,456</b>
<b>Expenses</b>				
Employee expenses		2,142	1,613	1,693
Supplies and services:				
- Outsourced service delivery	4, 9	..	7,726	8,127
- Other supplies and services	5, 10, 12	119,522	139,679	149,232
- Department of Health Contract Staff		420,682	410,406	431,700
Grants and subsidies		2,404	1,573	1,655
Depreciation and amortisation		21,083	21,383	21,584
Finance/borrowing costs		..	..	..
Other expenses		959	1,055	1,104
Losses on sale/revaluation of assets		1,555	1,460	1,361
<b>Total expenses</b>		<b>568,347</b>	<b>584,895</b>	<b>616,456</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	6	<b>..</b>	<b>17,500</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Darling Downs Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		17,249	7,043	7,229
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>17,249</b>	<b>7,043</b>	<b>7,229</b>
Surplus/(deficit) for the period		..	17,500	..
<b>Total recognised income and expense for the period</b>		<b>17,249</b>	<b>24,543</b>	<b>7,229</b>
Equity injection/(withdrawal)		(15,420)	(15,758)	(16,135)
Equity adjustments (inc. MoG transfers)		2,400	6,675	(6,728)
<b>Total movement in equity for period</b>		<b>4,229</b>	<b>15,460</b>	<b>(15,634)</b>

## BALANCE SHEET

Darling Downs Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	13, 18	33,646	46,734	50,457
Receivables		4,226	7,825	7,981
Other financial assets		..	..	..
Inventories		4,806	4,819	4,874
Other		209	187	206
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>42,887</b>	<b>59,565</b>	<b>63,518</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14, 19, 24	329,637	309,900	294,266
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>329,637</b>	<b>309,900</b>	<b>294,266</b>
<b>TOTAL ASSETS</b>		<b>372,524</b>	<b>369,465</b>	<b>357,784</b>
<b>CURRENT LIABILITIES</b>				
Payables	15, 20	40,467	25,809	29,752
Accrued employee benefits		..	87	97
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		3	29	29
<b>Total current liabilities</b>		<b>40,470</b>	<b>25,925</b>	<b>29,878</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>40,470</b>	<b>25,925</b>	<b>29,878</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>332,054</b>	<b>343,540</b>	<b>327,906</b>
<b>EQUITY</b>				
Capital/contributed equity	16, 21, 25	309,585	287,344	264,481
Accumulated surplus/(accumulated deficit)	17, 22	..	31,751	31,751
Reserves:				
- Asset revaluation surplus	23	22,469	24,445	31,674
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>332,054</b>	<b>343,540</b>	<b>327,906</b>

## CASH FLOW STATEMENT

Darling Downs Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	26, 29, 31	535,579	564,504	580,528
Grants and other contributions	27, 32	30,921	37,600	30,936
Interest received		187	111	111
Taxes		..	..	..
Other		12,122	15,336	15,985
<b>Outflows</b>				
Employee costs		(2,142)	(1,626)	(1,683)
Supplies and services	28, 30, 33	(550,530)	(582,372)	(597,615)
Grants and subsidies		(2,404)	(1,573)	(1,655)
Borrowing costs		..	..	..
Other		(959)	(1,055)	(1,104)
<b>Net cash provided by/(used in) operating activities</b>		<b>22,774</b>	<b>30,925</b>	<b>25,503</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	(187)	(196)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(5,663)	(7,099)	(5,449)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(5,663)</b>	<b>(7,286)</b>	<b>(5,645)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		5,663	5,625	5,449
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(21,083)	(21,383)	(21,584)
<b>Net cash provided by/(used in) financing activities</b>		<b>(15,420)</b>	<b>(15,758)</b>	<b>(16,135)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,691</b>	<b>7,881</b>	<b>3,723</b>
<b>Cash at the beginning of financial year</b>		<b>31,955</b>	<b>38,853</b>	<b>46,734</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>33,646</b>	<b>46,734</b>	<b>50,457</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. ABF and Block Funding received under service agreements were classified as Grants and other contributions for the 2013-14 Service Delivery Statements. This has been reclassified as User charges and fees.
2. Increase in user charges reflects additional funding from amendments to the Service Agreement between Darling Downs Hospital and Health Service (DDHHS) and the Department of Health (DoH). In 2013-14 the largest amendment was the provision of \$9.1m for Backlog Maintenance Remediation Program (\$50.6m over 4 years). Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
3. Increase reflects change in accounting for salary recoveries from other agencies. Offset in labour.
4. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change.
5. Additional expenditure reflects the amendments in the Service Agreement between DDHHS and the DoH partly offset by efficiency savings in DoH contract labour. Increases in other supplies and services mainly represent expenditure on backlog maintenance remediation program.
6. Expected surplus for 2013-14 delivered through efficiency savings and increased own source revenue together with some one-off benefits. Surplus will be reinvested in additional facility improvements and services for DDHHS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

7. Increase reflects additional funding provided for amendments in the Service Agreement between DDHHS and the DoH, including additional purchased activity, Backlog Maintenance Remediation Program, Enterprise Bargaining Agreements and non-labour escalation.
8. Increase reflects change in accounting for salary recoveries from other agencies. Offset in labour.
9. The reclassification of Supplies and services to either "Outsourced service delivery" or "Other supplies and services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change.
10. Additional expenditure reflects amendments in the Service Agreement between DDHHS and the DoH, including increased activity, Enterprise Bargaining Agreements and non-labour escalation, and expenditure on Backlog Maintenance Remediation Program.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

11. Increase reflects additional funding provided for amendments in the Service Agreement between DDHHS and the DoH, including additional purchased activity, Enterprise Bargaining Agreements and non-labour escalation.
12. Increased expenditure reflects expected growth in services including elective surgery and outpatients.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

13. Increase in cash reflects surplus achieved in 2012-13 and 2013-14 offset by extra pay period in 2014.
14. Decrease reflects lower commissioning of building assets than incorporated in 2013-14 budget.
15. Decrease in payables due to extra pay period in 2014 due to timing of pay dates.
16. Decrease in Contributed Equity due to lower than budget commissioning of building assets.
17. Reflects accumulated surplus in 2012-13 and estimated surplus in 2013-14. Surplus will be re-invested in additional facility improvements and services for DDHHS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

18. Increase in cash reflects surplus achieved in 2012-13 and 2013-14 offset by extra pay period in 2014.

19. Decrease reflective of lower commissioning of assets in 2013-14 together with depreciation in 2014-15, partly offset by expected upward movement in revaluations of buildings in 2014-15. Decrease also includes transfer of Government Employee Housing to the Department of Housing and Public Works.
20. Decrease in payables due to extra pay period in 2014 due to timing of pay dates.
21. Decrease in Contributed Equity due to lower than budget commissioning of assets together with equity withdrawal associated with depreciation funding. Decrease also includes transfer of Government Employee Housing to the Department of Housing and Public Works.
22. Reflects accumulated surplus in 2012-13 and estimated surplus in 2013-14. Surplus will be re-invested in additional facility improvements and services for DDHHS.
23. Increase due to the expected upward movement in the revaluation of land and buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

24. Decrease due to depreciation partly offset by commissioning of property, plant and equipment and expected upward movement in the revaluation of land and buildings. Decrease also includes transfer of Government Employee Housing to the Department of Housing and Public Works.
25. Decrease due to equity withdrawal associated with depreciation funding, partly offset by increase due to commissioning of property, plant and equipment. Decrease also includes transfer of Government Employee Housing to the Department of Housing and Public Works.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

26. Increase reflects amendments to the Service Agreement between DDHHS and DoH
27. Increase represents accrued grants as at 30 June 2013 being received as a result of End of Year technical adjustments received in 2013-14.
28. Increase reflects amendments to the Service Agreement between DDHHS and DoH

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

29. Increase reflects amendments to the Service Agreement between DDHHS and DoH.
30. Increase reflects amendments to the Service Agreement between DDHHS and DoH.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

31. Increase reflects amendments to the Service Agreement between DDHHS and DoH.
32. Increase represents accrued grants as at 30 June 2013 being received as a result of End of Year technical adjustments received in 2013-14.
33. Increase reflects amendments to the Service Agreement between DDHHS and DoH.

# GOLD COAST HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

The Gold Coast Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. Gold Coast HHS is responsible for the delivery of public hospital and health services from the New South Wales border in the south to the Coomera region and north to the Logan River, and services a population of over 540,000 people.

In 2013 the Gold Coast HHS commissioned the Gold Coast University Hospital. The combination of world-class infrastructure, a highly talented and committed workforce, partnerships with universities, the Gold Coast Medicare Local and the private and non-government sectors, together creates an unprecedented opportunity for innovation and enhancement to healthcare delivery.

Gold Coast HHS delivers a broad range of secondary and tertiary health services across two public hospitals and a number of health precincts and community health centres throughout the Gold Coast. Additionally, the Gold Coast HHS delivers key primary health services including community child health clinics and oral health services for both adults and children.

The strategic objectives of Gold Coast HHS are:

- health services focused on patients and people – achieved by providing world-class services for patients by increasing access to services, and providing integrated health care by increasing home visits to new mothers, implementing the Gold Coast Primary Health Care Protocol, and working in the community with primary care providers
- empowering our community and our health workforce through engaging with local communities by building linkages with key partner groups, and empowering our staff by initiating programs to increase capability, leadership and culture
- providing Queenslanders with value in health services through rewarding efficiency in service delivery, identifying value for money opportunities, benchmarking with industry standards and engaging the workforce in productivity targets
- investing, innovating and planning for the future through creating a Centre for Innovation, partnering with universities to grow research activity and capability and promoting a research culture.

These objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The Gold Coast HHS has an operating budget of \$1.064 billion for 2014-15 which is an increase of \$100.3 million (10.4%) from the published 2013-14 operating budget of \$964 million.

The Gold Coast HHS continues to optimise its financial resources to improve services delivered to the community it serves, with further efficiency gains expected to be achieved in the future.

Gold Coast HHS has adopted a number of initiatives and developed new services which will continue into 2014-15, including:

- projects to reduce outpatient waiting times, including partnerships with the private sector
- investment to extend the model of ward-based pharmacists
- implementation of private practice midwives
- implementation of the Mental Health Working Together for Change clinical reform initiative
- introduction of a Level 6 Radiation Oncology and Therapy Service, as part of a private partnership, to provide public radiation therapy services on the Gold Coast for the first time
- establishment of a joint annual program of work with the Gold Coast Medicare Local, and an associated joint Executive Committee, to develop strategies to improve integrated care
- introduction of the Centre for Health Innovation, and a revised research strategy to promote utilisation of research partnerships with universities
- formalising a partnership with the North West HHS which recognises that by working together, the parties will be able to identify opportunities and specific initiatives to improve health outcomes for the community with a particular focus on improving the outcomes for Indigenous communities in North West Queensland.

## STATEMENTS

### Staffing

Gold Coast Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	5,456	5,898	6,182

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 6,172 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Gold Coast Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	71%	80%
• Category 3 (within 30 minutes)		75%	41%	75%
• Category 4 (within 60 minutes)		70%	58%	70%
• Category 5 (within 120 minutes)		70%	84%	70%
• All categories	1	..	52%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	73%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	32	20
Median wait time for elective surgery (days)				
	3	25	30	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	92%	100%
• Category 2 (90 days)		91%	93%	97%
• Category 3 (365 days)	2	96%	98%	98%

Gold Coast Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		44%	36%	44%
• Category 2 (90 days)		27%	27%	27%
• Category 3 (365 days)	4	90%	52%	90%
Total weighted activity units:				
• Acute Inpatient		88,711	84,743	92,853
• Outpatients		19,827	20,974	25,226
• Sub-acute		9,894	9,861	9,977
• Emergency Department		16,855	20,388	19,823
• Mental Health		8,557	9,580	8,857
• Interventions and Procedures	5	13,454	12,203	14,942
Average cost per weighted activity unit for Activity Based Funding facilities	6	\$4,411	\$4,393	\$4,434
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	0.5	0.6	<2.0
Number of in-home visits, families with newborns	8, 9	7,474	6,036	9,149
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		>60%	66.2%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	10	<12%	9.9%	<12%
Ambulatory mental health service contact duration (hours)	11	92,482 – 110,979	68,200	>91,963

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. and the Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint Value for Money* indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
6. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
8. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due to data collection issues.
9. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs proportionate to projected births per HHS. It is anticipated that, where required, improvements will occur in relation to data collection.
10. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance.
11. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Gold Coast Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,3,8,13	950,279	960,298	1,037,056
Grants and other contributions	1,3	13,386	18,629	18,651
Interest		117	101	105
Other revenue	2	218	8,212	8,499
Gains on sale/revaluation of assets				
<b>Total income</b>		<b>964,000</b>	<b>987,240</b>	<b>1,064,311</b>
<b>Expenses</b>				
Employee expenses	4,9	1,642	3,096	3,175
Supplies and services:	5,10,14			
- Outsourced service delivery	6,11,15	..	15,741	9,339
- Other supplies and services		253,135	240,454	256,024
- Department of Health Contract Staff		638,951	671,514	707,766
Grants and subsidies		807	970	994
Depreciation and amortisation	7,12,16	67,046	51,370	82,812
Finance/borrowing costs				
Other expenses		780	1,330	1,365
Losses on sale/revaluation of assets		1,639	2,765	2,836
<b>Total expenses</b>		<b>964,000</b>	<b>987,240</b>	<b>1,064,311</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Gold Coast Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments				
Increase/(decrease) in asset revaluation reserve	17, 18,19	25,034	35,401	50,456
Net amount of all revenue and expense adjustments direct to equity not disclosed above				
<b>Net income recognised directly in equity</b>		<b>25,034</b>	<b>35,401</b>	<b>50,456</b>
Surplus/(deficit) for the period				
<b>Total recognised income and expense for the period</b>		<b>25,034</b>	<b>35,401</b>	<b>50,456</b>
Equity injection/(withdrawal)	26	(59,369)	(42,794)	(76,673)
Equity adjustments (inc. MoG transfers)	26	1,590,917	1,492,928	10,438
<b>Total movement in equity for period</b>		<b>1,556,582</b>	<b>1,485,535</b>	<b>(15,779)</b>

## BALANCE SHEET

Gold Coast Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	20,28	38,509	55,525	60,381
Receivables	21,29	9,262	11,729	12,006
Other financial assets				
Inventories	22,30	7,785	5,640	5,729
Other	23,31	2,924	714	981
Non-financial assets held for sale				
<b>Total current assets</b>		<b>58,480</b>	<b>73,608</b>	<b>79,097</b>
<b>NON-CURRENT ASSETS</b>				
Receivables				
Other financial assets				
Property, plant and equipment	24,32	2,341,752	1,956,988	1,941,740
Intangibles		1,766	1,605	1,074
Other		8		
<b>Total non-current assets</b>		<b>2,343,526</b>	<b>1,958,593</b>	<b>1,942,814</b>
<b>TOTAL ASSETS</b>		<b>2,402,006</b>	<b>2,032,201</b>	<b>2,021,911</b>
<b>CURRENT LIABILITIES</b>				
Payables	25,33	55,891	67,273	72,753
Accrued employee benefits		92	124	133
Interest-bearing liabilities and derivatives				
Provisions				
Other		23	287	287
<b>Total current liabilities</b>		<b>56,006</b>	<b>67,684</b>	<b>73,173</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables				
Accrued employee benefits				
Interest-bearing liabilities and derivatives				
Provisions				
Other				
<b>Total non-current liabilities</b>				
<b>TOTAL LIABILITIES</b>		<b>56,006</b>	<b>67,684</b>	<b>73,173</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>2,346,000</b>	<b>1,964,517</b>	<b>1,948,738</b>
<b>EQUITY</b>				
Capital/contributed equity	26,34,36	2,315,332	1,923,132	1,856,897
Accumulated surplus/(accumulated deficit)			5,984	5,984
Reserves:				
- Asset revaluation surplus	27,35,37	30,668	35,401	85,857
- Other (specify)				
<b>TOTAL EQUITY</b>		<b>2,346,000</b>	<b>1,964,517</b>	<b>1,948,738</b>

## CASH FLOW STATEMENT

Gold Coast Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	38,44,49	948,402	957,265	1,034,197
Grants and other contributions	38,44	13,386	24,745	18,651
Interest received		117	101	105
Taxes		..	..	..
Other	39,45	7,808	15,802	16,507
<b>Outflows</b>				
Employee costs	40,46	(1,636)	(3,090)	(3,166)
Supplies and services	41,47,50	(897,661)	(933,141)	(976,148)
Grants and subsidies		(807)	(970)	(994)
Borrowing costs				
Other		(780)	(1,330)	(1,365)
<b>Net cash provided by/(used in) operating activities</b>		<b>68,829</b>	<b>59,382</b>	<b>87,787</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets			(113)	(119)
Investments redeemed				
Loans and advances redeemed				
<b>Outflows</b>				
Payments for non-financial assets	42,51	(7,677)	(10,119)	(6,139)
Payments for investments				
Loans and advances made				
<b>Net cash provided by/(used in) investing activities</b>		<b>(7,677)</b>	<b>(10,232)</b>	<b>(6,258)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings				
Equity injections		7,677	8,576	6,139
<b>Outflows</b>				
Borrowing redemptions				
Finance lease payments				
Equity withdrawals	43,48,52	(67,046)	(51,370)	(82,812)
<b>Net cash provided by/(used in) financing activities</b>		<b>(59,369)</b>	<b>(42,794)</b>	<b>(76,673)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,783</b>	<b>6,356</b>	<b>4,856</b>
<b>Cash at the beginning of financial year</b>		<b>36,726</b>	<b>49,169</b>	<b>55,525</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>38,509</b>	<b>55,525</b>	<b>60,381</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes.
2. Salary recoveries are now included in this line item
3. Additional revenue reflects the amendments in the Service Agreement between Gold Coast HHS and the Department of Health including growth in activity.
4. Increase in Employee expenses reflects additional staff employed directly by the HHS and salary increases.
5. Additional expenditure reflects the growth in activity and new services provided by the HHS.
6. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change.
7. Decrease due to the transfer of the Gold Coast University Hospital occurring later than anticipated.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. Additional revenue reflects the amendments in the Service Agreement between Gold Coast HHS and the Department of Health including growth in activity.
9. Increase in Employee expenses reflects additional staff employed directly by the HHS and salary increases.
10. Additional expenditure reflects the growth in activity and new services provided by the HHS.
11. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change.
12. Increase due to transfer of assets to Gold Coast HHS, e.g. Gold Coast University Hospital (GCUH) in 2013-14. Increase is full year impact of these transfers. Partial year recognised in 2013-14 and full financial recognition in 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

13. Additional revenue reflects the amendments in the Service Agreement between Gold Coast HHS and the Department of Health including growth in activity.
14. Additional expenditure reflects the growth in activity and new services provided by the HHS.
15. Reduction of outsourced activity following change in service delivery.
16. Increase due to transfer of assets to Gold Coast HHS, e.g. Gold Coast University Hospital (GCUH) in 2013-14. Increase is full year impact of these transfers. Partial year recognised in 2013-14 and full financial recognition in 2014-15.

### Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

17. Increase is a result of applying CPI indexation on land and buildings asset portfolio.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

18. Increase is a result of including the GCUH in the land and building asset portfolio.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

19. Increase is a result of including the GCUH in the land and building asset portfolio.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

20. Increase due to working capital management.
21. Increase based on outstanding balance of salary recoveries from third party debtors.
22. Reduction based on lower retained stock levels.
23. Decrease due to prepayments estimated to be fully expended.

24. Decrease due to lower valuation expected to be applied to the Gold Coast University Hospital.
25. Increase due to higher activity in final quarter.
26. Decrease due to lower valuation transfer for the Gold Coast University Hospital from the Department of Health.
27. Increase is a result of applying CPI indexation on land and buildings asset portfolio.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

28. Increase due to working capital management.
29. Increase based on outstanding balance of salary recoveries from third party debtors.
30. Reduction based on lower retained stock levels.
31. Decrease due to prepayments estimated to be fully expended.
32. Decrease due to lower valuation expected to be applied to the Gold Coast University Hospital.
33. Increase due to higher activity in final quarter.
34. Decrease due to lower valuation expected to be applied to the GCUH.
35. Increase is a result of applying indexation on land and buildings asset portfolio, which includes GCUH.

Major variations between 2013-14 estimated actual and the 2014-15 Budget include:

36. Decrease due to lower valuation transfer for the Gold Coast University Hospital from the Department of Health.
37. Increase is a result of applying CPI indexation on land and buildings asset portfolio, which includes GCUH.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

38. Increase reflects the amendments in the Service Agreement between Gold Coast HHS and the Department of Health including growth in activity.
39. Reclassification of salary recoveries from employee expenses to revenue.
40. Increase reflects additional staff employed directly by the HHS.
41. Increase reflects the growth in activity and new services provided by the HHS.
42. Additional purchases of plant and equipment assets in connection with the Gold Coast University Hospital.
43. Equity withdrawal represents depreciation funding. Decrease in depreciation due to lower valuation expected to be applied to the GCUH.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

44. Increase reflects the amendments in the Service Agreement between Gold Coast HHS and the Department of Health including growth in activity.
45. Reclassification of salary recoveries from employee expenses to revenue.
46. Increase reflects additional staff employed directly by the HHS.
47. Increase reflects the growth in activity and new services provided by the HHS.
48. Equity withdrawal represents depreciation funding. Increase in depreciation funding due to capitalisation of Gold Coast University Hospital.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

49. Increase reflects the amendments in the Service Agreement between Gold Coast HHS and the Department of Health including growth in activity.
50. Increase reflects the growth in activity and new services provided by the HHS.
51. Decrease reflects fewer expected acquisitions in subsequent years due to volume of new purchasing associated with GCUH in 2013-14.
52. Equity withdrawal represents depreciation funding. Increase in depreciation funding due to capitalisation of Gold Coast University Hospital.

# MACKAY HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

Mackay Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board.

The Mackay HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of around 185,000 people residing in a geographical area from Sarina in the south, Clermont in the west, Bowen in the north and Collinsville in the north-west.

The Mackay HHS is responsible for the direct management of the facilities within the HHS's geographical boundaries, including:

- Mackay Base Hospital
- Bowen Hospital
- Dysart Hospital
- Clermont Hospital
- Collinsville Hospital
- Moranbah Hospital
- Sarina Hospital
- Proserpine Hospital

The Mackay HHS also provides a comprehensive range of community and primary health services, including aged care assessment, Aboriginal and Torres Strait Islander programs; child and maternal health services; alcohol, tobacco and other drug services; home care services; community health nursing; sexual health services; allied health services; oral health and health promotion programs.

The Mackay HHS will have a strong focus in 2014-15 on:

- providing better access to health services
- addressing and improving key population health challenges and risks
- supporting the Government's objectives to revitalise frontline services for families and deliver better infrastructure
- enhancing engagement and developing closer working relationships with patients, families, community groups, GPs and other primary health providers.

The Mackay HHS key priorities and objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The Mackay HHS has an operating budget of \$320.8 million for 2014-15 which is an increase of \$24.9 million (8.4%) from the published 2013-14 operating budget of \$295.9 million.

The Service Agreement between the Mackay HHS and the Department of Health identifies the health services to be provided, funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

An extensive redevelopment of the Mackay Base Hospital is underway and is scheduled for completion in early-2015. At a cost of \$408 million, the redevelopment will double the capacity of the existing hospital to provide 318 beds. The redeveloped hospital will offer the local community a wider range of public health services and will be equipped to offer additional and extended specialised services, enabling more patients to be treated locally and minimise the need to travel for certain types of care and treatment.

The cardiac catheter laboratory opened in February 2014, enabling angiograms and the insertion of pacemakers to be performed in Mackay for the first time and reducing the need for Mackay residents to travel to Townsville or Brisbane for this treatment.

The Mackay HHS commenced home based renal dialysis services to the local community in early January 2014, while the Magnetic Resonance Imaging (MRI) suite at Mackay Base Hospital treated its first patient on 27 February 2014.

The Sarina Hospital has undergone a \$2.3 million refurbishment under the Rural and Remote Infrastructure Rectification Works. This project was completed in February 2014.

The Mackay HHS performance has in 2013-14 has exceeded or been close to targets for Emergency Access and Elective Surgery. At the same time, staffing levels and expenditure have been maintained within budget.

## STATEMENTS

### Staffing

Mackay Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	1,834	1,834	1,871

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 1,867 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Mackay Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	79%	80%
• Category 3 (within 30 minutes)		75%	75%	75%
• Category 4 (within 60 minutes)		70%	81%	70%
• Category 5 (within 120 minutes)		70%	93%	70%
• All categories	1	..	79%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	80%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	17	20
Median wait time for elective surgery (days)				
	3	25	29	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	100%	100%
• Category 2 (90 days)		91%	100%	97%
• Category 3 (365 days)	2	96%	100%	98%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		47%	38%	47%
• Category 2 (90 days)		42%	26%	42%
• Category 3 (365 days)	4	90%	57%	90%

Mackay Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Total weighted activity units:				
• Acute Inpatient		24,830	24,449	24,449
• Outpatients		7,918	9,527	9,558
• Sub-acute	5	2,320	1,377	2,074
• Emergency Department		8,656	9,162	9,763
• Mental Health		2,024	2,069	3,101
• Interventions and Procedures	6	3,191	2,825	4,367
Average cost per weighted activity unit for Activity Based Funding facilities				
	7	\$4,475	\$4,461	\$4,464
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days				
	8	1.3	1.2	<2.0
Number of in-home visits, families with newborns				
	9, 10	3,231	3,086	3,915
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit				
		>60%	72.2%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge				
	11	<12%	11.2%	<12%
Ambulatory mental health service contact duration (hours)				
	12	27,460 – 33,702	29,415	>27,106

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Est. Actual was below the Target/Est. because of delays in establishing new sub-acute services. The 2014-15 Target/Est. reflects expected activity in 2014-15.

6. The 2013-14 Target/Est. and the Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint Value for Money* indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
7. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
8. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
9. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due to data collection issues.
10. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs proportionate to projected births per HHS. It is anticipated that, where required, improvements will occur in relation to data collection.
11. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance.
12. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Mackay Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,5,9	286,794	311,150	309,702
Grants and other contributions		8,878	9,367	9,198
Interest		82	66	66
Other revenue	2,6	132	2,014	1,864
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>295,886</b>	<b>322,597</b>	<b>320,830</b>
<b>Expenses</b>				
Employee expenses		295	295	296
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3,7,10	89,166	109,917	100,108
- Department of Health Contract Staff		194,479	194,479	199,746
Grants and subsidies		14	14	14
Depreciation and amortisation	4,8,11	10,876	16,836	19,607
Finance/borrowing costs		..	..	..
Other expenses		841	841	844
Losses on sale/revaluation of assets		215	215	215
<b>Total expenses</b>		<b>295,886</b>	<b>322,597</b>	<b>320,830</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Mackay Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	12,17	..	3,498	..
Increase/(decrease) in asset revaluation reserve	14,18	6,917	6,917	9,938
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>6,917</b>	<b>10,415</b>	<b>9,938</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>6,917</b>	<b>10,415</b>	<b>9,938</b>
Equity injection/(withdrawal)	15	(7,722)	(13,647)	(16,940)
Equity adjustments (inc. MoG transfers)	13,16	2,300	101,112	28,128
<b>Total movement in equity for period</b>		<b>1,495</b>	<b>97,880</b>	<b>21,126</b>

## BALANCE SHEET

Mackay Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	19,25	15,593	37,977	39,672
Receivables	20,26	2,226	3,468	3,533
Other financial assets		..	..	..
Inventories		1,732	1,712	1,732
Other		429	579	618
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>19,980</b>	<b>43,736</b>	<b>45,555</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21,27,31	173,231	420,993	442,119
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>173,231</b>	<b>420,993</b>	<b>442,119</b>
<b>TOTAL ASSETS</b>		<b>193,211</b>	<b>464,729</b>	<b>487,674</b>
<b>CURRENT LIABILITIES</b>				
Payables	22,32	18,690	16,381	18,200
Accrued employee benefits		..	37	37
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>18,690</b>	<b>16,418</b>	<b>18,237</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>18,690</b>	<b>16,418</b>	<b>18,237</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>174,521</b>	<b>448,311</b>	<b>469,437</b>
<b>EQUITY</b>				
Capital/contributed equity	23,28,33	165,514	425,259	436,447
Accumulated surplus/(accumulated deficit)	24,29,34	..	15,217	15,217
Reserves:				
- Asset revaluation surplus	30,35	9,007	7,835	17,773
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>174,521</b>	<b>448,311</b>	<b>469,437</b>

## CASH FLOW STATEMENT

Mackay Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	36,40	286,593	310,949	309,555
Grants and other contributions		8,878	9,367	9,198
Interest received		82	66	66
Taxes		..	..	..
Other	37,41	5,155	7,037	7,164
<b>Outflows</b>				
Employee costs		(295)	(295)	(296)
Supplies and services	38,42	(287,908)	(308,659)	(303,527)
Grants and subsidies		(14)	(20)	(14)
Borrowing costs		..	..	..
Other		(841)	(841)	(844)
<b>Net cash provided by/(used in) operating activities</b>		<b>11,650</b>	<b>17,604</b>	<b>21,302</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(3,154)	(3,885)	(2,667)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,154)</b>	<b>(3,885)</b>	<b>(2,667)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		3,154	3,189	2,667
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	39,43 44	(10,876)	(16,836)	(19,607)
<b>Net cash provided by/(used in) financing activities</b>		<b>(7,722)</b>	<b>(13,647)</b>	<b>(16,940)</b>
<b>Net increase/(decrease) in cash held</b>		<b>774</b>	<b>72</b>	<b>1,695</b>
<b>Cash at the beginning of financial year</b>		<b>14,819</b>	<b>37,905</b>	<b>37,977</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>15,593</b>	<b>37,977</b>	<b>39,672</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Budget was adjusted for comparative purposes. Increase in User charges reflects additional grant funding provided for amendments in the Service Agreement between Mackay Hospital and Health Service (MHHS) and the Department of Health, including growth in activity, oral health, backlog maintenance Hospital transition funding and non-labour escalation.
2. The variation is due to the reviewed interpretation of AASB 101 recognising recoupment of salaries and wages from either within the Department of Health or from external Government agencies as revenue rather than the previous treatment which credited expenditure. The year of 2013-14 will have a spike due to the recognition of this new revenue stream.
3. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. There has been an increase in the electricity costs, growth in activity, inflation for Enterprise Bargaining Agreements and non-labour escalation.
4. Increase due to revised commissioning of assets, mainly due to Mackay Base Hospital buildings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

5. Increase in User charges reflects additional grant funding provided for amendments in the Service Agreement between Mackay Hospital and Health Service (MHHS) and the Department of Health, including growth in activity, oral health, backlog maintenance Hospital transition funding and non-labour escalation.
6. The increase is due to the revised interpretation of AASB 101 recognising the recoupment of salaries and wages from either within the Department of Health or from external Government agencies as revenue rather than the previous treatment which credited expenditure. The reduction in 2014-15 is mainly due to a rationalisation of the revenue stream.
7. Recognition of the increase in electricity charges. A reduction in contractor payments owing to a reduction in use of agency and locums aiding with the increase to Queensland Health contracted staff.
8. Increase due to revised commissioning of assets, mainly due to Mackay Base Hospital buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

9. Decrease in User charges reflects a reduction in grant funding provided for amendments in the Service Agreement between Mackay Hospital and Health Service (MHHS) and the Department of Health.
10. A reduction in contractor payments owing to a reduction in use of agency and locums aiding with the increase to Queensland Health contracted staff.
11. Increase due principally to the recognition of assets associated with the finalisation of the Mackay Base Hospital Redevelopment.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

12. Increase due to the change in accounting treatment.
13. Increase due to changes in commissioning of property, plant and equipment from the Department of Health.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

14. Increase due to the expected upward movement in the revaluation of buildings.
15. Increase due to changes in depreciation funding.
16. Increase due to changes in commissioning of property, plant and equipment from the Department of Health.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

17. Decrease due to the change in accounting treatment.
18. Increase due to the expected upward movement in the revaluation of buildings offset by lower level of buildings commissioned for 2014-15.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

19. Increase in cash assets due to increased cash held to cover higher payables associated with pay date change.
20. Increase due to indexation rate of 3.5% per annum.
21. Increase predominantly relates to the investment in the redevelopment project of the Mackay Base Hospital.
22. At present the reduction is due to the reversal of an adjusting journal which was done as part of the end of financial year 2013. The debit for the reversal was \$3.2m.
23. Increase due to commissioning of property, plant and equipment
24. Surplus as at financial year 2012-13. As yet position is balanced.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

25. Increase in cash assets due to increased cash held to cover higher payables associated with pay date change.
26. Increase due to indexation rate of 3.5% per annum.
27. Increase predominantly relates to the investment in the redevelopment project of the Mackay Base Hospital.
28. Increase due to commissioning of property, plant and equipment
29. Surplus as at financial year 2012-13. As yet position is balanced.
30. Increase due to expected upward movement in the revaluation of buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

31. Increase predominantly relates to the investment in the redevelopment project of the Mackay Base Hospital.
32. Increase associated with end of year labour hire accrual due to pay date change.
33. Increase due to commissioning of property, plant and equipment.
34. Surplus as at financial year 2012-13. As yet position is balanced.
35. Increase due to expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

36. Increase in User charges reflects additional grant funding provided for amendments in the Service Agreement between Mackay Hospital and Health Service (MHHS) and the Department of Health, including growth in activity, oral health, backlog maintenance Hospital transition funding and non-labour escalation.
37. The increase is owing to the reviewed interpretation of AASB 101 recognising recoupment of salaries and wages from either within the Department of Health or from external government agencies as revenue compared with previously credits to expenditure. The 2013-14 financial year will have a spike as to recognising a new revenue stream.
38. There has been an increase in the electricity charges relating to the electricity costs, growth in activity, inflation for Enterprise Bargaining Agreements and non-labour escalation.
39. Increase due to revised commissioning of assets, mainly due to Mackay Base Hospital buildings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

40. Increase in User charges reflects additional grant funding provided for amendments in the Service Agreement between Mackay Hospital and Health Service (MHHS) and the Department of Health, including growth in activity, oral health, backlog maintenance Hospital transition funding and non-labour escalation.
41. The increase is owing to the reviewed interpretation of AASB 101 recognising recoupment of salaries and wages from either within the Department of Health or from external government agencies as revenue compared with previously credits to expenditure. The 2013-14 financial year will have a spike as to recognising a new revenue stream.

42. Recognition of the increase in electricity charges. A reduction in contractor payments owing to a reduction in use of agency and locums aiding with the increase to QH contracted staff.
43. Increase due to revised commissioning of assets, mainly due to Mackay Base Hospital buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

44. Increase due to revised commissioning of assets, mainly due to Mackay Base Hospital buildings.



# METRO NORTH HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

The Metro North Hospital and Health Service (HHS) is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of approximately 900,000 people residing in a geographical area extending from the Brisbane River to north of Kilcoy.

The Metro North HHS is responsible for the direct management of the facilities within the HHS's geographical boundaries including:

- Royal Brisbane and Women's Hospital
- The Prince Charles Hospital
- Redcliffe Hospital
- Caboolture Hospital
- Kilcoy Hospital
- Brighton Health Campus and Services

The Metro North HHS also operates a number of Primary and Community Health Services, Mental Health Services, Oral Health Services and Sub-acute Services.

The Metro North HHS objectives for 2014-15 include:

- implementing models of care that meet the needs of our local and state-wide community, and provide the best possible patient experience
- building partnerships with health care providers and other relevant organisations to improve the integration and delivery of health care
- engaging and empowering our community in the planning and delivery of health services that are responsive to local need and providing a consumer focus in how we design and deliver care
- engaging and involving our clinical leaders and all our staff by valuing their individual and collective contribution in the delivery of health services
- providing our staff with information, support and resources so they can provide the best and sustainable quality of care
- creating confidence in the quality of service we provide by embracing a culture of transparency in our performance and accountability
- ensuring models of service delivery are economically viable and services are provided effectively and efficiently
- improving our service quality, knowledge and capability by strengthening our health research utilising academic and other strategic partnerships, increased community participation and non-health sectors
- supporting and embedding innovation in everything we do.

These objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The Metro North HHS has an operating budget of \$2.088 billion for 2014-15 which is an increase of \$52.3 million (2.6%) from the published 2013-14 operating budget of \$2.036 billion.

The Service Agreement between the Metro North HHS and the Department of Health identifies the health services to be provided, funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

The Metro North HHS Strategic Plan, Health Service Plan, Sub-Acute Plan and Outpatient Strategy reflect local priorities in line with whole-of-Government state-wide plans and commitments.

In 2013-14, the Metro North HHS implemented a range of service enhancements and models to improve patient access including:

- opening of two Short Stay Units at Caboolture Hospital which has assisted in increasing emergency department capacity
- introduction of a Central Patient Intake model, which receives an average of 750 – 780 referrals per day
- establishment of care pathways in partnership with Metro North Brisbane Medicare Local and
- implementation of the “improving outpatient access” project, which addresses the legacy outpatient wait list.

Metro North HHS will continue to further develop these initiatives during 2014-15. This will ensure improved access, efficiency and performance in outpatients, elective surgery and the emergency department.

The Metro North HHS will meet the Government’s objectives for the community by transforming over the next two years to become a sustainable and efficient health service, providing patient-focussed high quality care that is compassionate and coordinated. Our patients will benefit from one Metro North service delivering coordinated care, integrated clinical services, equity of access and the best health care provision.

## STATEMENTS

### Staffing

Metro North Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	12,691	12,758	12,602

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 12,591 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Decrease in FTEs in 2014-15 relates to the delivery of activity through arrangements with the private sector.

### Performance Statement

Metro North Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	73%	80%
• Category 3 (within 30 minutes)		75%	63%	75%
• Category 4 (within 60 minutes)		70%	72%	70%
• Category 5 (within 120 minutes)		70%	92%	70%
• All categories	1	..	70%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	72%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	18	20
Median wait time for elective surgery (days)				
	3	25	26	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	94%	100%
• Category 2 (90 days)		91%	74%	97%
• Category 3 (365 days)	2	96%	84%	98%

Metro North Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		49%	47%	49%
• Category 2 (90 days)		37%	29%	37%
• Category 3 (365 days)	4	90%	44%	90%
Total weighted activity units:				
• Acute Inpatient		182,401	190,113	188,949
• Outpatients		47,860	47,817	49,454
• Sub-acute		19,710	19,071	19,071
• Emergency Department		32,883	34,988	35,595
• Mental Health	5	30,072	24,443	24,443
• Interventions and Procedures	6	27,549	26,095	25,581
Average cost per weighted activity unit for Activity Based Funding facilities	7	\$4,389	\$4,359	\$4,357
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	8	1.3	2.0	<2.0
Number of in-home visits, families with newborns	9, 10	13,262	9,934	16,181
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		>60%	61.8%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	11	<12%	14.6%	<12%
Ambulatory mental health service contact duration (hours)	12	165,454 – 198,545	130,423	>161,211

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. Variance from the 2013-14 Target/Est. to the 2013-14 Est. Actual is largely due to the number of long stay mental health patients, as activity is counted upon discharge.
6. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
7. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
8. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
9. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due to data collection issues.
10. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs proportionate to projected births per HHS. It is anticipated that, where required, improvements will occur in relation to data collection.
11. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. This HHS has made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
12. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Metro North Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 9, 17	2,002,068	2,063,044	2,039,116
Grants and other contributions	2, 10, 18	27,259	22,247	16,331
Interest		1,241	683	700
Other revenue	3, 11	5,586	31,529	32,318
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>2,036,154</b>	<b>2,117,503</b>	<b>2,088,465</b>
<b>Expenses</b>				
Employee expenses		3,890	3,890	3,997
Supplies and services:				
- Outsourced service delivery	4, 12	..	14,000	13,000
- Other supplies and services	4, 12, 19	483,502	515,615	528,268
- Department of Health Contract Staff		1,453,409	1,499,426	1,457,430
Grants and subsidies	5, 13	4,248	2,058	2,109
Depreciation and amortisation	6, 14	83,470	74,479	75,424
Finance/borrowing costs		..	..	..
Other expenses	7, 15	4,623	2,244	2,301
Losses on sale/revaluation of assets	8, 16	3,012	5,791	5,936
<b>Total expenses</b>		<b>2,036,154</b>	<b>2,117,503</b>	<b>2,088,465</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Metro North Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	22, 25	55,079	55,079	89,133
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>55,079</b>	<b>55,079</b>	<b>89,133</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>55,079</b>	<b>55,079</b>	<b>89,133</b>
Equity injection/(withdrawal)	20, 23, 26	(56,214)	(40,345)	(52,807)
Equity adjustments (inc. MoG transfers)	21, 24, 27	198,089	16,674	21
<b>Total movement in equity for period</b>		<b>196,954</b>	<b>31,408</b>	<b>36,347</b>

## BALANCE SHEET

Metro North Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	28, 36	72,723	51,679	54,717
Receivables	29, 37	39,834	46,088	47,207
Other financial assets		..	..	..
Inventories	30, 38	17,976	16,067	16,272
Other		3,129	3,674	3,960
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>133,662</b>	<b>117,508</b>	<b>122,156</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	31, 39	1,522,272	1,297,693	1,334,063
Intangibles		224	302	279
Other		119	204	204
<b>Total non-current assets</b>		<b>1,522,615</b>	<b>1,298,199</b>	<b>1,334,546</b>
<b>TOTAL ASSETS</b>		<b>1,656,277</b>	<b>1,415,707</b>	<b>1,456,702</b>
<b>CURRENT LIABILITIES</b>				
Payables	32, 40, 44	113,565	70,916	75,553
Accrued employee benefits		109	141	152
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		106	1,086	1,086
<b>Total current liabilities</b>		<b>113,780</b>	<b>72,143</b>	<b>76,791</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	150	150
<b>Total non-current liabilities</b>		<b>..</b>	<b>150</b>	<b>150</b>
<b>TOTAL LIABILITIES</b>		<b>113,780</b>	<b>72,293</b>	<b>76,941</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,542,497</b>	<b>1,343,414</b>	<b>1,379,761</b>
<b>EQUITY</b>				
Capital/contributed equity	33, 41	1,470,741	1,266,134	1,213,348
Accumulated surplus/(accumulated deficit)	34, 42	..	22,201	22,201
Reserves:				
- Asset revaluation surplus	35, 43, 45	71,756	55,079	144,212
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,542,497</b>	<b>1,343,414</b>	<b>1,379,761</b>

## CASH FLOW STATEMENT

Metro North Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	46, 54, 62	1,997,234	2,079,486	2,033,113
Grants and other contributions	47, 55, 63	27,259	22,247	16,331
Interest received		1,241	683	700
Taxes		..	..	..
Other	48, 56	43,036	68,979	71,833
<b>Outflows</b>				
Employee costs		(3,883)	(3,883)	(3,986)
Supplies and services	49, 57, 64	(1,968,421)	(2,132,576)	(2,035,119)
Grants and subsidies	50, 58	(4,248)	(2,058)	(2,109)
Borrowing costs		..	..	..
Other	51, 59	(4,623)	(2,244)	(2,301)
<b>Net cash provided by/(used in) operating activities</b>		<b>87,595</b>	<b>30,634</b>	<b>78,462</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	52, 60, 65	(27,256)	(40,499)	(22,617)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(27,256)</b>	<b>(40,499)</b>	<b>(22,617)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	53, 61, 66	27,256	34,134	22,617
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(83,470)	(74,479)	(75,424)
<b>Net cash provided by/(used in) financing activities</b>		<b>(56,214)</b>	<b>(40,345)</b>	<b>(52,807)</b>
<b>Net increase/(decrease) in cash held</b>		<b>4,125</b>	<b>(50,210)</b>	<b>3,038</b>
<b>Cash at the beginning of financial year</b>		<b>68,598</b>	<b>101,889</b>	<b>51,679</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>72,723</b>	<b>51,679</b>	<b>54,717</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase includes funding to clear surgical long waits, to clear Cochlear implants wait list, to clear dental wait lists, to clear backlog maintenance and funding for the Voluntary Redundancy program.
2. Grant funding from Department of Health (Department of Health) was classified as Grants and other contributions in the 2013-14 Adjusted budget published in the 2013-14 SDS. Grant funding from DoH has been reclassified as User charges and fees in the 2013-14 Adjusted budget. Decrease reflects the progressive transfer of residential aged care services to the non-government sector in accordance with the Queensland Government Response to the Independent Commission of Audit Final Report 2013.
3. Increase reflects change in accounting policy where expense recoveries are now recognised as revenue.
4. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Increase in Other supplies and services reflects increased funding to clear surgical long waits, to clear Cochlear implants wait list, to clear dental wait lists, to clear backlog maintenance, and funding for the Voluntary Redundancy program.
5. Decrease in Grants and subsidies to reflect actual medical research scholarships awarded in 2013-14.
6. Decrease in Depreciation due to changes in timing of asset commissioning and transfer from DoH to the HHS.
7. Decrease in Other expenses to reflect current estimates in 2013-14.
8. Increase mainly book losses on disposal of assets replaced under the Health Technology Equipment Replacement program.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

9. Grant funding from DoH was classified as Grants and other contributions in the 2013-14 Budget published in the 2013-14 SDS. Grant funding from DoH has been reclassified as User charges and fees in the 2013-14 Adjusted budget. Increase includes funding to clear surgical long waits, to clear Cochlear implants wait list, to clear dental wait lists, and to clear backlog maintenance.
10. Grant funding from DoH was classified as Grants and other contributions in the 2013-14 Budget published in the 2013-14 SDS. Grant funding from DoH has been reclassified as User charges and fees in the 2013-14 Adjusted budget. Decrease reflects the progressive transfer of residential aged care services to the non-government sector in accordance with the Queensland Government Response to the Independent Commission of Audit Final Report 2013.
11. Increase reflects change in accounting policy where expense recoveries are now recognised as revenue.
12. The reclassification of Supplies and Services to either Outsourced service delivery or Other supplies and services has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Increase reflects increased funding to clear surgical long waits, funding to clear Cochlear implants wait list, funding to clear dental wait lists, and funding to clear backlog maintenance.
13. Decrease to reflect actual medical research scholarships awarded in 2013-14.
14. Decrease in Depreciation due to changes in timing of asset commissioning and transfer from DoH to the HHS.
15. Decrease to reflect current estimates in 2013-14.
16. Increase mainly book losses on disposal of assets replaced under the Health Technology Equipment Replacement program.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

17. Decrease reflects inflationary increase for fees and charges, increase in non-labour escalation and enterprise bargaining offset by decrease in grants funding from DoH due to cessation of the Voluntary Redundancy Program, decrease in funding to clear Dental wait lists, decrease in non-recurrent project funding in 2013-14 and decrease due to reverse activity flows to Sunshine Coast Ramsay Private Hospital.

18. Decrease reflects the progressive transfer of residential aged care services to the non-government sector in accordance with the Queensland Government Response to the Independent Commission of Audit Final Report 2013.
19. Decrease in Other supplies and services reflects increase in non-labour escalation and enterprise bargaining offset by decrease in grants funding from DoH due to cessation of the Voluntary Redundancy Program, decrease in funding to clear Dental wait lists and decrease in non-recurrent project funding in 2013-14 and decrease due to reverse activity flows to Sunshine Coast Ramsay Private Hospital.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

20. Decrease reflects changes in timing of asset commissioning and transfer from DoH to the HHS.
21. Decrease reflects changes in timing of asset commissioning and transfer from DoH to the HHS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

22. Expected increase due to revaluation of all HHS asset portfolio in 2014-15.
23. Decrease reflects changes in timing of asset commissioning and transfer from DoH to the HHS.
24. Decrease reflects changes in timing of asset commissioning and transfer from DoH to the HHS.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

25. Expected increase due to revaluation of all HHS asset portfolio in 2014-15.
26. Increase reflects changes in timing of asset commissioning and transfer from DoH to the HHS.
27. Decrease reflects changes in timing of asset commissioning and transfer from DoH to the HHS.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

28. Decrease in cash is due to increases in payments under the Health Technology Equipment Replacement program and timing differences associated with receivables and payables.
29. Increase reflects current trend in 2013-14 subject to timing of payments received.
30. Decrease in Inventories reflects current inventory trends in 2013-14.
31. Decrease in Property, plant and equipment due to changes in timing of asset commissioning and transfer from DoH to the HHS.
32. Decrease in Payables due to reduced labour accrual due to change in methodology by DoH.
33. Decrease due to changes in timing of asset commissioning and transfer from DoH to the HHS.
34. HHS operating surplus from prior years.
35. Decrease due to changes in timing of asset commissioning and transfer from DoH to the HHS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

36. Decrease in cash is due to increases in payments under the Health Technology Equipment Replacement program and timing differences associated with receivables and payables.
37. Increase reflects current trend from 2013-14 expected to continue in 2014-15 subject to timing of payments received.
38. Decrease reflects current inventory trends in 2013-14 expected to continue in 2014-15.
39. Decrease due to changes in timing of asset commissioning and transfer from DoH to the HHS.
40. Decrease in Payables due to reduced labour accrual due to change in methodology by DoH.
41. Decrease due to changes in timing of asset commissioning and transfer from DoH to the HHS.
42. HHS operating surplus from prior years.
43. Expected increase due to revaluation of all HHS asset portfolio in 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

44. Increase in Payables in labour accrual due to timing of final pay in 2014-15.
45. Expected increase due to revaluation of all HHS asset portfolio in 2014-15.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

46. Grant funding from DoH was classified as Grants and other contributions in the 2013-14 Budget published in the 2013-14 SDS. Grant funding from DoH has been reclassified as User charges and fees in the 2013-14 Adjusted budget. Increase reflects funding to clear surgical long waits, to clear Cochlear implants wait list, to clear dental wait lists, to clear backlog maintenance, and funding for the Voluntary Redundancy program.

47. Grant funding from DoH was classified as Grants and other contributions in the 2013-14 Budget published in the 2013-14 SDS. Grant funding from DoH has been reclassified as User charges and fees in the 2013-14 Adjusted budget. Decrease reflects the progressive transfer of residential aged care services to the non-government sector in accordance with the Queensland Government Response to the Independent Commission of Audit Final Report 2013.
48. Increase reflects change in accounting policy where expense recoveries are now recognised as revenue.
49. Increase in Supplies and services reflects increased funding to clear surgical long waits, funding to clear Cochlear implants wait list, funding to clear dental wait lists, funding to clear backlog maintenance and funding for the Voluntary Redundancy program.
50. Decrease in Grants and subsidies to reflect actual medical research scholarships awarded in 2013-14.
51. Decrease in Other outflows to reflect current estimates in 2013-14.
52. Increase reflects change in timing of payments under the Health Technology Equipment Replacement program.
53. Increase reflects change in timing of payments under the Health Technology Equipment Replacement program.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

54. Grant funding from DoH was classified as Grants and other contributions in the 2013-14 Budget published in the 2013-14 SDS. Grant funding from DoH has been reclassified as User charges and fees in the 2013-14 Adjusted budget. Increased funding to clear surgical long waits, to clear Cochlear implants wait list, to clear dental wait lists, and funding to clear backlog maintenance.
55. Grant funding from DoH was classified as Grants and other contributions in the 2013-14 Budget published in the 2013-14 SDS. Grant funding from DoH has been reclassified as User charges and fees in the 2013-14 Adjusted budget. Decrease reflects the progressive transfer of residential aged care services to the non-government sector in accordance with the Queensland Government Response to the Independent Commission of Audit Final Report 2013.
56. Increase reflects change in accounting policy where expense recoveries are now recognised as revenue.
57. Increase in Supplies and services reflects increased funding to clear surgical long waits, funding to clear Cochlear implants wait list, funding to clear dental wait lists, and funding to clear backlog maintenance.
58. Decrease in Grants and subsidies to reflect actual medical research scholarships awarded in 2013-14.
59. Decrease to reflect current estimates in 2013-14.
60. Decrease reflects change in timing of payments under the Health Technology Equipment Replacement program.
61. Decrease reflects change in timing of payments under the Health Technology Equipment Replacement program.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

62. Decrease reflects inflationary increase for fees and charges, increase in non-labour escalation and enterprise bargaining offset by decrease in grants funding from DoH due to cessation of the Voluntary Redundancy Program, decrease in funding to clear Dental wait lists, decrease in non-recurrent project funding in 2013-14 and decrease due to reverse activity flows to Sunshine Coast Ramsay Private Hospital.
63. Decrease in Grants and other contributions reflects the progressive transfer of residential aged care services to the non-government sector in accordance with the Queensland Government Response to the Independent Commission of Audit Final Report 2013.
64. Decrease in Supplies and services reflects increase in non-labour escalation and enterprise bargaining offset by decrease in grants funding from DoH due to cessation of the Voluntary Redundancy Program, decrease in funding to clear Dental wait lists, decrease in non-recurrent project funding in 2013-14 and decrease due to reverse activity flows to Sunshine Coast Ramsay Private Hospital.
65. Decrease reflects change in timing of payments under the Health Technology Equipment Replacement program.
66. Decrease reflects change in timing of payments under the Health Technology Equipment Replacement program.



# METRO SOUTH HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

The Metro South Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. Metro South is the most populated HHS in Queensland with a resident population of over 1 million people. Metro South HHS covers 3,856 square kilometres and includes Brisbane City south of the Brisbane River, Redland City, Logan City, Beaudesert and the eastern portion of the Scenic Rim.

Metro South HHS operates five hospitals (Princess Alexandra, Logan, Redland, Queen Elizabeth II Jubilee (QEII), Beaudesert), the Wynnum Health Service, and an emergency clinic on North Stradbroke Island. It also comprises a number of residential care facilities, community health centres, mental health and oral health services, as well as outreach and home visiting services.

Through these facilities, Metro South HHS delivers a full suite of specialties from eight clinical and five non-clinical streams. The clinical streams are:

- Aged Care and Rehabilitation Services
- Emergency and Clinical Support Services
- Mental Health Services
- Patient Flow, Ambulatory Care and Hospital Avoidance
- Cancer Services
- Medicine and Chronic Disease Services
- Surgical Services
- Women's and Children's Services

The non-clinical streams are:

- Clinical Governance
- Finance
- Planning, Engagement and Reform
- Corporate Services
- Information Technology

The Metro South HHS strategic objectives focus on delivering on the principal themes articulated in the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The Metro South HHS has an operating budget of \$1.890 billion for 2014-15 which is an increase of \$139.2 million (7.9%) from the published 2013-14 operating budget of \$1.751 billion.

The Service Agreement between the Metro South HHS and Department of Health identifies the health services to be provided, funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

The Metro South HHS Strategic Plan reflects local priorities in line with whole-of-Government state wide plans and commitments.

During 2013-14, the Metro South HHS implemented a range of service enhancements including:

- recommencement of birthing and procedural services at the Beaudesert hospital
- integration of a range of community based and acute services to support hospital avoidance and substitution priorities for a range of chronic illnesses
- relocation of the Logan Hospital Oral Health Clinic to Logan Central Community Health Centre to improve access and efficiency and increase patient service targets
- opening of new emergency and endoscopy facilities at the QEII Hospital.

In 2014-15, work will continue on the \$145 million upgrade to the Logan Hospital, which will provide:

- a new expanded emergency department
- 14 new paediatric overnight beds
- a new procedure room and a cardiac catheter laboratory and 6 day ward recovery spaces in a new ward for elective surgery and 23-hour care
- 24 rehabilitation beds in a new a sub-acute rehabilitation ward.

Metro South HHS is undertaking a range of new initiatives to improve service delivery including:

- Wynnum Health Precinct – the development of a health precinct on the former Moreton Bay Nursing Unit site will go to tender with buildings on the site undergoing demolition, which is due for completion in mid-2014
- CAREPACT – an innovative project to support healthcare delivered in residential aged care facilities and avoid unnecessary hospitalisation
- PAVE (People, Actions, Values, Empowerment) – a proactive workforce engagement strategy aligned to the public service values, and aimed at improving workforce culture and productivity, launched in February 2014
- Central Referral Hub – a single point for the receipt and triaging of all outpatient/allied health referrals commenced operation in May 2014. This will reduce duplication of referrals and the burden on General Practitioners (GPs) to understand currently complex referral pathways.

## STATEMENTS

### Staffing

Metro South Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5, 6	10,824	11,214	11,504

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted Full-time equivalents (FTE).
- 2013-14 Estimated actual is the estimated FTEs as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 11,498 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- 2013-14 Estimated actual FTE reflects amendments in the Service Agreement between Metro South Hospital and Health Service (MSHHS) and the Department of Health which includes new services such as the QEII Hospital Endoscopy and Transit Lounge, Logan Hospital Elective Surgery and 23-hour care funded under the National Partnership Agreement on Improving Public Hospitals and Elective Surgery Long Wait Initiative.
- Estimated 2014-15 FTE reflect amendments in the Service Agreement between MSHHS and Department of Health. Specific growth in 2014-15 includes the new Logan Hospital paediatric overnight beds and residual impacts of QEII Endoscopy and Transit Lounge and continuation of Elective Surgery Long Wait Initiative.

### Performance Statement

Metro South Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	84%	80%
• Category 3 (within 30 minutes)		75%	68%	75%
• Category 4 (within 60 minutes)		70%	75%	70%
• Category 5 (within 120 minutes)		70%	93%	70%
• All categories	1	..	74%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	73%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	18	20
Median wait time for elective surgery (days)				
	3	25	27	25

<b>Metro South Hospital and Health Service</b>	<b>Notes</b>	<b>2013-14 Target/est.</b>	<b>2013-14 Est. Actual</b>	<b>2014-15 Target/est.</b>
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	89%	100%
• Category 2 (90 days)		91%	64%	97%
• Category 3 (365 days)	2	96%	62%	98%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		63%	48%	63%
• Category 2 (90 days)		34%	31%	34%
• Category 3 (365 days)	4	90%	45%	90%
Total weighted activity units:				
• Acute Inpatient		150,863	153,397	157,461
• Outpatients		41,493	43,336	45,559
• Sub-acute		16,014	17,389	18,950
• Emergency Department		33,836	36,537	38,021
• Mental Health		16,364	13,896	13,988
• Interventions and Procedures	5	27,926	26,104	26,112
Average cost per weighted activity unit for Activity Based Funding facilities	6	\$4,552	\$4,466	\$4,531
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	1.1	1.8	<2.0
Number of in-home visits, families with newborns	8, 9	20,145	19,563	22,999
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	10	>60%	57.3%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	11	<12%	15.5%	<12%
Ambulatory mental health service contact duration (hours)	12	194,251 – 233,101	166,958	>189,627

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.

2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014 and excludes Princess Alexandra and Mater public facilities.
5. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint Value for Money* indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
6. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
8. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due to data collection issues.
9. The 2013-14 Target/Est. of 20,145 visits, as published in the 2013-14 Service Delivery Statement, was subsequently revised downwards to 19,248 to reflect a revised target.
10. The Department of Health and the Metro South HHS are working together with the aim of improving the rate of community follow-up for this vulnerable population.
11. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. This HHS has made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
12. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Metro South Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 2, 11, 16	1,720,265	1,792,383	1,838,823
Grants and other contributions	1, 17	28,397	36,432	33,155
Interest		1,395	1,214	1,245
Other revenue	3, 12	1,242	16,068	16,469
Gains on sale/revaluation of assets		..	786	805
<b>Total income</b>		<b>1,751,299</b>	<b>1,846,883</b>	<b>1,890,497</b>
<b>Expenses</b>				
Employee expenses		1,896	1,968	2,017
Supplies and services:				
- Outsourced service delivery	4, 13, 18	..	33,761	31,044
- Other supplies and services	5, 14, 19	441,848	441,564	466,831
- Department of Health Contract Staff		1,233,148	1,261,260	1,307,975
Grants and subsidies	6, 20	3,221	4,393	3,063
Depreciation and amortisation	7, 15, 21	64,311	62,792	67,379
Finance/borrowing costs		..	..	..
Other expenses	8	5,553	7,900	8,098
Losses on sale/revaluation of assets	9	1,322	3,990	4,090
<b>Total expenses</b>		<b>1,751,299</b>	<b>1,817,628</b>	<b>1,890,497</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	10	<b>..</b>	<b>29,255</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Metro South Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	22,25,28	40,336	23,128	25,903
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>40,336</b>	<b>23,128</b>	<b>25,903</b>
Surplus/(deficit) for the period	23	..	29,255	..
<b>Total recognised income and expense for the period</b>		<b>40,336</b>	<b>52,383</b>	<b>25,903</b>
Equity injection/(withdrawal)	26,29	(42,086)	(39,524)	(49,579)
Equity adjustments (inc. MoG transfers)	24,27,30	50,000	125,229	35,958
<b>Total movement in equity for period</b>		<b>48,250</b>	<b>138,088</b>	<b>12,282</b>

## BALANCE SHEET

Metro South Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	31,37,42	100,725	143,873	156,540
Receivables	32,38	36,305	18,918	18,016
Other financial assets		..	..	..
Inventories		12,763	12,783	12,928
Other		1,534	1,512	1,652
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>151,327</b>	<b>177,086</b>	<b>189,136</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	33,39,43	1,147,831	1,173,386	1,185,742
Intangibles		178	103	29
Other		1	..	..
<b>Total non-current assets</b>		<b>1,148,010</b>	<b>1,173,489</b>	<b>1,185,771</b>
<b>TOTAL ASSETS</b>		<b>1,299,337</b>	<b>1,350,575</b>	<b>1,374,907</b>
<b>CURRENT LIABILITIES</b>				
Payables	34,44	123,727	111,082	123,020
Accrued employee benefits		1,104	162	274
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		36	..	..
<b>Total current liabilities</b>		<b>124,867</b>	<b>111,244</b>	<b>123,294</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>124,867</b>	<b>111,244</b>	<b>123,294</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,174,470</b>	<b>1,239,331</b>	<b>1,251,613</b>
<b>EQUITY</b>				
Capital/contributed equity	35,45	1,122,587	1,134,605	1,120,984
Accumulated surplus/(accumulated deficit)	36,40	..	49,244	49,244
Reserves:				
- Asset revaluation surplus	41,46	51,883	55,482	81,385
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,174,470</b>	<b>1,239,331</b>	<b>1,251,613</b>

## CASH FLOW STATEMENT

Metro South Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	47,48,54, 55,62	1,717,820	1,726,803	1,769,778
Grants and other contributions	63	28,397	67,633	33,155
Interest Received		1,395	1,214	1,245
Taxes		..	..	..
Other	49,56	32,272	47,098	49,210
<b>Outflows</b>				
Employee costs		(1,825)	(1,897)	(1,905)
Supplies and services	50,57,64	(1,701,105)	(1,762,734)	(1,827,104)
Grants and subsidies	51,65	(3,221)	(4,393)	(3,063)
Borrowing costs		..	..	..
Other	52,58	(5,553)	(8,686)	(8,098)
<b>Net cash provided by/(used in) operating activities</b>		<b>68,180</b>	<b>65,038</b>	<b>13,218</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	(537)	(551)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	53,59,66	(22,225)	(25,583)	(17,800)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(22,225)</b>	<b>(26,120)</b>	<b>(18,351)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	60,67	22,225	23,268	17,800
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	61,68	(64,311)	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(42,086)</b>	<b>23,268</b>	<b>17,800</b>
<b>Net increase/(decrease) in cash held</b>		<b>3,869</b>	<b>62,186</b>	<b>12,667</b>
<b>Cash at the beginning of financial year</b>		<b>96,856</b>	<b>81,687</b>	<b>143,873</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>100,725</b>	<b>143,873</b>	<b>156,540</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. In 2013-14 there was a reclassification of ABF, Block, Teaching training and System manager funding realigned under User charges.
2. Increase reflects amendments in the Service Agreement between Metro South Hospital and Health Service (MSHHS) and the Department of Health (DoH). Various new services such as QEII Hospital Endoscopy and Transit Lounge, Logan Hospital Elective Surgery and 23-hour care funded under the National Partnership Agreement on Improving Public Hospitals and Elective Surgery Long Wait Initiative have largely contributed to this variance.
3. Increase in Other revenue relates to the reclassification of Salary Recoveries reimbursement which was recorded in salary expense in 2012-13 plus inflation on current revenue.
4. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change.
5. Increase in Other supplies and services is due to additional purchases as part of the Service Agreement amendments as well as Enterprise Bargaining for health service employees.
6. Increase in grants and subsidies are due to inflation of current program arrangements and new funding arrangements.
7. Decrease in Depreciation and amortisation due to timing delays for the transfer of assets.
8. Increase in Other expenses relates to the realignment to actual expenditure.
9. Increase is predominately due to increase in expected bad debt provision of receivables relating to ineligible patients.
10. MSHHS is reporting a projected surplus of \$29.255 million for 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

11. Increase reflects amendments in the Service Agreement between MSHHS and DoH. Specific growth includes the new Logan Hospital paediatric overnight beds and residual impacts of QEII Endoscopy and Transit Lounge and continuation of Elective Surgery Long Wait Initiative plus funding for Enterprise Bargaining and inflation allowance for non-labour expenditure.
12. Increase in Other revenue relates to inflation allowances on current revenue.
13. The reclassification of expenditure is due to the introduction of the new Guideline *Distinction between Grants and Service Procurement Payments*. Supplies and Services have been reclassified as Outsourced Service Delivery and includes contracts with external parties to Metro South Health to provide front line services to the community.
14. Increase in supplies and services is due to inflation of current services and additional costs associated with specific growth funding reflected in the Service Agreement between MSHHS and DoH.
15. Increase in depreciation and amortisation is due to completion of larger building projects.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

16. Increase reflects amendments in the Service Agreement between MSHHS and DoH. Specific growth includes the new Logan Hospital paediatric overnight beds and residual impacts of QEII Endoscopy and Transit Lounge and continuation of Elective Surgery Long Wait Initiative plus funding for Enterprise Bargaining and inflation funding for non-labour expenditure.
17. Decrease in grants and subsidies is due to the cessation and reduction of current programs arrangements past 2013-14.
18. Decrease in Outsourced service delivery due to completed arrangements for the 2013-14 period.
19. Additional expenditure under supplies and services reflects amendments in the Service Agreement between MSHHS and the DoH, including specific and general growth as well as inflation for enterprise bargaining agreements and non-labour escalations.
20. Decrease in grants and subsidies is due to the cessation and reduction of current programs arrangements past 2013-14.
21. Increase in depreciation and amortisation is due to completion of large building projects.

## Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

22. Decrease due to lower expected movement in the revaluation of land and buildings.
23. The movement is the surplus expected in the period.
24. Increase is due to higher expected transfer or commissioning of property, plant and equipment from the Department of Health.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

25. Decrease due to lower expected movement in the revaluation of land and buildings.
26. Increase is due to changes in depreciation funding and non-current asset purchases.
27. Decrease is due to reduction in transfer or commissioning of property, plant and equipment from the Department of Health.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

28. Increase is due to expected movement in the revaluation of land and buildings.
29. Increase is due to changes in depreciation funding and non-current asset purchases.
30. Decrease is due to reduction in transfer or commissioning of property, plant and equipment from the Department of Health.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

31. Increase in cash is predominantly due to grants receivable received in 2013-14 and additional revenue.
32. Decrease is predominantly due to lower receivable opening balance.
33. Increase due to impact of 2012-13 revaluation and increase in procurement of property, plant and equipment.
34. Decrease in payables is predominantly due to the impact of the lower opening balance.
35. Increase is predominantly due to changes in expected transfer of property, plant and equipment from the Department of Health.
36. Increase is due to the 2012-13 operating result and the estimated 2013-14 operating result impact.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

37. Increase in cash is predominantly due to grants receivable received in 2013-14 and additional revenue due to increased activity in both years.
38. Decrease is predominantly due to reduction in receivables in 2012-13 resulting in reduced balance in 2013-14.
39. Increase is predominantly due to purchase of property, plant and equipment and revaluation of land and building.
40. Increase is due to the 2012-13 operating result and the estimated 2013-14 operating result impact.
41. Increase is due to the impact of the 2012-13 revaluation on the asset revaluation reserve and the expected increment on the revaluation of buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

42. Increase in cash is predominantly due to additional revenue due to increased activity in 2014-15.
43. Increase is predominantly due to procurement of property, plant and equipment and revaluation of land and building.
44. Increase is due to higher end of year labour accrual.
45. Decrease is predominantly due to changes in the expected transfer of property, plant and equipment from the Department of Health.
46. Increase is due to the impact of the 2012-13 revaluation on the asset revaluation reserve and the expected increment on the revaluation of buildings.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

47. In 2013-14 there was a reclassification of ABF, Block, Teaching training and System manager funding realigned under User Charges.
48. Increase reflects amendments in the Service Agreement between Metro South Hospital and Health Service (MSHHS) and the Department of Health (DoH).

49. Increase in Other revenue relates to the reclassification of Salary Recoveries reimbursement which was recorded in salary expense in 2012-13 plus inflation on current revenue.
50. Increase in Other supplies and services is due to additional purchases as part of the Service Agreement amendments as well as Enterprise Bargaining for health service employees.
51. Increase in grants and subsidies are due to inflation of current program arrangements and new funding arrangements.
52. Increase in Other expenses relates to the realignment to actual expenditure.
53. Increase reflects the changes in the expected purchases of property, plant and equipment.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

54. In 2013-14 there was a reclassification of ABF, Block, Teaching training and System manager funding realigned under User Charges.
55. Increase reflects amendments in the Service Agreement between Metro South Hospital and Health Service (MSHHS) and the Department of Health (DoH).
56. Increase in Other revenue relates to the reclassification of Salary Recoveries reimbursement which was recorded in salary expense in 2012-13 plus inflation on current revenue.
57. Increase in Other supplies and services is due to additional purchases as part of the Service Agreement amendments as well as Enterprise Bargaining for health service employees.
58. Increase in Other expenses relates to the realignment to actual expenditure.
59. Decrease reflects the changes in the expected purchases of property, plant and equipment.
60. Decrease reflects changes in funding relating to the expected procurement of property, plant and equipment.
61. Equity withdrawal relating to depreciation funding in 2013-14.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

62. Increase reflects amendments in the Service Agreement between MSHHS and DoH. Specific growth includes the new Logan Hospital paediatric overnight beds and residual impacts of QEII Endoscopy and Transit Lounge and continuation of Elective Surgery Long Wait Initiative plus funding for Enterprise Bargaining and inflation funding for non-labour expenditure.
63. Decrease in grants and subsidies is due to grants receivable from 2012-13 received in 2013-14.
64. Increase reflects amendments in the Service Agreement between MSHHS and the DoH, including specific and general growth as well as inflation for enterprise bargaining agreements and non-labour escalations.
65. Decrease in grants and subsidies is due to the cessation and reduction of current programs arrangements past 2013-14.
66. Decrease reflects the changes in the expected procurement of property, plant and equipment.
67. Decrease reflects changes in funding relating to the expected purchases of property, plant and equipment.
68. Equity withdrawal relating to depreciation funding in 2013-14.



# NORTH WEST HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

North West Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The North West HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of around 34,000 people residing in a geographical area within north western Queensland and the Gulf of Carpentaria including Mount Isa, Burketown, Camooweal, Cloncurry, Dajarra, Doomadgee, Julia Creek, Karumba, Mornington Island, Normanton and Urandangi. The HHS also provides emergency ambulance retrieval and treatment support services across the Northern Territory border for communities towards Tennant Creek and Lake Nash.

The North West HHS is responsible for the direct management of the facilities within the HHS's geographical boundaries including its main referral centre, the Mount Isa Hospital, two Multipurpose Health Services, three rural/remote hospitals, four Primary Healthcare Centres and five Community Healthcare Centres. Partly due to the distances involved from North West HHS facilities to the communities within the area of responsibility, a number of service agreements exist with adjoining HHSs to provide services to some of these communities.

The North West HHS provides a comprehensive range of community and primary health services, including aged care assessment, Aboriginal and Torres Strait Islander health programs; child and maternal health services; alcohol, tobacco and other drug services; home care services; community health nursing, sexual health service, allied health, oral health and health promotion programs.

The North West HHS's key priorities for 2014-15 include:

- providing better access to health services
- addressing and improving key population health challenges and risks
- supporting the Government commitments to revitalise frontline services for families and deliver better infrastructure
- enhancing engagement and developing closer working relationships with patients, families, community groups, GPs and other primary health providers.

## RESOURCES AND PERFORMANCE

The North West HHS has an operating budget of \$140.5 million for 2014-15 which is an increase of \$5.0 million (3.7%) from its 2013-14 operating budget of \$135.5 million.

The Service Agreement between the North West HHS and the Department of Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

## STATEMENTS

### Staffing

North West Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	626	626	639

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 637 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

North West Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	95%	80%
• Category 3 (within 30 minutes)		75%	83%	75%
• Category 4 (within 60 minutes)		70%	70%	70%
• Category 5 (within 120 minutes)		70%	83%	70%
• All categories	1	..	77%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	90%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	17	20
Median wait time for elective surgery (days)				
	3	25	28	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	99%	100%
• Category 2 (90 days)		91%	99%	97%
• Category 3 (365 days)	2	96%	100%	98%

North West Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		28%	24%	28%
• Category 2 (90 days)		39%	48%	39%
• Category 3 (365 days)	4	90%	55%	90%
Total weighted activity units:				
• Acute Inpatient		6,731	6,794	6,731
• Outpatients		5,369	5,708	5,832
• Sub-acute		179	551	179
• Emergency Department		5,188	5,722	5,188
• Mental Health		100	116	100
• Interventions and Procedures	5	459	490	459
Average cost per weighted activity unit for Activity Based Funding facilities				
	6	\$4,810	\$5,751	\$5,251
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days				
	7	0.3	0.0	<2.0
Number of in-home visits, families with newborns				
	8	620	788	755
Ambulatory mental health service contact duration (hours)				
	9	7,584 – 9,480	4,713	>6,447

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.

6. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
8. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs. It is anticipated that, where required, improvements will occur in relation to data collection.
9. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

North West Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,4,8	132,535	135,331	137,997
Grants and other contributions	1,5	2,807	4,094	2,270
Interest		24	15	16
Other revenue		88	193	200
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>135,454</b>	<b>139,633</b>	<b>140,483</b>
<b>Expenses</b>				
Employee expenses		280	899	926
Supplies and services:				
- Outsourced service delivery				
- Other supplies and services	2,6,9	53,166	60,991	59,541
- Department of Health Contract Staff		71,496	69,441	71,524
Grants and subsidies		2,377	380	..
Depreciation and amortisation	3,7,10	7,535	7,236	7,784
Finance/borrowing costs		..	..	..
Other expenses		261	586	606
Losses on sale/revaluation of assets		339	100	102
<b>Total expenses</b>		<b>135,454</b>	<b>139,633</b>	<b>140,483</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>				

## STATEMENT OF CHANGES IN EQUITY

North West Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	12, 14	4,646	4,646	9,117
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>4,646</b>	<b>4,646</b>	<b>9,117</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>4,646</b>	<b>4,646</b>	<b>9,117</b>
Equity injection/(withdrawal)		(6,326)	(5,926)	(6,601)
Equity adjustments (inc. MoG transfers)	11, 13, 15	62,575	19,202	1,014
<b>Total movement in equity for period</b>		<b>60,895</b>	<b>17,922</b>	<b>3,530</b>

## BALANCE SHEET

North West Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	16, 22	6,112	7,149	7,750
Receivables	17, 23	195	2,367	2,378
Other financial assets		..	..	..
Inventories		941	459	470
Other		(8)	79	78
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>7,240</b>	<b>10,054</b>	<b>10,676</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18, 24, 28	154,011	121,752	125,282
Intangibles		1	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>154,012</b>	<b>121,752</b>	<b>125,282</b>
<b>TOTAL ASSETS</b>		<b>161,252</b>	<b>131,806</b>	<b>135,958</b>
<b>CURRENT LIABILITIES</b>				
Payables	19, 25	6,880	8,414	9,036
Accrued employee benefits		..	45	45
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		2	..	..
<b>Total current liabilities</b>		<b>6,882</b>	<b>8,459</b>	<b>9,081</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>6,882</b>	<b>8,459</b>	<b>9,081</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>154,370</b>	<b>123,347</b>	<b>126,877</b>
<b>EQUITY</b>				
Capital/contributed equity	20, 26, 29	148,329	104,939	99,352
Accumulated surplus/(accumulated deficit)		..	1,141	1,141
Reserves:				
- Asset revaluation surplus	21, 27, 30	6,041	17,267	26,384
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>154,370</b>	<b>123,347</b>	<b>126,877</b>

## CASH FLOW STATEMENT

North West Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	31, 33, 37	132,535	135,275	137,948
Grants and other contributions	31, 34	2,715	5,245	2,270
Interest received		24	15	16
Taxes		..	..	..
Other		4,077	4,182	4,409
<b>Outflows</b>				
Employee costs		(280)	(899)	(926)
Supplies and services	32	(128,600)	(134,167)	(134,726)
Grants and subsidies		(2,377)	(380)	..
Borrowing costs		..	..	..
Other		(261)	(586)	(606)
<b>Net cash provided by/(used in) operating activities</b>		<b>7,833</b>	<b>8,685</b>	<b>8,385</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	38	(1,209)	(1,992)	(1,183)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,209)</b>	<b>(1,992)</b>	<b>(1,183)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	35, 39	1,209	1,310	1,183
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	36, 40	(7,535)	(7,236)	(7,784)
<b>Net cash provided by/(used in) financing activities</b>		<b>(6,326)</b>	<b>(5,926)</b>	<b>(6,601)</b>
<b>Net increase/(decrease) in cash held</b>		<b>298</b>	<b>767</b>	<b>601</b>
<b>Cash at the beginning of financial year</b>		<b>5,814</b>	<b>6,382</b>	<b>7,149</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>6,112</b>	<b>7,149</b>	<b>7,750</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase reflects additional funding provided for amendments in the Service Agreement between NWHHS and the Department of Health. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
2. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Additional expenditure reflects the amendments in the Service Agreement between NWHHS and the Department of Health.
3. Decrease due to revised commissioning of assets in 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

4. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Budget has been reclassified as User charges and fees under 2014-15 Budget. Increase in funding provided under the Service Agreement between NWHHS and the Department of Health due to additional purchased activity. Increase includes favourable projections in own source revenue generation.
5. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2014-15 Budget.
6. The reclassification of Supplies and services to either Outsourced Service Delivery or Other Supplies and Services has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Increase in expenditure reflects amendments in the Service Agreement between NWHHS and the Department of Health increasing purchased activity in 2014-15.
7. Increase due to revised commissioning of assets.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

8. Increase in funding provided in the Service Agreement between NWHHS and the Department of Health, which reflects an increase in purchased activity in 2014-15. Increase includes projected increases in own source revenue generation.
9. Increase in expenditure reflects amendments in the Service Agreement between NWHHS and the Department of Health.
10. Increase due to revised commissioning of assets.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

11. Decrease in equity adjustments relates to revised commissioning of assets from the Department of Health.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

12. Increase in asset revaluation reserve reflects the expected upward movement in asset values.
13. Decrease in equity adjustments relates to revised commissioning of assets from the Department of Health and the transfer of Government Employee Housing to the Department of Housing and Public Works.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

14. Increase in asset revaluation reserve reflects the expected upward movement in asset values.
15. Decrease in equity adjustments relates to revised commissioning of assets from the Department of Health and the transfer of Government Employee Housing to the Department of Housing and Public Works.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

16. Increase in cash assets to cover higher payables at year end.
17. Increase in operating receivables due to the timing of receipt of revenues.
18. Decrease due to revised commissioning of assets.
19. Increase in payables is associated with end of year labour hire accrual.
20. Decrease due to changes in property, plant and equipment transferred to the NWHHS.
21. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

22. Increase in cash assets to cover higher payables at year end.
23. Increase in operating receivables due to the timing of receipt of revenues.
24. Decrease due to revised commissioning of assets and transfer of Government Employee Housing to the Department of Housing and Public Works.
25. Increase in payables is associated with end of year labour hire accrual.
26. Decrease due to revised commissioning of assets and transfer of Government Employee Housing to the Department of Housing and Public Works.
27. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

28. Increase due to revised commissioning and purchase of assets, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
29. Decrease due to revised commissioning of assets and transfer of Government Employee Housing to the Department of Housing and Public Works.
30. Increase due to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

31. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2013-14 Estimated actual. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
32. Increase reflects amendments in the Service Agreement between NWHHS and the Department of Health increasing purchased activity in 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

33. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2014-15 Budget. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
34. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2014-15 Budget.
35. Movement relates to timing of funding for property, plant and equipment.
36. Increase in depreciation expense funding returned to the Department of Health.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

37. Increase reflects amendments in the Service Agreement between NWHHS and the Department of Health.
38. Decrease reflects the changes in expected payments for property, plant and equipment.
39. Movement relates to timing of funding for property, plant and equipment.
40. Increase in depreciation expense funding returned to the Department of Health.



# SOUTH WEST HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

South West Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The South West HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of around 26,000 residing over 319,000 square kilometres including the three main centres, Roma, Charleville and St George, and the surrounding areas of Augathella, Cunnamulla, Dirranbandi, Injune, Mitchell, Morven, Mungindi, Quilpie, Surat, Thargomindah and Wallumbilla.

The South West HHS is responsible for the direct management of the facilities and services within the HHS's geographical boundaries including its four hospitals at Charleville, Cunnamulla, Roma and St George. It also manages Multi-Purpose Health Services (MPHS) and other facilities:

- Augathella MPHS
- Dirranbandi MPHS
- Injune MPHS
- Mitchell MPHS
- Morven Community Clinic
- Mungindi MPHS
- Quilpie MPHS
- Surat MPHS
- Thargomindah Community Clinic
- Wallumbilla Community Clinic
- Waroona Aged Care Facility
- Westhaven Aged Care Facility.

The South West HHS operates a number of Community and Allied Health Services and Outpatients Clinics providing a comprehensive range of community and primary health services, including aged care assessment, Aboriginal and Torres Strait Islander health programs; child and maternal health services; alcohol, tobacco and other drug services; home care services; community health nursing, sexual health service, allied health services, oral health and health promotion programs.

The South West HHS's key priorities for 2014-2015 include:

- providing person centred care
- improving systems and processes and reporting against performance measures while working to a sustainable budget
- undertaking master planning for Roma and Charleville Hospitals
- reviewing models of service delivery to improve local access to services
- achieving expectations outlined in the *Blueprint for better healthcare in Queensland* and working in synergy with the Department of Health strategic objectives
- enhancing engagement and developing closer working relationships with patients, families, community groups, GPs and other primary health providers
- expansion of telehealth and
- developing ICT strategic direction for the HHS.

The six strategic objectives of the South West HHS are:

- **Person Centred** – South West HHS will, in all it does and say, put the ‘person’ in the centre of our planning and delivery of services
- **Quality and safety outcomes in service delivery** – South West HHS will, through continuous improvement improve our systems and processes to provide safe and high quality health service delivery
- **Governance and leadership** – South West HHS will deliver effective governance, visioning and leadership
- **Financial viability and sustainability** – South West HHS is committed to efficient management of resources to provide and maintain high quality health service delivery through a robust financial management framework
- **Excellence in processes, systems and data** – South West HHS will, through accountability, monitoring, evaluating and actioning continuous improvement in processes, systems and data achieve improved health outcomes
- **Stakeholder engagement and communication** – South West HHS will engage our stakeholders in partnerships to achieve improved health outcomes through a well planned and executed communication framework.

## RESOURCES AND PERFORMANCE

The South West HHS has an operating budget of \$118.9 million for 2014-15 which is an increase of \$10.0 million (9.2%) from its 2013-14 published operating budget of \$108.9 million.

The Service Agreement between the South West HHS and the Department of Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

The South West HHS Strategic Plan, which is currently being finalised, will reflect local priorities in line with the *Blueprint for better healthcare in Queensland* and support the Government’s objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## STATEMENTS

### Staffing

South West Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	650	692	709

Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 708 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

South West Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Total weighted activity units:				
• Acute Inpatient		5,075	4,984	4,984
• Outpatients		1,889	1,804	1,804
• Sub-acute		628	485	485
• Emergency Department		2,743	2,557	2,557
• Mental Health		85	111	111
• Interventions and Procedures	1	128	128	128
Number of in-home visits, families with newborns	2	402	445	511
Ambulatory mental health service contact duration (hours)	3	5,016 – 6,270	4,844	>4,397

Notes:

- The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
- The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs. It is anticipated that, where required, improvements will occur in relation to data collection.
- For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

South West Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 5	100,597	107,559	107,113
Grants and other contributions	1, 5	8,193	11,136	11,377
Interest		75	24	15
Other revenue		17	466	436
Gains on sale/revaluation of assets			..	..
<b>Total income</b>		<b>108,882</b>	<b>119,185</b>	<b>118,941</b>
<b>Expenses</b>				
Employee expenses	2, 6	244	910	942
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3, 7	37,402	41,908	41,177
- Department of Health Contract Staff	4, 8	65,684	68,079	70,696
Grants and subsidies		..	..	..
Depreciation and amortisation		5,104	5,270	5,560
Finance/borrowing costs		..	..	..
Other expenses		286	524	437
Losses on sale/revaluation of assets		162	129	129
<b>Total expenses</b>		<b>108,882</b>	<b>116,820</b>	<b>118,941</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>-</b>	<b>2,365</b>	<b>-</b>

## STATEMENT OF CHANGES IN EQUITY

South West Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	10, 12	4,526	4,526	7,241
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>4,526</b>	<b>4,526</b>	<b>7,241</b>
Surplus/(deficit) for the period		..	2,365	..
<b>Total recognised income and expense for the period</b>		<b>4,526</b>	<b>6,891</b>	<b>7,241</b>
Equity injection/(withdrawal)		(3,405)	(3,578)	(4,199)
Equity adjustments (inc. MoG transfers)	9, 11	9,730	5,072	(4,777)
<b>Total movement in equity for period</b>		<b>10,851</b>	<b>8,385</b>	<b>(1,735)</b>

## BALANCE SHEET

South West Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	13, 17	7,635	11,420	12,149
Receivables	14, 18	765	1,774	1,798
Other financial assets		..	..	..
Inventories		377	632	636
Other		19	40	42
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>8,796</b>	<b>13,866</b>	<b>14,625</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15, 19, 22	102,713	103,034	101,299
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>102,713</b>	<b>103,034</b>	<b>101,299</b>
<b>TOTAL ASSETS</b>		<b>111,509</b>	<b>116,900</b>	<b>115,924</b>
<b>CURRENT LIABILITIES</b>				
Payables		8,447	8,167	8,926
Accrued employee benefits		..	25	25
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>8,447</b>	<b>8,192</b>	<b>8,951</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>8,447</b>	<b>8,192</b>	<b>8,951</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>103,062</b>	<b>108,708</b>	<b>106,973</b>
<b>EQUITY</b>				
Capital/contributed equity	16, 20, 23	97,130	92,984	84,008
Accumulated surplus/(accumulated deficit)			8,384	8,384
Reserves:				
- Asset revaluation surplus	21, 24	5,932	7,340	14,581
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>103,062</b>	<b>108,708</b>	<b>106,973</b>

## CASH FLOW STATEMENT

South West Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	25, 27	100,503	107,465	107,037
Grants and other contributions	25, 27	8,193	13,205	11,377
Interest received		75	24	15
Taxes		..	..	..
Other		4,443	4,892	5,106
<b>Outflows</b>				
Employee costs		(244)	(910)	(942)
Supplies and services	26, 28	(107,306)	(114,174)	(115,867)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(286)	(524)	(437)
<b>Net cash provided by/(used in) operating activities</b>		<b>5,378</b>	<b>9,978</b>	<b>6,289</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(1,699)	(4,016)	(1,361)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,699)</b>	<b>(4,016)</b>	<b>(1,361)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		1,699	1,692	1,361
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(5,104)	(5,270)	(5,560)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,405)</b>	<b>(3,578)</b>	<b>(4,199)</b>
<b>Net increase/(decrease) in cash held</b>		<b>274</b>	<b>2,384</b>	<b>729</b>
<b>Cash at the beginning of financial year</b>		<b>7,361</b>	<b>9,036</b>	<b>11,420</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>7,635</b>	<b>11,420</b>	<b>12,149</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase reflects additional funding provided for amendments in the Service agreement between South West Hospital and Health Service (SWHHS) and the Department of Health, including Enterprise Bargaining (EB) adjustments, specific purpose programs and non-labour escalation. Increase is also attributed to additional own source revenue and external grants due to improvements in revenue collection systems and sources of revenue.
2. Increase reflects the additional cost of Health Service Executive staff and Board costs that were not included in this category last year.
3. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Increase in Repairs and Maintenance due to Backlog Maintenance Programs, cost of consultants for Audit, efficiency and capability reviews and CPI growth in non-labour costs.
4. Increase reflects the EB increase of 3% and improved recruitment and retention program.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

5. Increase reflects additional funding provided for amendments in the Service agreement between SWHHS and the Department of Health, including EB adjustments, specific purpose programs and non-labour escalation. Increase is also attributed to additional own source revenue and external grants due to improvements in revenue collection systems and sources of revenue.
6. Increase reflects the additional cost of Health Service Executive staff and Board costs that were not included in this category last year.
7. Increase in additional expenditure for Repairs and Maintenance due to Backlog Maintenance Programs, cost of consultants for Audit, efficiency and capability reviews and CPI growth in non-labour costs.
8. Increase reflects the EB increase of 3% and improved recruitment and retention program.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

9. Decrease is due to the revised commissioning of assets from the Department of Health.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

10. Increase relates to expected upward revaluation movement.
11. Decrease relates to the transfer of Government Employee Housing to the Department of Housing and Public Works.

Major variations between 2013-14 Estimated actual and 2014-15 Budget include:

12. Increase relates to expected upward revaluation movement.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

13. Increase reflects other grants outstanding from prior year plus the estimated surplus for the current year.
14. Increase relates to increased user charges revenue receivable.
15. Increase reflects asset revaluation of 2.5% in accordance with Treasury guidelines.
16. Decrease is due to the revised commissioning of assets from the Department of Health.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

17. Increase reflects other grants outstanding from prior year plus the estimated surplus for the current year.
18. Increase relates to increased user charges revenue receivable.

19. Increase in property plant and equipment due to major and minor capital works programmes and an asset revaluation exercise is anticipated. This has been offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
20. Decrease is due to the revised commissioning of assets from the Department of Health.
21. Increase relates to the expected upward revaluation movement.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

22. Increase in property plant and equipment due to major and minor capital works programmes and an asset revaluation exercise is anticipated. This has been offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
23. Decrease is due to the revised commissioning of assets from the Department of Health, in addition to the transfer of Government Employee Housing to the Department of Housing and Public Works.
24. Increase relates to the expected upward revaluation movement.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

25. Increase reflects additional funding provided for amendments in the Service agreement between SWHHS and the Department of Health, including EB adjustments, specific purpose programs and non-labour escalation. Increase is also attributed to additional own source revenue and external grants due to improvements in revenue collection systems and sources of revenue.
26. Increase relates to additional expenditure for Repairs and Maintenance due to Backlog Maintenance Programs, cost of consultants for Audit, efficiency and capability reviews and CPI growth in non-labour costs.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

27. Increase reflects additional funding provided for amendments in the Service agreement between South SWHHS and the Department of Health, including EB adjustments, specific purpose programs and non-labour escalation. Increase is also attributed to additional own source revenue and external grants due to improvements in revenue collection systems and sources of revenue.
28. Increase relates to additional expenditure for Repairs and Maintenance due to Backlog Maintenance Programs, cost of consultants for Audit, efficiency and capability reviews and CPI growth in non-labour costs.

# SUNSHINE COAST HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

The Sunshine Coast Hospital and Health Service (HHS) provides public health services through the geographical area that extends from Caloundra in the south to Gympie in the north. The Sunshine Coast HHS operates the following facilities:

- Caloundra Hospital
- Gympie Hospital
- Glenbrook Residential Aged Care Facility
- Nambour General Hospital
- Maleny Soldiers Memorial Hospital

Since December 2013, the Sunshine Coast HHS has increased its capacity to treat patients through a contractual arrangement with Ramsay Health Care, which owns and operates the 200 bed Sunshine Coast University Private Hospital. Under this arrangement, which extends to mid-2018, the health service has access to the equivalent of 110 beds for public patients. The Sunshine Coast HHS also has a long standing contractual arrangement with Ramsay Health Care for the treatment of public patients at the Noosa Hospital.

The exciting future for the Sunshine Coast HHS is its transformation into a tertiary health care provider, with the development of the Sunshine Coast Public University Hospital (SCPUH) scheduled for completion in late 2016. At the time of opening SCPUH will include approximately 450 beds, growing to 738 beds by 2021.

The Sunshine Coast HHS Strategic Objectives are:

- care is person centred and responsive
- care is safe, accessible, appropriate and reliable
- care through engagement and partnerships with our consumers and community
- caring for people through sustainable, responsible and innovative use of resources
- care delivered by an engaged, competent and valued workforce.

These objectives align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

Drivers for demand for health services in the Sunshine Coast HHS include:

- an increasing and ageing population
- relatively low socio indices for some areas. (Socio-economic disadvantage is associated with a lower life expectancy, a greater burden of disease and higher levels of avoidable deaths and hospital separations)
- the changing nature of disease and injury, in particular an increase in chronic disease across all ages.

## RESOURCES AND PERFORMANCE

The Sunshine Coast HHS has an operating budget of \$695.5 million for 2014-15 which is an increase of \$55.6 million (8.7%) from the published 2013-14 operating budget of \$639.9 million. The Service Agreement between the SCHHS and the Department of Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

Expansion of both the range of services and capacity within the Sunshine Coast HHS is planned in recognition of an expanding and ageing population. Further increases in the range and capacity of services are also planned as part of the transition towards the opening of the SCPUH by the end of 2016.

For example, over the last three years there has been a significant increase in the cardiology service provided to public patients within the Sunshine Coast HHS. The cardiac catheterisation laboratory opened in April 2012 at Nambour. Public patients requiring intervention for cardiac conditions are able to now access the service locally, rather than having to be admitted to a Brisbane hospital. A dedicated endoscopy procedural unit at Nambour has also significantly improved waiting times with 3,000 more endoscopic procedures per year since the opening of new procedural suites.

## STATEMENTS

### Staffing

Sunshine Coast Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	3,566	3,680	3,700

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 3,694 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Sunshine Coast Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	86%	80%
• Category 3 (within 30 minutes)		75%	68%	75%
• Category 4 (within 60 minutes)		70%	72%	70%
• Category 5 (within 120 minutes)		70%	88%	70%
• All categories	1	..	74%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	75%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	19	20
Median wait time for elective surgery (days)				
	3	25	27	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	95%	100%
• Category 2 (90 days)		91%	73%	97%
• Category 3 (365 days)	2	96%	97%	98%

Sunshine Coast Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		68%	70%	68%
• Category 2 (90 days)		36%	34%	36%
• Category 3 (365 days)	4	90%	55%	90%
Total weighted activity units:				
• Acute Inpatient		58,614	61,629	66,544
• Outpatients		12,259	14,353	14,550
• Sub-acute		5,966	5,846	5,837
• Emergency Department		14,044	14,690	14,690
• Mental Health		6,784	6,986	7,324
• Interventions and Procedures	5	13,442	10,406	10,406
Average cost per weighted activity unit for Activity Based Funding facilities	6	\$4,344	\$4,054	\$4,332
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	0.7	1.0	<2.0
Number of in-home visits, families with newborns		3,730	4,009	4,833
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		>60%	63.7%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	<12%	12.8%	<12%
Ambulatory mental health service contact duration (hours)	9	61,219 – 75,133	58,794	>59,648

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
6. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
8. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. This HHS has made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
9. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Sunshine Coast Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 5, 9	624,421	653,826	674,531
Grants and other contributions		14,413	14,661	15,028
Interest		180	134	139
Other revenue	2, 6	880	5,606	5,765
Gains on sale/revaluation of assets		..	1,786	..
<b>Total income</b>		<b>639,894</b>	<b>676,013</b>	<b>695,463</b>
<b>Expenses</b>				
Employee expenses		1,021	1,564	1,598
Supplies and services:				
- Outsourced service delivery		..	74,019	96,262
- Other supplies and services	3, 7, 10	190,674	128,480	128,358
- Department of Health Contract Staff		388,735	437,828	447,115
Grants and subsidies		32,059	8,779	..
Depreciation and amortisation	4, 8, 11	25,445	19,534	19,961
Finance/borrowing costs		..	..	..
Other expenses		772	1,085	1,112
Losses on sale/revaluation of assets		1,188	1,031	1,057
<b>Total expenses</b>		<b>639,894</b>	<b>672,320</b>	<b>695,463</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>3,693</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Sunshine Coast Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	12, 15, 18	12,835	5,806	6,934
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>12,835</b>	<b>5,806</b>	<b>6,934</b>
Surplus/(deficit) for the period		..	3,693	..
<b>Total recognised income and expense for the period</b>		<b>12,835</b>	<b>9,499</b>	<b>6,934</b>
Equity injection/(withdrawal)	13, 16, 19	(20,564)	(14,855)	(15,586)
Equity adjustments (inc. MoG transfers)	14, 17, 20	250,099	2,398	(2,399)
<b>Total movement in equity for period</b>		<b>242,370</b>	<b>(2,958)</b>	<b>(11,051)</b>

## BALANCE SHEET

Sunshine Coast Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	21, 27	33,510	56,511	53,053
Receivables	22, 28	4,848	6,319	6,462
Other financial assets		..	..	..
Inventories		4,050	3,690	3,736
Other		371	209	243
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>42,779</b>	<b>66,729</b>	<b>63,494</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	23, 29, 33	572,762	314,180	307,544
Intangibles		..	..	..
Other		2	..	..
<b>Total non-current assets</b>		<b>572,764</b>	<b>314,180</b>	<b>307,544</b>
<b>TOTAL ASSETS</b>		<b>615,543</b>	<b>380,909</b>	<b>371,038</b>
<b>CURRENT LIABILITIES</b>				
Payables	24, 30	40,047	52,012	53,192
Accrued employee benefits		..	53	53
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		4	..	..
<b>Total current liabilities</b>		<b>40,051</b>	<b>52,065</b>	<b>53,245</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>40,051</b>	<b>52,065</b>	<b>53,245</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>575,492</b>	<b>328,844</b>	<b>317,793</b>
<b>EQUITY</b>				
Capital/contributed equity	25, 31, 34	558,724	310,859	292,874
Accumulated surplus/(accumulated deficit)		..	11,754	11,754
Reserves:				
- Asset revaluation surplus	26, 32, 35	16,768	6,231	13,165
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>575,492</b>	<b>328,844</b>	<b>317,793</b>

## CASH FLOW STATEMENT

Sunshine Coast Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	36, 38, 41	623,250	652,748	673,548
Grants and other contributions		14,413	17,771	15,028
Interest received		180	134	139
Taxes		..	..	..
Other		16,134	20,860	21,860
<b>Outflows</b>				
Employee costs		(1,021)	(1,564)	(1,598)
Supplies and services	37	(593,228)	(651,486)	(686,814)
Grants and subsidies		(32,059)	(8,779)	..
Borrowing costs		..	..	..
Other		(772)	(1,085)	(1,112)
<b>Net cash provided by/(used in) operating activities</b>		<b>26,897</b>	<b>28,599</b>	<b>21,051</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	(130)	(133)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	42	(4,881)	(5,126)	(8,790)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,881)</b>	<b>(5,256)</b>	<b>(8,923)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	40, 43	4,881	4,679	4,375
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	41, 44	(25,445)	(19,534)	(19,961)
<b>Net cash provided by/(used in) financing activities</b>		<b>(20,564)</b>	<b>(14,855)</b>	<b>(15,586)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,452</b>	<b>8,488</b>	<b>(3,458)</b>
<b>Cash at the beginning of financial year</b>		<b>32,058</b>	<b>48,023</b>	<b>56,511</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>33,510</b>	<b>56,511</b>	<b>53,053</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase reflects additional funding provided for amendments in the Service Agreement between Sunshine Coast Hospital and Health Service (SCHHS) and the Department of Health. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
2. Salary recoveries are now included in this line item for 2013-14 Estimated actual.
3. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Additional expenditure reflects the amendments in the Service Agreement between SCHHS and the Department of Health.
4. Decrease due to revised commissioning of assets in 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

5. Increase in funding provided under the Service Agreement between SCHHS and the Department of Health due to additional purchased activity. Increase includes favourable projections in own source revenue generation.
6. Salary recoveries are now included in this line item for 2014-15 Budget.
7. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Budget has not been recast for this change. Increase in overall Supplies and services expenditure reflects amendments in the Service Agreement between SCHHS and the Department of Health.
8. Decrease due to revised commissioning of assets.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

9. Increase in funding provided in the Service Agreement between SCHHS and the Department of Health, which reflects an increase in purchased activity in 2014-15. Increase includes projected increases in own source revenue generation.
10. Increase in overall Supplies and services expenditure reflects amendments in the Service Agreement between SCHHS and the Department of Health.
11. Increase due to revised commissioning of assets.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

12. Relative decrease due to a more modest upward movement in the revaluation of buildings which is in part due to the revised commissioning of assets in 2013-14.
13. Decrease related to movements in depreciation funding.
14. Decrease due to revised commissioning of assets.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

15. Relative decrease due to a more modest upward movement in the revaluation of buildings which is in part due to the revised commissioning of assets in 2013-14.
16. Decrease related to movements in depreciation funding and transfer of Government Employee Housing to Department of Housing and Public Works.
17. Decrease due to revised commissioning of assets.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

18. Increase due to upward movement in the revaluation of buildings.
19. Increase related to movements in depreciation funding offset by the transfer of Government Employee Housing to Department of Housing and Public Works.
20. Decrease due to revised commissioning of assets.

## **Balance sheet**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

21. Increase in cash assets to cover higher payables at year end.
22. Increase in operating receivables due to the timing of receipt of revenues.
23. Decrease due to revised commissioning of assets.
24. Increase in payables is associated with end of year labour hire accrual.
25. Decrease due to changes in property, plant and equipment transferred to the SCHHS.
26. Decrease due to changes in property, plant and equipment transferred to the SCHHS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

27. Increase in cash assets to cover higher payables at year end.
28. Increase in operating receivables due to the timing of receipt of revenues.
29. Decrease due to revised commissioning of assets and transfer of Government Employee Housing to Department of Housing and Public Works.
30. Increase in payables is associated with end of year labour hire accrual.
31. Decrease due to revised commissioning of assets and transfer of Government Employee Housing to Department of Housing and Public Works.
32. Decrease due to changes in property, plant and equipment transferred to the SCHHS.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

33. Decrease due to revised commissioning and purchase of assets and transfer of Government Employee Housing to Department of Housing and Public Works.
34. Decrease due to revised commissioning of assets and transfer of Government Employee Housing to Department of Housing and Public Works.
35. Increase due to the expected upward movement in the revaluation of buildings.

## **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

36. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
37. Increase reflects amendments in the Service Agreement between SCHHS and the Department of Health increasing purchased activity in 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

38. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
39. Movement relates to timing of funding for property, plant and equipment.
40. Decrease in depreciation expense funding returned to the Department of Health.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

41. Increase reflects amendments in the Service Agreement between SCHHS and the Department of Health.
42. Increase reflects the changes in expected payments for property, plant and equipment.
43. Movement relates to timing of funding for property, plant and equipment.
44. Increase in depreciation expense funding returned to the Department of Health.

# TORRES AND CAPE HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

On 1 July 2014 the Cape York Hospital and Health Service (HHS) and the Torres Strait - Northern Peninsula HHS will merge to form the Torres and Cape Hospital and Health Service (HSS). The new HHS delivers health services to approximately 25,500 people across an area of about 180,000 square kilometres, including 18 populated Torres Strait islands.

The Torres and Cape HHS builds on the strengths of the two legacy HHSs to create a single organisation with greater reach, flexibility, and capability. In its first term of operation, the new Board of the HHS will identify how to build on this scale and strength to improve performance on key issues such as service access and volumes, delivery of effective models of care, workforce sustainability and financial management.

The Torres and Cape HHS is responsible for the direct management of hospitals on Thursday Island and in Bamaga, Weipa, and Cooktown, plus 31 primary healthcare centres within the HHS's geographical boundaries.

Through these facilities the HHS provides a wide range of health services, including emergency care, general surgery, medical imaging, primary health care, chronic disease management, maternal and child health services, men's and women's health services, oral health, mental health, allied health, post-acute rehabilitation, aged care, palliative and respite services, visiting specialist services, general home and community care services, and family support.

Approximately 85% of the Torres Strait Island population and 51% of the Cape York population identify as being Aboriginal and/or Torres Strait Islander. The health status of Aboriginal and Torres Strait Islander people is significantly worse than that of other Queenslanders, and the Torres and Cape HHS is committed to closing this health gap by ensuring the provision of health services that meet the cultural, social and health needs of individuals and communities in the region.

To ensure that communities across Far North Queensland are strong and healthy, the Torres and Cape HHS will specifically focus on achieving the following objectives:

- build an integrated and sustainable healthcare organisation that the community trusts
- improve health outcomes for all, while closing the health gap for Aboriginal and Torres Strait Islander people
- deliver innovative and effective healthcare that meets the cultural, social and health needs of far north Queenslanders
- enhance partnerships with community-controlled and other health providers to ensure that services across the region are coordinated, integrated and of high quality.

## RESOURCES AND PERFORMANCE

The Torres and Cape HHS has an operating budget of \$171.7 million for 2014-15 which is an increase of \$2.2 million (1.3%) from the combined published Cape York HHS and Torres Strait – Northern Peninsula HHS 2013-14 operating budgets of \$169.5 million.

The Service Agreement between the Torres and Cape HHS and the Department of Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

When the new Torres and Cape HHS Board and executive have been appointed, their strategic leadership role will include ongoing review of the HHS's strategic priorities for 2014-15 and beyond. Those priorities will develop in response to changes in the operating environment and/or opportunities created by the merger of the two legacy HHSs. Any such revisions will be reflected in a future Strategic Plan for the Torres and Cape HHS.

## STATEMENTS

### Staffing

Torres and Cape Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4	..	..	822

Notes:

1. Torres and Cape HHS will be established on 1 July 2014 and therefore there is no data relating to the 2013-14 Budget and the 2013-14 Est. Actual columns.
2. 2014-15 Budget is the forecast at 30 June 2015.
3. 821 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
4. Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Torres and Cape Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Total weighted activity units:				
• Acute Inpatient		..	..	3,438
• Outpatients		..	..	1,313
• Sub-acute		..	..	417
• Emergency Department		..	..	1,149
• Mental Health		..	..	105
• Interventions and Procedures	1, 2	..	..	41
Number of in-home visits, families with newborns				
	1, 3	..	..	569
Ambulatory mental health service contact duration (hours)				
	1, 4	..	..	>6,046

Notes:

1. Torres and Cape HHS will be established on 1 July 2014 and therefore there is no data relating to the 2013-14 Target/Est. and the 2013-14 Est. Actual columns.
2. The 2014-15 Target/Est. data is based on the Phase 17 ABF model. The 2014-15 Target/Est. data has been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
3. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs (for the Torres and Cape HHS, this is the sum of the targets that applied to the legacy HHSs). It is anticipated that, where required, improvements will occur in relation to staffing capacity and data collection.
4. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Torres and Cape Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1			158,468
Grants and other contributions				12,045
Interest				36
Other revenue				1,155
Gains on sale/revaluation of assets				..
<b>Total income</b>				<b>171,704</b>
<b>Expenses</b>				
Employee expenses				664
Supplies and services:				
- Outsourced service delivery				5,283
- Other supplies and services				58,776
- Department of Health Contract Staff				94,770
Grants and subsidies				..
Depreciation and amortisation				11,607
Finance/borrowing costs				-
Other expenses				563
Losses on sale/revaluation of assets				41
<b>Total expenses</b>				<b>171,704</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>				<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Torres and Cape Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	1			..
Increase/(decrease) in asset revaluation reserve				7,091
Net amount of all revenue and expense adjustments direct to equity not disclosed above				..
<b>Net income recognised directly in equity</b>				<b>7,091</b>
Surplus/(deficit) for the period				..
<b>Total recognised income and expense for the period</b>				<b>7,091</b>
Equity injection/(withdrawal)				(9,703)
Equity adjustments (inc. MoG transfers)				209,172
<b>Total movement in equity for period</b>				<b>206,560</b>

## BALANCE SHEET

Torres and Cape Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>	1			
Cash assets				16,605
Receivables				2,592
Other financial assets				..
Inventories				431
Other				37
Non-financial assets held for sale				..
<b>Total current assets</b>				<b>19,665</b>
<b>NON-CURRENT ASSETS</b>				
Receivables				..
Other financial assets				..
Property, plant and equipment				201,460
Intangibles				..
Other				..
<b>Total non-current assets</b>				<b>201,460</b>
<b>TOTAL ASSETS</b>				<b>221,125</b>
<b>CURRENT LIABILITIES</b>				
Payables				14,537
Accrued employee benefits				28
Interest-bearing liabilities and derivatives				..
Provisions				..
Other				..
<b>Total current liabilities</b>				<b>14,565</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables				..
Accrued employee benefits				..
Interest-bearing liabilities and derivatives				..
Provisions				..
Other				..
<b>Total non-current liabilities</b>				<b>..</b>
<b>TOTAL LIABILITIES</b>				<b>14,565</b>
<b>NET ASSETS/(LIABILITIES)</b>				<b>206,560</b>
<b>EQUITY</b>				
Capital/contributed equity				199,469
Accumulated surplus/(accumulated deficit)				..
Reserves:				
- Asset revaluation surplus				7,091
- Other (specify)				..
<b>TOTAL EQUITY</b>				<b>206,560</b>

## CASH FLOW STATEMENT

Torres and Cape Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	1			
<b>Inflows</b>				
User charges and fees				146,734
Grants and other contributions				12,045
Interest Received				36
Taxes				..
Other				5,037
<b>Outflows</b>				
Employee costs				(662)
Supplies and services				(165,771)
Grants and subsidies				..
Borrowing costs				..
Other				(563)
<b>Net cash provided by/(used in) operating activities</b>				<b>(3,144)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets				..
Investments redeemed				..
Loans and advances redeemed				..
<b>Outflows</b>				
Payments for non-financial assets				(1,904)
Payments for investments				..
Loans and advances made				..
<b>Net cash provided by/(used in) investing activities</b>				<b>(1,904)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings				..
Equity injections				1,904
<b>Outflows</b>				
Borrowing redemptions				..
Finance lease payments				..
Equity withdrawals				..
<b>Net cash provided by/(used in) financing activities</b>				<b>1,904</b>
<b>Net increase/(decrease) in cash held</b>				<b>(3,144)</b>
<b>Cash at the beginning of financial year</b>				..
Cash transfers from restructure				19,749
<b>Cash at the end of financial year</b>				<b>16,605</b>

## **EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS**

### **Income statement / Statement of changes in equity / Balance sheet / Cash flow statement**

1. Torres and Cape Hospital and Health Service will be established on 1 July 2014, therefore no data is available for 2013-2014 for comparative purposes.

## CAPE YORK HHS – STAFFING TABLE AND FINANCIAL STATEMENTS

### Staffing

Cape York Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3	408	426	..

#### Notes:

1. 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
2. 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
3. Cape HHS will cease on 30 June 2014 and therefore there is no data relating to the 2014-15 Budget column. FTEs for 2014-15 are shown under Torres and Cape HHS.

## INCOME STATEMENT

Cape York Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1	75,670	76,470	..
Grants and other contributions	1	6,273	5,801	..
Interest		..	2	..
Other revenue		36	50	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>81,979</b>	<b>82,323</b>	<b>..</b>
<b>Expenses</b>				
Employee expenses		574	574	..
Supplies and services:				..
- Outsourced service delivery		..	5,104	..
- Other supplies and services	2	30,987	21,833	..
- Department of Health Contract Staff	2	40,355	49,342	..
Grants and subsidies	2	3,027	..	..
Depreciation and amortisation		6,798	5,232	..
Finance/borrowing costs		..	..	..
Other expenses		238	238	..
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>81,979</b>	<b>82,323</b>	<b>..</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Cape York Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		4,558	4,558	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>4,558</b>	<b>4,558</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>4,558</b>	<b>4,558</b>	<b>..</b>
Equity injection/(withdrawal)		(5,844)	(4,296)	..
Equity adjustments (inc. MoG transfers)		3,214	7,136	..
<b>Total movement in equity for period</b>		<b>1,928</b>	<b>7,398</b>	<b>..</b>

## BALANCE SHEET

Cape York Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	3	4,060	7,400	..
Receivables		825	822	..
Other financial assets		..	..	..
Inventories		454	245	..
Other		..	31	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>5,339</b>	<b>8,498</b>	<b>..</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	4	135,758	106,794	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>135,758</b>	<b>106,794</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>141,097</b>	<b>115,292</b>	<b>..</b>
<b>CURRENT LIABILITIES</b>				
Payables	3	5,264	7,593	..
Accrued employee benefits		19	26	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		22	..	..
<b>Total current liabilities</b>		<b>5,305</b>	<b>7,619</b>	<b>..</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>5,305</b>	<b>7,619</b>	<b>..</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>135,792</b>	<b>107,673</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity	4	130,087	94,376	..
Accumulated surplus/(accumulated deficit)		..	893	..
Reserves:				
- Asset revaluation surplus	5	5,705	12,404	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>135,792</b>	<b>107,673</b>	<b>..</b>

## CASH FLOW STATEMENT

Cape York Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	6	75,628	71,196	..
Grants and other contributions	6	6,273	8,045	..
Interest received		2	2	..
Taxes		..	..	..
Other		2,119	2,135	..
<b>Outflows</b>				
Employee costs		(573)	(573)	..
Supplies and services	7	(73,247)	(78,184)	..
Grants and subsidies	7	(3,027)	..	..
Borrowing costs		..	..	..
Other		(238)	(238)	..
<b>Net cash provided by/(used in) operating activities</b>		<b>6,937</b>	<b>2,383</b>	<b>..</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	8	(954)	(1,548)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(954)</b>	<b>(1,548)</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		954	936	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	9	(6,798)	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(5,844)</b>	<b>936</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>139</b>	<b>1,771</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>3,921</b>	<b>5,629</b>	<b>..</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>4,060</b>	<b>7,400</b>	<b>..</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase reflects additional funding provided for amendments in the Service Agreement between Cape York HHS (CY HHS) and the Department of Health. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
2. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual. The 2013-14 Adjusted budget has not been recast for this change. Additional expenditure reflects the amendments in the Service Agreement between CY HHS and the Department of Health.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

3. Increase in cash assets to cover higher payables at year end. Increase in payables is associated with end of year labour hire accrual.
4. Decrease due to revised commissioning of assets.
5. Increase in 2013-14 Estimated actual Asset revaluation surplus is as a result of the 2013-14 Adjusted budget not adequately reflecting the 2012-13 Actual Asset revaluation surplus.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

6. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2013-14 Estimated actual. Increase reflects additional funding provided for amendments in the Service Agreement between CY HHS and the Department of Health. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
7. Increase in Supplies and services is a result of the reclassification of Grants and subsidies to either Outsourced Service Delivery or Other Supplies and Services (within Supplies and Services). The 2013-14 Budget has not been recast for this change. Additional expenditure reflects the amendments in the Service Agreement between CY HHS and the Department of Health.
8. Increase in cash outflow for non-financial assets was driven by expenditure of prior year's surplus.
9. The 2013-14 Adjusted budget figure for Equity withdrawals relates to depreciation funding from the Department of Health and is non-cash in nature. Therefore there is no 2013-14 Estimated actual outflow relating to depreciation funding.

## TORRES STRAIT – NORTHERN PENINSULA HHS – STAFFING TABLE AND FINANCIAL STATEMENTS

### Staffing

Torres Strait – Northern Peninsula Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2	398	405	..

#### Notes:

1. 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
2. 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
3. Torres Strait – Northern Peninsula HHS will cease on 30 June 2014 and therefore there is no data relating to the 2014-15 Budget column. FTEs for 2014-15 are shown under Torres and Cape HHS.

## INCOME STATEMENT

Torres Strait – Northern Peninsula Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 2	81,328	84,724	..
Grants and other contributions	1	6,103	3,551	..
Interest		..	33	..
Other revenue		76	1,591	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>87,507</b>	<b>89,899</b>	<b>..</b>
<b>Expenses</b>				
Employee expenses		247	247	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3	35,581	40,280	..
- Department of Health Contract Staff		42,688	41,397	..
Grants and subsidies	3	1,536	..	..
Depreciation and amortisation	4	6,719	5,868	..
Finance/borrowing costs		..	..	..
Other expenses		238	44	..
Losses on sale/revaluation of assets		498	550	..
<b>Total expenses</b>		<b>87,507</b>	<b>88,386</b>	<b>..</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>1,513</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Torres Strait – Northern Peninsula Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	5	4,361	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>4,361</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	1,513	..
<b>Total recognised income and expense for the period</b>		<b>4,361</b>	<b>1,513</b>	<b>..</b>
Equity injection/(withdrawal)		(5,649)	(4,817)	..
Equity adjustments (inc. MoG transfers)		15,646	11,166	..
<b>Total movement in equity for period</b>		<b>14,358</b>	<b>7,862</b>	<b>..</b>

## BALANCE SHEET

Torres Strait – Northern Peninsula Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	6	5,064	12,349	..
Receivables		1,838	1,640	..
Other financial assets		..	..	..
Inventories		216	179	..
Other		..	6	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>7,118</b>	<b>14,174</b>	<b>..</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	7	145,375	124,218	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>145,375</b>	<b>124,218</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>152,493</b>	<b>138,392</b>	<b>..</b>
<b>CURRENT LIABILITIES</b>				
Payables	8	6,225	9,953	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>6,225</b>	<b>9,953</b>	<b>..</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>6,225</b>	<b>9,953</b>	<b>..</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>146,268</b>	<b>128,439</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity	7	140,832	122,575	..
Accumulated surplus/(accumulated deficit)		..	2,743	..
Reserves:				
- Asset revaluation surplus		5,436	3,121	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>146,268</b>	<b>128,439</b>	<b>..</b>

## CASH FLOW STATEMENT

Torres Strait – Northern Peninsula Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	9,10	81,328	78,192	..
Grants and other contributions	9	5,415	3,551	..
Interest received		63	33	..
Taxes		..	..	..
Other		1,607	3,185	..
<b>Outflows</b>				
Employee costs		(247)	(247)	..
Supplies and services	11	(79,696)	(83,180)	..
Grants and subsidies	11	(1,536)	(120)	..
Borrowing costs		..	..	..
Other		(238)	(44)	..
<b>Net cash provided by/(used in) operating activities</b>		<b>6,696</b>	<b>1,370</b>	<b>..</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(1,070)	(1,180)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,070)</b>	<b>(1,180)</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		1,070	1,051	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	12	(6,719)	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(5,649)</b>	<b>1,051</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(23)</b>	<b>1,241</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>5,087</b>	<b>11,108</b>	<b>..</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>5,064</b>	<b>12,349</b>	<b>..</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase reflects additional funding provided for amendments in the Service Agreement between Torres Strait – Northern Peninsula HHS (TS NP HHS) and the Department of Health. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
2. During the period TS NP HHS has improved processes around own source revenue.
3. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual. The 2013-14 Adjusted budget has not been recast for this change. Additional expenditure reflects the amendments in the Service Agreement between TS NP HHS and the Department of Health.
4. Reduced Depreciation and amortisation expected due to a reduced asset base.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

5. Decrease resulting from no expected upward movement in the revaluation of buildings.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

6. Increase in cash assets to cover higher payables at year end.
7. The deferral in commission of capital works has resulted in reduced additions to property, plant and equipment. This is consistent with the reduction in the estimated contributed equity.
8. Increase in payables is associated with end of year labour hire accrual.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

9. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2013-14 Estimated actual. Increase reflects additional funding provided for amendments in the Service Agreement between TS NP HHS and the Department of Health. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
10. During the period TS NP HHS has improved processes around own source revenue.
11. Increase in Supplies and services is a result of the reclassification of Grants and subsidies to either Outsourced Service Delivery or Other Supplies and Services (within Supplies and Services). The 2013-14 Budget has not been recast for this change. Additional expenditure reflects the amendments in the Service Agreement between CY HHS and the Department of Health.
12. The 2013-14 Adjusted budget figure for Equity withdrawals relates to depreciation funding from the Department of Health and is non-cash in nature. Therefore there is no 2013-14 Estimated actual outflow relating to depreciation funding.



# TOWNSVILLE HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

Townsville Hospital and Health Service (HHS) is responsible for the delivery of local public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of approximately 240,000 people. The Townsville Hospital is the main referral hospital and also provides tertiary hospital services to the North, Central and Far North Queensland regions with a catchment population of approximately 650,000.

Townsville HHS is responsible for the direct management of the facilities and services within the HHSs geographical boundaries including:

- Townsville Hospital
- Charters Towers Hospital
- Charters Towers Rehabilitation Unit
- Home Hill Hospital
- Joyce Palmer Health Service
- Magnetic Island Health Service
- Eventide Residential Aged Care Facility
- Mental Health Adolescent Inpatient and Day Unit
- Ingham Hospital
- Richmond Hospital
- Ayr Hospital
- Cardwell Health Centre
- Hughenden Hospital
- Kirwan Mental Health Rehabilitation Unit
- Parklands Residential Aged Care Facility
- Kirwan Health Campus

Townsville HHS also provides a comprehensive range of Community and Primary Health Services including aged care assessment, Aboriginal and Torres Strait Islander health programs, child and maternal health services, offender health, alcohol tobacco and other drug services, home care services, community health nursing, sexual health service, allied health services, public health services and oral health.

The HHS is finalising its Strategic Plan 2014-2018 which includes six strategic pillars: build healthier communities; focus on individual health outcomes; work collaboratively; provide efficient, effective and sustainable services; maintain an exceptional workforce; and lead excellence and innovation.

These pillars align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

Townsville HHS has an operating budget of \$758.1 million for 2014-15 which is an increase of \$20.9 million (2.8%) from the published 2013-14 operating budget of \$737.2 million.

The operating surplus for 2012-13, generated through the identification and implementation of efficiencies while retaining a focus on safe, quality and strengthened service delivery, has been reinvested in initiatives to improve patient outcomes including:

- commissioning of an additional operating theatre to reduce waiting times and acute surgery access times

- additional Surgery Connect activity
- anti-microbial stewardship program to reduce infection rates
- additional outpatient occasion of service capacity
- additional investment to improve the health of Palm Islanders.

The Service Agreement between the Townsville HHS and the Department of Health identifies the health services to be provided, funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

The major redevelopment at The Townsville Hospital is close to finalisation. During 2013-14, the Central Energy Facility and the Mental Health Adolescent Inpatient and Day Unit infrastructure projects were completed. By the end of 2014, Stages 3 and 4 will be completed and will deliver:

- a new 66 bed ward block
- expansion and upgrade of the Pathology Laboratory
- Townsville Regional Cancer Centre expansion
- a clinical services support building including new and refurbished space for essential support services including Kitchen, Medical Records and Mortuary
- a sub-acute facility
- a medium secure mental health unit.

A planned procedure unit and upgraded central sterilising services, within Stage 5 of the redevelopment, will be completed in mid-2015.

## STATEMENTS

### Staffing

Townsville Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	4,657	4,657	4,750

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 4,745 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

Townsville Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	91%	80%
• Category 3 (within 30 minutes)		75%	79%	75%
• Category 4 (within 60 minutes)		70%	78%	70%
• Category 5 (within 120 minutes)		70%	90%	70%
• All categories	1	..	80%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	78%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	14	20
Median wait time for elective surgery (days)				
	3	25	26	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	98%	100%
• Category 2 (90 days)		91%	86%	97%
• Category 3 (365 days)	2	96%	85%	98%

Townsville Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		27%	32%	27%
• Category 2 (90 days)		20%	22%	20%
• Category 3 (365 days)	4	90%	46%	90%
Total weighted activity units:				
• Acute Inpatient		61,746	64,464	62,239
• Outpatients		17,358	19,774	17,523
• Sub-acute		6,647	5,650	8,044
• Emergency Department		12,933	13,790	13,789
• Mental Health		10,780	10,302	11,855
• Interventions and Procedures	5	12,255	10,070	11,699
Average cost per weighted activity unit for Activity Based Funding facilities	6	\$4,495	\$4,282	\$4,399
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	1.5	0.8	<2.0
Number of in-home visits, families with newborns	8, 9	6,819	3,839	5,132
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		>60%	79.0%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	10	<12%	15.7%	<12%
Ambulatory mental health service contact duration (hours)	11	68,759 – 84,386	47,794	>66,489

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. figures have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
6. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
8. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due to data collection issues.
9. The 2013-14 Target/Est. of 6,819 visits was subsequently revised downwards to reflect a revised target of 4,202. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs proportionate to projected births per HHS. It is anticipated that, where required, improvements will occur in relation to data collection.
10. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance. This HHS has made improvements on this measure over the past five years and a range of initiatives continue to be progressed to achieve targets on this measure.
11. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Townsville Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,6,9	715,751	724,905	732,222
Grants and other contributions		20,805	20,805	21,531
Interest		400	334	346
Other revenue	2	216	3,838	3,973
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>737,172</b>	<b>749,882</b>	<b>758,072</b>
<b>Expenses</b>				
Employee expenses		840	840	863
Supplies and services:				
- Outsourced service delivery		..	4,150	4,500
- Other supplies and services	3,7,10	166,311	172,554	180,050
- Department of Health Contract Staff		521,614	521,614	524,346
Grants and subsidies		8,457	8,457	8,555
Depreciation and amortisation	4,8,11	36,394	30,492	36,161
Finance/borrowing costs		..	..	..
Other expenses		1,469	1,469	1,486
Losses on sale/revaluation of assets		2,087	2,087	2,111
<b>Total expenses</b>		<b>737,172</b>	<b>741,663</b>	<b>758,072</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	5	<b>..</b>	<b>8,219</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Townsville Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	14,17	18,897	18,897	29,424
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>18,897</b>	<b>18,897</b>	<b>29,424</b>
Surplus/(deficit) for the period		..	8,219	..
<b>Total recognised income and expense for the period</b>		<b>18,897</b>	<b>27,116</b>	<b>29,424</b>
Equity injection/(withdrawal)	12,15,18	(26,271)	(18,428)	(28,550)
Equity adjustments (inc. MoG transfers)	13,16,19	14,480	35,359	218,800
<b>Total movement in equity for period</b>		<b>7,106</b>	<b>44,047</b>	<b>219,674</b>

## BALANCE SHEET

Townsville Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	20,26	43,616	68,953	73,643
Receivables	21,27	7,662	13,255	13,503
Other financial assets		..	..	..
Inventories		7,554	5,667	5,753
Other		643	403	462
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>59,475</b>	<b>88,278</b>	<b>93,361</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	22,28,32	574,626	473,827	693,512
Intangibles		11	11	..
Other		..	..	..
<b>Total non-current assets</b>		<b>574,637</b>	<b>473,838</b>	<b>693,512</b>
<b>TOTAL ASSETS</b>		<b>634,112</b>	<b>562,116</b>	<b>786,873</b>
<b>CURRENT LIABILITIES</b>				
Payables	23,29	52,797	51,644	56,727
Accrued employee benefits		..	40	40
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		144	405	405
<b>Total current liabilities</b>		<b>52,941</b>	<b>52,089</b>	<b>57,172</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>52,941</b>	<b>52,089</b>	<b>57,172</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>581,171</b>	<b>510,027</b>	<b>729,701</b>
<b>EQUITY</b>				
Capital/contributed equity	24,30,33	557,330	462,557	652,807
Accumulated surplus/(accumulated deficit)		..	28,573	28,573
Reserves:				
- Asset revaluation surplus	25,31,34	23,841	18,897	48,321
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>581,171</b>	<b>510,027</b>	<b>729,701</b>

## CASH FLOW STATEMENT

Townsville Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	35,37,41	715,589	722,482	729,982
Grants and other contributions	35,38	18,544	26,555	21,531
Interest received		400	334	346
Taxes		..	..	..
Other		15,255	18,877	19,841
<b>Outflows:</b>				
Employee costs		(840)	(840)	(863)
Supplies and services	36	(700,906)	(711,299)	(719,945)
Grants and subsidies		(8,457)	(8,457)	(8,555)
Borrowing costs		..	..	..
Other		(1,469)	(1,469)	(1,486)
<b>Net cash provided by/(used in) operating activities</b>		<b>38,116</b>	<b>46,183</b>	<b>40,851</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	42	(10,123)	(15,082)	(7,611)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(10,123)</b>	<b>(15,082)</b>	<b>(7,611)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	39,43	10,123	12,064	7,611
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	40,44	(36,394)	(30,429)	(36,161)
<b>Net cash provided by/(used in) financing activities</b>		<b>(26,271)</b>	<b>(18,428)</b>	<b>(28,550)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,722</b>	<b>12,673</b>	<b>4,690</b>
<b>Cash at the beginning of financial year</b>		<b>41,894</b>	<b>56,280</b>	<b>68,953</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>43,616</b>	<b>68,953</b>	<b>73,643</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase reflects additional funding provided for amendments in the Service Agreement between Townsville Hospital and Health Service (THHS) and the Department of Health. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation.
2. The increase in other revenue relates to salary recoveries now being included in this line item.
3. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Additional expenditure reflects the amendments in the Service Agreement between THHS and the Department of Health.
4. Decrease due to revised commissioning of assets in 2013-14.
5. Operating Surplus is due to improved efficiency in the delivery of activity in 2013-2014 compared to budget

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

6. Increase in funding provided under the Service Agreement between THHS and the Department of Health due to additional purchased activity. Increase includes favourable projections in own source revenue generation.
7. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Increase in expenditure reflects amendments in the Service Agreement between THHS and the Department of Health increasing purchased activity in 2014-15.
8. Decreased due to revised commissioning of assets.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

9. Increase in funding provided in the Service Agreement between THHS and the Department of Health, which reflects an increase in purchased activity in 2014-15. Increase includes projected increases in own source revenue generation.
10. Increase in expenditure reflects amendments in the Service Agreement between THHS and the Department of Health.
11. Increase due to revised commissioning of assets.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

12. Decrease related to movements in depreciation funding.
13. Increase due to revised commissioning of assets.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

14. Increase due to upward movement in the revaluation of buildings which is in part due to the revised commissioning of assets in 2013-14.
15. Increase related to movements in depreciation expense funding.
16. Increase due to revised commissioning of assets offset by the transfer of Government Employee Housing to Department of Housing and Public Works.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

17. Increase due to upward movement in the revaluation of buildings.
18. Increase related to movements in depreciation expense funding.
19. Increase due to revised commissioning of assets offset by the transfer of Government Employee Housing to Department of Housing and Public Works.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

20. Increase in cash assets to cover higher payables at year end.
21. Increase in operating receivables due to the timing of receipt of revenues.
22. Decrease due to revised commissioning of assets.
23. Decrease in payables is associated with end of year labour hire accrual.
24. Decrease due to changes in property, plant and equipment transferred to the THHS.
25. Decrease due to changes in property, plant and equipment transferred to the THHS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. Increase in cash assets to cover higher payables at year end.
27. Increase in operating receivables due to the timing of receipt of revenues.
28. Increase due to revised commissioning of assets offset by the transfer of Government Employee Housing to Department of Housing and Public Works.
29. Increase in payables is associated with end of year labour hire accrual.
30. Increase due to revised commissioning of assets offset by the transfer of Government Employee Housing to Department of Housing and Public Works.
31. Increase due to changes in property, plant and equipment transferred to the THHS.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

32. Increase due to revised commissioning and purchase of assets offset by the transfer of Government Employee Housing to Department of Housing and Public Works.
33. Increase due to revised commissioning of assets offset by the transfer of Government Employee Housing to Department of Housing and Public Works.
34. Increase due to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

35. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
36. Increase reflects amendments in the Service Agreement between THHS and the Department of Health increasing purchased activity in 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

37. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
38. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
39. Movement relates to timing of funding for property, plant and equipment.
40. Decrease related to movements in depreciation funding.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

41. Increase reflects amendments in the Service Agreement between THHS and the Department of Health.
42. Decrease reflects the changes in expected payments for property, plant and equipment.
43. Movement relates to timing of funding for property, plant and equipment.
44. Increase related to movements in depreciation expense funding.

# WEST MORETON HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

West Moreton Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The West Moreton HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care, sub-acute and clinical support services to a population of around 250,000 residing in a geographical area stretching from Ipswich in the east, to Boonah in the south, north to Esk and west to Gatton.

The West Moreton HHS is responsible for the direct management of the facilities within the HHS's geographical boundaries including:

- Ipswich Hospital
- Boonah Hospital
- Esk Hospital
- Gatton Hospital
- Laidley Hospital
- The Park – Centre for Mental Health, Wacol
- Ipswich Community Dental Clinic
- Ipswich Health Plaza
- Goodna Community Health Centre

West Moreton HHS also provides school-based primary oral health care services, community mental health services for all age groups and services for alcohol, tobacco and other drug illnesses and has a range of responsibilities for prison health services including Brisbane Women's, Wolston and Brisbane Correctional facilities and the Women's farm.

West Moreton Hospital and Health Service has six interrelated strategic directions:

- Revitalise Services
- Strengthen Safety and Quality
- Drive Innovation and Research
- Enable Our People
- Plan for a Sustainable Future
- Maintain Financial Health.

These strategic directions align with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The West Moreton HHS has an operating budget of \$457.1 million for 2014-15 which is an increase of \$38.5 million (9.2%) from the published 2013-14 operating budget of \$418.6 million.

West Moreton Hospital and Health Service has made considerable achievements against its strategic objectives in 2013-14, the highlights of which include:

- 82% of all emergency department patients are discharged or admitted within four hours of arrival
- a 37% reduction in the total number of patients waiting for elective surgery
- the number of patients waiting longer than clinically recommended times for elective surgery has decreased from 675 in January 2013 to 19 in March 2014

- targets have been achieved for oral health and BreastScreen services
- achievement of a balanced operating position.

The operating surplus for 2012-13, generated through the identification and implementation of efficiencies while retaining a focus on safe, quality and strengthened service delivery, was reinvested to reduce long wait elective surgery lists, enhance maternity, paediatric and cardiology services, and undertake building improvement works in 2013-14.

The Ipswich Hospital expansion project was completed during 2013-14. An additional 90 beds, including seven paediatric short stay beds and associated facilities and services, were delivered under the project.

West Moreton HHS has undertaken substantial health service planning during 2013-14. The *South-West Growth Corridor Health Service Plan 2013* and the *West Moreton Hospital and Health Service Health Service Plan 2013-27* were completed to determine future health service needs of the HHS's rapidly increasing population to 2026-27.

## STATEMENTS

### Staffing

West Moreton Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4, 5	2,745	2,598	2,650

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 2,642 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.
- Increase in FTEs in 2014-15 relates to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

West Moreton Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	93%	80%
• Category 3 (within 30 minutes)		75%	56%	75%
• Category 4 (within 60 minutes)		70%	59%	70%
• Category 5 (within 120 minutes)		70%	85%	70%
• All categories	1	..	63%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	82%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	27	20
Median wait time for elective surgery (days)				
	3	25	23	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	98%	100%
• Category 2 (90 days)		91%	72%	97%
• Category 3 (365 days)	2	96%	76%	98%

West Moreton Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		84%	71%	84%
• Category 2 (90 days)		44%	42%	44%
• Category 3 (365 days)	4	90%	74%	90%
Total weighted activity units:				
• Acute Inpatient		32,486	35,204	35,525
• Outpatients		6,672	8,213	8,414
• Sub-acute		3,681	3,991	4,967
• Emergency Department		10,983	9,807	10,021
• Mental Health		20,110	18,832	18,832
• Interventions and Procedures	5, 6	3,089	1,892	3,287
Average cost per weighted activity unit for Activity Based Funding facilities	7	\$4,483	\$4,290	\$4,324
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	8	0.7	0.4	<2.0
Number of in-home visits, families with newborns	9, 10	4,882	4,402	5,971
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	11	>60%	58.0%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	12	<12%	8.2%	<12%
Ambulatory mental health service contact duration (hours)	13	51,033 – 61,239	37,053	>46,972

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.

4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.
6. The variance between the 2013-14 Target/Est. and 2013-14 Est. Actual is due to delays in commencing interventional cardiology services.
7. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
8. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
9. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due in part to data collection issues.
10. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs. It is anticipated that, where required, improvements will occur in relation to staffing capacity and data collection.
11. The Department of Health and the West Moreton HHS are working together with the aim of improving the rate of community follow-up for this vulnerable population.
12. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance.
13. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

West Moreton Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		412,131	432,254	437,014
Grants and other contributions		6,025	5,348	4,800
Interest		41	29	30
Other revenue	1, 6	378	5,218	5,400
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>418,575</b>	<b>442,849</b>	<b>447,244</b>
<b>Expenses</b>				
Employee expenses		1,092	1,350	1,377
Supplies and services:				
- Outsourced service delivery	3, 7		91,463	96,233
- Other supplies and services		86,384	16,630	17,497
- Department of Health Contract Staff	2, 8, 11	315,459	307,649	323,693
Grants and subsidies		397	365	365
Depreciation and amortisation	5, 9, 12	11,114	13,158	15,642
Finance/borrowing costs		..	..	..
Other expenses	4, 10	860	1,494	1,494
Losses on sale/revaluation of assets		3,269	840	843
<b>Total expenses</b>		<b>418,575</b>	<b>432,949</b>	<b>457,144</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	13	<b>..</b>	<b>9,900</b>	<b>(9,900)</b>

## STATEMENT OF CHANGES IN EQUITY

West Moreton Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	15, 16, 18	8,817	4,771	7,535
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>8,817</b>	<b>4,771</b>	<b>7,535</b>
Surplus/(deficit) for the period		..	9,900	(9,900)
<b>Total recognised income and expense for the period</b>		<b>8,817</b>	<b>14,671</b>	<b>(2,365)</b>
Equity injection/(withdrawal)		(7,045)	(8,778)	(12,079)
Equity adjustments (inc. MoG transfers)	14, 17	6,700	92,269	6,477
<b>Total movement in equity for period</b>		<b>8,472</b>	<b>98,162</b>	<b>(7,967)</b>

## BALANCE SHEET

West Moreton Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		21,515	34,374	25,134
Receivables	23, 28	2,121	5,152	5,224
Other financial assets		..	..	..
Inventories		1,981	2,314	2,337
Other		540	427	476
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>26,157</b>	<b>42,267</b>	<b>33,171</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	19, 24	183,141	276,743	278,697
Intangibles		50	87	66
Other		..	..	..
<b>Total non-current assets</b>		<b>183,191</b>	<b>276,830</b>	<b>278,763</b>
<b>TOTAL ASSETS</b>		<b>209,348</b>	<b>319,097</b>	<b>311,934</b>
<b>CURRENT LIABILITIES</b>				
Payables		25,742	23,648	24,447
Accrued employee benefits		..	109	114
Interest-bearing liabilities and derivatives		..	..	..
Provisions	20, 25	..	630	630
Other		12	11	11
<b>Total current liabilities</b>		<b>25,754</b>	<b>24,398</b>	<b>25,202</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>25,754</b>	<b>24,398</b>	<b>25,202</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>183,594</b>	<b>294,699</b>	<b>286,732</b>
<b>EQUITY</b>				
Capital/contributed equity	21, 26	171,989	267,774	262,172
Accumulated surplus/(accumulated deficit)	22, 27	..	17,316	7,416
Reserves:				
- Asset revaluation surplus	29	11,605	9,609	17,144
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>183,594</b>	<b>294,699</b>	<b>286,732</b>

## CASH FLOW STATEMENT

West Moreton Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		408,824	431,394	436,209
Grants and other contributions		6,025	21,258	4,800
Interest received		41	29	30
Taxes				
Other	30	9,345	14,185	14,862
<b>Outflows</b>				
Employee costs		(1,092)	(1,389)	(1,372)
Supplies and services	31	(409,578)	(426,902)	(446,236)
Grants and subsidies		(397)	(574)	(365)
Borrowing costs		..	..	..
Other	33	(860)	(1,494)	(1,494)
<b>Net cash provided by/(used in) operating activities</b>		<b>12,308</b>	<b>36,507</b>	<b>6,434</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	(30)	(32)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(4,069)	(4,308)	(3,563)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,069)</b>	<b>(4,338)</b>	<b>(3,595)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		4,069	4,380	3,563
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	32, 34, 35	(11,114)	(13,158)	(15,642)
<b>Net cash provided by/(used in) financing activities</b>		<b>(7,045)</b>	<b>(8,778)</b>	<b>(12,079)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,194</b>	<b>23,391</b>	<b>(9,240)</b>
<b>Cash at the beginning of financial year</b>		<b>20,321</b>	<b>10,983</b>	<b>34,374</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>21,515</b>	<b>34,374</b>	<b>25,134</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase in Other Revenue reflects Salary Recoveries from external agencies where budget was not allocated as part of the Service Agreement.
2. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Budget has not been recast for this change. Decrease in Department of Health Contract Staff reflects the effect of Voluntary Redundancies offered in 2012-13 and cessation of Home and Community Care in September 2013.
3. Increase in Outsourced Service Delivery reflects additional expenditure due to the amendments in the Service Agreement between WMHHS and the Department of Health, including growth in activity, funding for reduction in Long Wait Surgical Lists and non-labour escalation.
4. Increase in Other Expenses reflects additional expenses due to ongoing requirements of a HHS to meet the needs of being recognised as a Statutory Body and non-labour escalation.
5. Increase in Depreciation and Amortisation due to a review of useful life for specific groups within the medical equipment asset class.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

6. Increase in Other Revenue reflects Salary Recoveries from external agencies where budget was not allocated as part of the Service Agreement
7. Increase in Outsourced Service Delivery reflects additional expenditure due to the amendments in the Service Agreement between WMHHS and the Department of Health, including growth in activity, funding for reduction in Long Wait Surgical Lists and non-labour escalation.
8. This increase is driven by the Mid-Year Review in January 2014, with a view to revitalising the Health and Hospital service and aligns investments with core services.
9. Increase in Depreciation and Amortisation due to a review of useful life for specific groups within the medical equipment asset class.
10. Increase in Other Expenses reflects additional expenses due to ongoing requirements of a HHS to meet the needs of being recognised as a Statutory Body and non-labour escalation.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

11. This increase is driven by the Mid-Year Review in January 2014, with a view to revitalising the Health and Hospital service and aligns investments with core services.
12. Increase in Depreciation and Amortisation due to a review of useful life for specific groups within the medical equipment asset class.
13. Budgeted deficit due to the reinvestment of the 2013-14 retained surplus in health service delivery.

### Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

14. Increase in Equity Adjustment due to expected commissioning of building.
15. Decrease in Asset Revaluation Reserve relates to the expected movement in the revaluation of land and buildings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

16. Decrease in Asset Revaluation Reserve relates to the expected movement in the revaluation of land and buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

17. Decrease in Equity Adjustments due to expected commissioning of building in 2013-14.
18. Increase in Asset Revaluation Reserve relates to the expected movement in the revaluation of land and buildings.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

19. Increase in Property, Plant and Equipment reflects to the expected commissioning and upward movement in the revaluation of land and buildings.
20. Increase in Provisions reflects due to recognition of expected litigation claims.
21. Increase in Capital/Contributed Equity reflects expected commissioning of building in 2013-14.
22. Increase in Accumulated Surplus/(accumulated deficit) reflects the recognition of operating surplus from 2012-13.
23. Increase in Receivables predominantly relates to an increase in billable patient and non-patient activity.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

24. Increase in Property, Plant and Equipment reflects to the expected commissioning and upward movement in the revaluation of land and buildings.
25. Increase in Provisions reflects the recognition of expected litigation claims.
26. Increase in Capital/Contributed Equity reflects expected commissioning of building in 2013-14.
27. Increase in Accumulated Surplus/(accumulated deficit) reflects the recognition of operating surplus from 2012-13.
28. Increase in Receivables predominantly relates to an increase in billable patient and non-patient activity.

Major variations between 2013-14 estimated actual and the 2014-15 Budget include:

29. Increase in Asset Revaluation Surplus relates to the expected upward movement in the revaluation of land and buildings.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

30. Increase in Other reflects additional expenses due to ongoing requirements of a HHS to meet the needs of being recognised as a Statutory Body and non-labour escalation.
31. Increase in supplies and services reflects the amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation.
32. Increase in Equity Withdrawals reflects changes in the depreciation funding.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

33. Increase in Other reflects additional expenses due to ongoing requirements of a HHS to meet the needs of being recognised as a Statutory Body and non-labour escalation.
34. Increase in Equity Withdrawals reflects changes in the depreciation funding.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

35. Increase in Equity Withdrawals reflects changes in the depreciation funding.

# WIDE BAY HOSPITAL AND HEALTH SERVICE

## AGENCY OVERVIEW

### Strategic direction

The Wide Bay Hospital and Health Service (HHS) was established in July 2012 as an independent statutory body. Governance of the Wide Bay HHS is overseen by a local Hospital and Health Board. Together, the Board and the Wide Bay HHS deliver health services to more than 208,000 people across the Wide Bay.

The Wide Bay HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to people residing in a geographical area that incorporates the North Burnett, Bundaberg and Fraser Coast local government areas and part of Gladstone Regional Council (Miriam Vale).

Wide Bay HHS is responsible for the direct management of the facilities and community health services based within the HHS's geographical boundaries:

- Bundaberg Hospital
- Maryborough Hospital
- Hervey Bay Hospital
- Childers Multi-Purpose Health Service (MPHS)
- Mundubbera MPHS
- Gayndah Hospital
- Gin Gin Hospital
- Monto Hospital
- Biggenden MPHS
- Eidsvold MPHS
- Mount Perry Health Centre

The Wide Bay HHS's purpose is to deliver quality health services focused on patients and families that reflect the needs of the Wide Bay community. We will do this by investing in our workforce and encouraging innovation in future plans that maximise the value of our resources and infrastructure.

A Strategic Plan 2014-2017 has been produced following a series of planning days with clinical staff, health leaders, Board members, unions, local council, community and other health care providers to provide clear focus for the organisation in meeting our key challenges.

The Wide Bay HHS has developed the following five pledges to guide and inform the development and delivery of services over the next four years:

1. Delivering sustainable, patient centred, quality health services
2. Engaging with our communities and partners
3. Developing and empowering our workforce
4. Encouraging innovation and excellence
5. Delivering value for money.

Each pledge is supported by strategic objectives and aligns with the *Blueprint for better healthcare in Queensland* and support the Government's objectives for the community to deliver better infrastructure and planning and revitalise frontline services for families.

## RESOURCES AND PERFORMANCE

The Wide Bay HHS has an operating budget of \$458.3 million for 2014-15 which is an increase of \$9.1 million (2%) from its 2013-14 operating budget of \$449.2 million.

Key service initiatives delivered or improvements achieved during 2013-14 include:

- significant improvement towards meeting the National Emergency Access (NEAT) and Elective Surgery (NEST) Targets
- reduction in the waiting time for an endoscopy from more than two years to 8 weeks with over 2,500 patients treated
- establishment of the Clinical Decision Unit (CDU) in Hervey Bay Hospital to improve patient flow and decrease Emergency Department waiting times
- reduction in the waiting time for dental care with over 9,000 patients treated during the past 12 months with only 271 patients (at March 2014) now waiting more than two years
- new models of care implemented for rehabilitation, sub-acute care, chronic disease management, hospital in the home, rapid assessment, medical clinical decision unit, and the Maryborough Access Targeted Evaluation Service
- implementation of a specially equipped patient transporter enables rapid transfer of non-urgent hospital patients between specialist services, private hospitals and other facilities
- commissioning of onsite Cardiac Investigation Unit and
- establishment of Acute Stroke Units in Hervey Bay and Bundaberg Hospitals.

## STATEMENTS

### Staffing

Wide Bay Hospital and Health Service	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2, 3, 4	2,634	2,605	2,605

#### Notes:

- 2013-14 Estimate published in the 2013-14 SDS was the 2013-14 average budgeted FTE.
- 2013-14 Est. Actual is the estimated Full-time equivalents (FTEs) as at 30 June 2014.
- 2014-15 Budget is the forecast at 30 June 2015.
- 2,602 staff included in the 2014-15 Budget are employees of the Department of Health and have been contracted to the HHS.

### Performance Statement

Wide Bay Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	85%	80%
• Category 3 (within 30 minutes)		75%	83%	75%
• Category 4 (within 60 minutes)		70%	77%	70%
• Category 5 (within 120 minutes)		70%	90%	70%
• All categories	1	..	80%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	80%	78%	86%
Median wait time for treatment in emergency departments (minutes)				
	3	20	21	20
Median wait time for elective surgery (days)				
	3	25	30	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	96%	100%
• Category 2 (90 days)		91%	83%	97%
• Category 3 (365 days)	2	96%	95%	98%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)		44%	46%	44%
• Category 2 (90 days)		47%	63%	47%
• Category 3 (365 days)	4	90%	84%	90%

Wide Bay Hospital and Health Service	Notes	2013-14 Target/est.	2013-14 Est. Actual	2014-15 Target/est.
Total weighted activity units:				
• Acute Inpatient		37,529	40,114	40,364
• Outpatients		9,466	10,190	10,003
• Sub-acute		5,921	5,605	5,902
• Emergency Department		14,302	14,292	14,136
• Mental Health		2,367	2,765	2,676
• Interventions and Procedures	5	6,736	5,686	5,921
Average cost per weighted activity unit for Activity Based Funding facilities				
	6	\$4,305	\$4,152	\$4,307
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days				
	7	1.1	1.0	<2.0
Number of in-home visits, families with newborns				
	8, 9	3,633	2,607	4,170
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit				
		>60%	78.7%	>60%
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge				
	10	<12%	10.5%	<12%
Ambulatory mental health service contact duration (hours)				
	11	34,393 – 42,209	30,085	>32,707

Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure. The 2013-14 Est. Actual figures are based on data from July to December 2013.
2. The 2013-14 targets were set as the midway point between the 2013 and 2014 calendar year National Elective Surgery Target (NEST) and National Emergency Access Target (NEAT), as per the National Partnership Agreement on Improving Public Hospital Services. The 2014-15 targets have been set as the midway point between the 2014 and 2015 calendar year NEST and NEAT. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
3. There is no nationally agreed target for median waiting time for treatment in emergency departments or in elective surgery. The 2013-14 Est. Actual figures are based on data from July 2013 to February 2014.
4. The 2013-14 targets for Category 1 and 2 were based on actual 2012-13 performance, and the target for Category 3 aligns with the *Blueprint for better healthcare in Queensland*. Specialist outpatient performance is reported for patients waiting as at 1 January 2014.
5. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures. The 2013-14 Target/Est. and 2014-15 Target/Est. have been calculated as per the *Blueprint* Value for Money indicator methodology, excluding Site Specific Grants and Clinical Education and Training.

6. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2013-14 Target/Est. and Est. Actual that were published in the 2013-14 Service Delivery Statements have been recalculated based on the Phase 17 ABF model to enable comparison with 2014-15 Target/Est. figures.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level. The Target/Est. for 2014-15 has been revised to align with the national benchmark of 2.0 cases per 10,000 acute public hospital patient days.
8. 2013-14 was the first full year of implementation of the *Mums and Bubs* initiative. The variation between the 2013-14 Target/Est. and the 2013-14 Est. Actual is due to data collection issues.
9. The 2014-15 Target/Est. is based on the 2013-14 Target/Est. as a starting point and projecting further in-home visits based on additional funding allocations for participating HHSs. It is anticipated that, where required, improvements will occur in relation to data collection.
10. The target for mental health readmissions is the nationally indicative target identified in the *Fourth National Mental Health Plan Measurement Strategy*. As such, it represents a stretch target of good practice for HHSs to attain rather than an incremental improvement from prior year performance.
11. For 2013-14, a standard methodology was adopted based on previous investment in mental health services, with adjustments for variation expected due to geographic locality. However, due to a range of issues including known under-reporting within clinical information systems that capture the data, most HHSs are not expected to meet the target for 2013-14. A range of strategies, both state-wide and localised, are being implemented to improve data collection across HHSs. In addition, the targets for 2014-15 have been revised slightly to reflect better understanding of investments that are directed towards clinical activity.

## INCOME STATEMENT

Wide Bay Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 5	432,851	452,619	449,069
Grants and other contributions	2,6	15,079	7,565	5,883
Interest		94	80	80
Other revenue	3	1,170	5,267	3,279
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>449,194</b>	<b>465,531</b>	<b>458,311</b>
<b>Expenses</b>				
Employee expenses		767	767	788
Supplies and services:	4, 7, 8			
- Outsourced service delivery		..	4,620	4,516
- Other supplies and services		127,594	135,513	121,396
- Department of Health Contract Staff		305,193	311,459	317,723
Grants and subsidies		..	..	..
Depreciation and amortisation		14,808	12,340	13,034
Finance/borrowing costs		..	..	..
Other expenses		669	669	687
Losses on sale/revaluation of assets		163	163	167
<b>Total expenses</b>		<b>449,194</b>	<b>465,531</b>	<b>458,311</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Wide Bay Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		9,498	8,796	9,371
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>9,498</b>	<b>8,796</b>	<b>9,371</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>9,498</b>	<b>8,796</b>	<b>9,371</b>
Equity injection/(withdrawal)		(10,541)	(8,194)	(9,434)
Equity adjustments (inc. MoG transfers)	9	50,703	(3,755)	10,466
<b>Total movement in equity for period</b>		<b>49,660</b>	<b>(3,153)</b>	<b>10,403</b>

## BALANCE SHEET

Wide Bay Hospital and Health Service	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		25,414	20,896	23,576
Receivables		2,846	6,727	6,839
Other financial assets		..	..	..
Inventories		3,009	2,980	3,014
Other		357	394	427
Non-financial assets held for sale		..	(373)	(373)
<b>Total current assets</b>		<b>31,626</b>	<b>30,624</b>	<b>33,483</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	9, 11, 13	255,719	195,688	206,091
Intangibles		..	..	..
Other		10	..	..
<b>Total non-current assets</b>		<b>255,729</b>	<b>195,688</b>	<b>206,091</b>
<b>TOTAL ASSETS</b>		<b>287,355</b>	<b>226,312</b>	<b>239,574</b>
<b>CURRENT LIABILITIES</b>				
Payables		30,003	29,294	32,153
Accrued employee benefits		..	28	28
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		8	54	54
<b>Total current liabilities</b>		<b>30,011</b>	<b>29,376</b>	<b>32,235</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>30,011</b>	<b>29,376</b>	<b>32,235</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>257,344</b>	<b>196,936</b>	<b>207,339</b>
<b>EQUITY</b>				
Capital/contributed equity	10, 11, 13	244,934	187,878	188,910
Accumulated surplus/(accumulated deficit)		..	14	14
Reserves:				
- Asset revaluation surplus	12, 14	12,410	9,044	18,415
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>257,344</b>	<b>196,936</b>	<b>207,339</b>

## CASH FLOW STATEMENT

Wide Bay Hospital and Health Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	15, 19	432,585	452,353	448,891
Grants and other contributions	20, 22	15,079	19,632	5,883
Interest received		94	80	80
Taxes		..	..	..
Other	16	14,361	18,458	17,197
<b>Outflows</b>				
Employee costs		(767)	(767)	(788)
Supplies and services	17, 21, 23	(444,825)	(462,776)	(454,862)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(669)	(1,523)	(687)
<b>Net cash provided by/(used in) operating activities</b>		<b>15,858</b>	<b>25,457</b>	<b>15,714</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		(4,267)	(4,858)	(3,600)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,267)</b>	<b>(4,858)</b>	<b>(3,600)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		4,267	4,146	3,600
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(14,808)	(12,340)	(13,034)
<b>Net cash provided by/(used in) financing activities</b>		<b>(10,541)</b>	<b>(8,194)</b>	<b>(9,434)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,050</b>	<b>12,405</b>	<b>2,680</b>
<b>Cash at the beginning of financial year</b>	18, 23, 24	<b>24,364</b>	<b>8,491</b>	<b>20,896</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>25,414</b>	<b>20,896</b>	<b>23,576</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. In 2013-14, revenue was reclassified from Grants and other contributions to User charges, following guidance issued by Queensland Treasury. The 2013-14 Adjusted budget was adjusted for comparative purposes. Increase reflects additional funding provided for amendments in the Service Agreement between Wide Bay HHS and the Department of Health. Revenue is based on the confirmed Window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2013-14 financial year and revenue will be adjusted for any changes under these negotiations. Increase includes projected increases in own source revenue generation funding received under service agreements previously classified.
2. Decrease due to reduced revenue for the residential aged care facility and transfer of HACC services to the NGO sector.
3. Increase due to salary recoveries now included in this line item and once-off recoveries for flood damage.
4. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

5. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2014-15 Budget. Increase in funding provided under the Service Agreement between Wide Bay HHS and the Department of Health due to additional purchased activity. Increase includes favourable projections in own source revenue generation.
6. Decrease due to reduced revenue for the residential aged care facility and transfer of HACC services to the NGO sector.
7. The reclassification of Supplies and Services to 'Outsourced service delivery', 'Other supplies and services' and 'Department of Health Contract Staff' has been provided for greater transparency in the 2013-14 Estimated actual and the 2014-15 Budget estimate. The 2013-14 Adjusted budget has not been recast for this change. Increase in expenditure reflects amendments in the Service Agreement between Wide Bay HHS and the Department of Health increasing purchased activity in 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

8. Decrease in non-recurrent funding from the Department of Health.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

9. Decrease due to revised commissioning of assets and transfer of Government Employee Housing to the Department of Housing and Public Works.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

10. Decrease relates to commissioning of assets and sale of residential aged care facility.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

11. Decrease relates to commissioning of assets scheduled for 2014-15, depreciation and asset revaluation and transfer of Government Employee Housing to the Department of Housing and Public Works.
12. Increase due to the expected movement in the revaluation of buildings.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

13. Increase relates to commissioning of assets scheduled for 2014-15 and asset revaluation, offset by the transfer of Government Employee Housing to the Department of Housing and Public Works.
14. Increase due to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

15. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2013-14 Estimated actual. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
16. Increase due to salary recoveries now included in this line item and once-off recoveries for flood damage.
17. Increase reflects amendments in the Service Agreement between Wide Bay HHS and the Department of Health increasing purchased activity in 2013-14.
18. Decrease due to delay of Departmental Funding for 2012-13 Contract Amendments.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

19. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2014-15 Budget. Increase reflects additional funding provided for amendments in the Service Agreement with the Department of Health, and from increases in own source revenue.
20. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2014-15 Budget. Decrease reflects reduced revenue for the residential aged care facility and transfer of HACC services to the NGO sector.
21. Increase reflects amendments in the Service Agreement between Wide Bay HHS and the Department of Health increasing purchased activity in 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

22. Funding received under service agreements previously classified as Grants and other contributions for the 2013-14 Adjusted budget has been reclassified as User charges and fees under 2014-15 Budget. Decrease reflects reduced revenue for the residential aged care facility and transfer of HACC services to the NGO sector.
23. Increase in non-recurrent and one-off expenses.
24. Increase due to Departmental Funding for 2012-13 Contract Amendments provided in 2013-14.

# QUEENSLAND INSTITUTE OF MEDICAL RESEARCH

## AGENCY OVERVIEW

### Strategic direction

The Council of the Queensland Institute of Medical Research, now known as the QIMR Berghofer Medical Research Institute ('QIMR Berghofer') is a world-leading translational research institute, established as a statutory body under the *Queensland Institute of Medical Research Act 1945*. QIMR Berghofer's research strategy focuses on three major areas: cancer, infectious diseases, and mental health and complex disorders.

QIMR Berghofer aims to improve health by developing prevention strategies, new diagnostics and better health treatments. Its strategic objectives for 2014-2018 are to:

- maintain a translational focus in research activities and through clinical collaborations and clinical trials
- increase knowledge and strengthen its reputation for scientific excellence
- attract and retain high quality researchers
- increase funding annually
- increase engagement with the biotechnology sector
- inform and involve the community in research activities at QIMR Berghofer.

QIMR Berghofer is a national pace-setter in medical research and its commitment to translational outcomes and regionally relevant research merges with the *Blueprint for better healthcare in Queensland* themes of focusing on patients, providing value in health services, and investing and planning for the future.

The realisation of QIMR Berghofer's strategic objectives is dependent on its success in securing funding from both government and non-government sources, including community and philanthropic donations and income from commercialisation activities.

## RESOURCES AND PERFORMANCE

In 2014-15, QIMR Berghofer will receive \$18.9 million from the Queensland Government, representing 19% of total revenue. This, together with competitive peer-reviewed medical research grants, is one of QIMR Berghofer's most significant sources of funding. The State Government grant and the support operations it finances enable QIMR Berghofer to leverage this funding to secure competitive peer-reviewed medical research grants and other income.

QIMR Berghofer is continuing a period of accelerated growth after the opening of its new 15-storey building with state-of-the-art facilities and purpose-built laboratories. QIMR Berghofer is actively recruiting researchers for research in areas of high strategic importance to Queensland, including tropical diseases, immunotherapy and vaccine development, cancer and genetics to increase its capacity to approximately 1,000 staff, students and visiting scientists. The Institute aims to offer 300 new jobs in Queensland by 2017. During its current expansion phase, QIMR Berghofer has attracted 10 new research teams, since 2012 in the departments of Biology; Immunology; Genetics and Computational Biology in the Cancer and Infectious Diseases programs. The successful recruitment and retention of leading Australian and international scientists in Queensland and at QIMR Berghofer will be a critical issue in a highly competitive sector.

During 2013-14 QIMR Berghofer:

- launched one of the world's biggest studies of vitamin D's role in health
- led research which discovered that a key protein on the surface of immune cells helps to camouflage cancer, offering a new treatment target
- launched an Australian-first study designed to prioritise high-risk patients on colonoscopy waiting lists
- led research which confirmed that the Human Papillomavirus (HPV) vaccination has reduced the frequency of abnormal Pap test results and pre-cancers in women
- continued the Human Challenge, a project funded by the Medicines for Malaria Venture through the Bill and Melinda Gates Foundation, where anti-malarial drugs are trialled on human volunteers infected with malaria
- identified a genetic "switch" which indicates whether a woman's breast cancer will spread
- recruited participants for an immunotherapy trial for glioblastoma multiforme (brain tumours)
- led the first global genetic risk study of oesophageal adenocarcinoma
- developed a more accurate way of identifying people at high risk of bowel and endometrial cancer by refining genetic information in an international database, allowing doctors to give patients a truer picture of their familial risk
- worked on a potential immunotherapy treatment for multiple sclerosis
- commenced a global study on the genetics of anorexia
- identified 10 genetic variants that increase a person's risk of having allergies
- established a new genetic link for why red-heads are more likely to develop melanoma
- initiated seven new clinical trials
- co-authored a study showing that cancer patients in rural and remote Australian communities continue to be at increased risk of death compared with their urban-dwelling counterparts
- commenced a study on the genetics of hyperemesis gravidarum (extreme morning sickness).

In the wider research community QIMR Berghofer:

- is a key and founding member of the Queensland Tropical Health Alliance
- is a Centre of Research Excellence for oesophageal cancer, bringing together major research teams across the country
- has partnered with the University of Queensland (UQ) and Emory University (Georgia, USA) to sign the Queensland Emory Development Alliance (QED) to collaborate on new drugs and vaccines for cancer and infectious diseases
- officially launched the Queensland Mental Health Research Alliance with the Queensland Brain Institute (QBI) and the Queensland Centre for Mental Health Research (QCMHR) to improve mental health outcomes
- continued working with the Royal Brisbane and Women's Hospital (RBWH), UQ and Queensland University of Technology (QUT) to develop new diagnostics based on advanced imaging technology
- has been an integral part of the discussions to establish an Advanced/Integrated HealthSciences Centre in Brisbane
- finalised a collaborative agreement with the Herston Imaging Research Facility (HIRF) partners – QIMR Berghofer, RBWH, UQ, QUT and commercial provider, Siemens.

QIMR Berghofer has engaged with the community and has:

- organised the largest fundraising cycle event in Queensland, with 1,236 direct participants in 2013
- partnered with the RBWH Foundation to stage the inaugural Weekend to End Women's Cancers in 2013 with 1,346 participants
- participated for the first time in Brisbane Open House, with over 220 visitors touring QIMR Berghofer research facilities on the weekend of the event

- successfully nominated skin cancer researcher Professor Adele Green AC as the Westpac and Australian Financial Review's Woman of Influence for 2013, further promoting the value and importance of science education and medical research
- delivered the QIMR Berghofer education program offering over 1,300 Queensland students from over 40 schools the opportunity to participate in the Institute's High School Lecture Series, work experience program and hands-on laboratory experience in the state-of-the-art education laboratory
- hosted free public forums on the latest research in cancer, infectious diseases and complex disorders
- provided 115 tours and speaking engagements to over 3,400 members of the public.

In 2014-15, QIMR Berghofer will:

- commence new trials using immunotherapy in early stages of metastatic Nasopharyngeal Carcinoma (NPC) following promising results in a phase one clinical trial with terminal NPC patients
- commence a trial of a rheumatoid arthritis medication to treat asthma
- continue to test anti-malarial drugs on humans infected with malaria parasites
- continue leading D-Health, a five-year study investigating the role of Vitamin D in preventing disease
- continue developing brain imaging technology for use in creating a diagnostic test for depression
- commence clinical trials on an immunotherapy treatment for multiple sclerosis
- commence Phase II clinical trials on a potential treatment for glioblastoma multiforme (dependent upon funding)
- begin work on developing a vaccine for cytomegalovirus, which could help prevent potential birth defects in babies
- be the only research facility in Australia to house the Asian Tiger Mosquito, to allow new research into chikungunya
- explore the ability of snake, cone snail, hookworm and jellyfish venom to control the body's immune system, and potentially play a role in cancer treatments
- announce new findings into rates of skin cancer in Australia in people aged under 45
- develop a powerful predictor for aggressive breast cancers for more accurate prognosis and ensuring the most effective treatment
- further develop research and industrial connections with India
- continue work on Q-Skin, the largest skin cancer research study ever conducted in Australia.

## STATEMENTS

### Staffing

Queensland Institute of Medical Research	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	1, 2	535	480	535

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. This does not include visiting scientists/affiliates, students or casual staff.

## INCOME STATEMENT

Queensland Institute of Medical Research	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		3,953	3,881	5,404
Grants and other contributions	1, 4, 6	94,087	80,025	85,542
Interest		2,001	1,548	1,541
Other revenue		6,750	8,238	8,686
Gains on sale/revaluation of assets		..	85	..
<b>Total income</b>		<b>106,791</b>	<b>93,777</b>	<b>101,173</b>
<b>Expenses</b>				
Employee expenses	2, 7	52,181	43,739	51,223
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3, 5	43,030	37,181	36,820
Grants and subsidies		..	..	..
Depreciation and amortisation	8	10,167	9,669	11,382
Finance/borrowing costs		..	..	..
Other expenses		1,413	1,797	1,748
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>106,791</b>	<b>92,386</b>	<b>101,173</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>1,391</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Institute of Medical Research	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)	9, 10	(4,895)	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>(4,895)</b>	<b>..</b>	<b>..</b>

## BALANCE SHEET

Queensland Institute of Medical Research	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	11, 14, 16	46,230	37,890	34,794
Receivables		11,313	10,144	10,144
Other financial assets		..	..	..
Inventories		273	272	272
Other		664	1,045	1,045
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>58,480</b>	<b>49,351</b>	<b>46,255</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	12, 15	76,918	90,532	98,575
Property, plant and equipment	11, 17	263,931	286,481	281,534
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>340,849</b>	<b>377,013</b>	<b>380,109</b>
<b>TOTAL ASSETS</b>		<b>399,329</b>	<b>426,364</b>	<b>426,364</b>
<b>CURRENT LIABILITIES</b>				
Payables		21,814	26,238	26,238
Accrued employee benefits		2,388	2,910	2,910
Interest-bearing liabilities and derivatives		27	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>24,229</b>	<b>29,148</b>	<b>29,148</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		936	869	869
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>936</b>	<b>869</b>	<b>869</b>
<b>TOTAL LIABILITIES</b>		<b>25,165</b>	<b>30,017</b>	<b>30,017</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>374,164</b>	<b>396,347</b>	<b>396,347</b>
<b>EQUITY</b>				
Capital/contributed equity		(4,895)	..	..
Accumulated surplus/(accumulated deficit)		340,111	348,529	348,529
Reserves:				
- Asset revaluation surplus	13	38,948	47,818	47,818
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>374,164</b>	<b>396,347</b>	<b>396,347</b>

## CASH FLOW STATEMENT

Queensland Institute of Medical Research	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		3,953	3,881	5,404
Grants and other contributions	18	89,192	80,025	85,542
Interest received		2,729	1,548	1,541
Taxes		..	..	..
Other		2,401	1,196	1,480
<b>Outflows</b>				
Employee costs		(52,181)	(43,739)	(51,223)
Supplies and services		(43,711)	(35,749)	(36,909)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(1,121)	(1,825)	(1,748)
<b>Net cash provided by/(used in) operating activities</b>		<b>1,262</b>	<b>5,337</b>	<b>4,087</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	85	..
Investments redeemed	18	10,400	..	6,000
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	19, 20	(21,000)	(23,600)	(6,435)
Payments for investments		(6,586)	(6,684)	(6,748)
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(17,186)</b>	<b>(30,199)</b>	<b>(7,183)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(15,924)</b>	<b>(24,862)</b>	<b>(3,096)</b>
<b>Cash at the beginning of financial year</b>		<b>62,154</b>	<b>62,752</b>	<b>37,890</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>46,230</b>	<b>37,890</b>	<b>34,794</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Amounts of competitive research grant funding distributed to the Institute by the National Health and Medical Research Council and other funding agencies did not increase as expected. This further impacts on income from grant administration and fees paid to QIMR Berghofer as the grant administering institute.
2. 2013-14 Estimated actual employee expenses were under the 2013-14 Budget amount due to lower than expected competitive research grant funding available coupled with a selective recruitment strategy.
3. Supplies and services costs were lower than 2013-14 Adjusted budget due to successful cost saving initiatives and lower than expected competitive research grant funding being available. In addition, operating costs for QIMR Berghofer's building 'The Bancroft Centre' were reduced during the ongoing refurbishment.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

4. The reduction in grants & other contributions is mainly attributable to the continuing trend of limited competitive research grant funding being made available by grant funding agencies.
5. Supplies and services costs in the 2014-15 Budget are expected to remain lower than the 2013-14 Budget due to successful cost saving initiatives and lower than expected competitive research grant funding being available for research activities.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

6. Despite the continuing trend of limited competitive research grant funding being available, QIMR Berghofer expects to slightly increase income from the limited funding pool available as a reflection of its successful scientific recruitment strategy.
7. The 2014-15 Budget reflects salary increases in line with the current enterprise bargaining agreement and changes in employer superannuation contribution from Commonwealth legislation, as well as growth in the number of research staff.
8. Building depreciation will increase in the 2014-15 Budget due to the completion of the third and final phase of the Medical Research Centre project.

### Statement of changes in equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

9. Additional grant funding from Queensland Health offset in QIMR Berghofer's accounts as a non-appropriated equity adjustment actually received as cash and therefore reflected in 2013-14 Estimated actual as grant income.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

10. Additional grant funding from Queensland Health offset in QIMR Berghofer's accounts as a non-appropriated equity adjustment actually received as cash and therefore reflected in 2014-15 Budget actual as grant income.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

11. The decrease in the 2013-14 Estimated actual cash balance is mainly related to the completion of the Bancroft Centre refurbishment which at the same time increased the balance of property, plant and equipment.
12. The market value of QIMR Berghofer's long term investments reflected an above average performance of financial markets in 2013-14 Estimated actual.
13. The 2013-14 Estimated actual asset revaluation surplus included the outcome of the QLD Treasury mandated revaluations of buildings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

14. The decrease in the 2014-15 Budget cash balance is mainly related to the completion of the Bancroft Centre refurbishment which at the same time will increase the balance of property, plant and equipment.

15. The higher market value of QIMR Berghofer's long term investments is driven by above average performance of financial markets in the 2013-14 year providing a higher base asset value for the 2014-15 Budget year.

Major variations between 2013-14 Estimated actual and 2014-15 Budget include:

16. The decrease in the 2014-15 Budget cash balance is mainly related to completion of the Bancroft Centre refurbishment.
17. The 2014-15 Budget balance of property, plant and equipment decreases mainly due to the significant annual depreciation charges in relation to QIMR Berghofer's buildings.

### **Cash flow Statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

18. Lower research grant income than budgeted in the 2013-14 year was more than offset by cost savings in operational activities resulting in redemption from investments not being required.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

19. Overall payments for capital works will be significantly reduced in the 2014-15 budget year due to completion of the Bancroft Centre refurbishment.

Major variations between 2013-14 Estimated actual and 2014-15 Budget include:

20. Overall payments for capital works will be significantly reduced in the 2014-15 budget year due to completion of the Bancroft Centre refurbishment.



# QUEENSLAND MENTAL HEALTH COMMISSION

## AGENCY OVERVIEW

### Strategic direction

The Queensland Mental Health Commission (QMHC) was established on 1 July 2013 as an independent statutory body under the *Queensland Mental Health Commission Act 2013*.

The QMHC's vision is for a healthy community where people living with mental illness or substance misuse have a life with purpose, and access to quality care focussed on wellness and recovery, in a society free of stigma and discrimination.

The establishment of the QMHC reflects an important commitment within the Government's *Blueprint for better healthcare in Queensland* that supports better health care in the community. The QMHC's purpose is to drive ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health, drug and alcohol system within Queensland. It seeks to achieve this through:

- optimising sectoral consensus on and making progress towards achieving system-wide outcomes
- maximising the collective impact of the available lived experience and professional expertise across the mental health alcohol and other drugs sector.

Key activities to be undertaken by the QMHC include:

- preparing, monitoring and reporting on the implementation of a whole-of- Government Strategic Plan that:
  - provides for coordinated cross sectoral action
  - promotes the best interests of people with or vulnerable to developing mental health or substance misuse issues
  - drives innovation and best practice
  - encourages relevant service integration
- monitoring, reviewing and reporting on issues affecting people with or vulnerable to developing mental health or substance misuse issues, and their families, carers and support persons
- promoting prevention, early intervention and community awareness strategies
- supporting the Mental Health and Drug Advisory Council (MHDAC).

## RESOURCES AND PERFORMANCE

The QMHC had an operating budget of \$7.1 million in 2013-14, its first year of operation. It will have an operating budget of \$8.5 million in 2014-15.

During the QMHC's first year of operation a key focus was to consolidate its establishment as a statutory body and set the operational framework. Key deliverables included:

- the appointment of the Commissioner on 1 July 2013
- establishing appropriate structure, systems and processes necessary to meet its governance obligations as a statutory body
- establishing the MHDAC on 1 April 2014
- consultation with key cross sector stakeholders and commissioning research to inform whole-of-Government Strategic Plan development

- a directions paper designed to focus the final stages of strategic plan development
- commencing an Ordinary Report relating to Social Housing clients with a mental illness and substance misuse issues
- responding to the Queensland Health's review of the *Mental Health Act 2000*
- commissioning an evaluation of a school based program which addresses the early detection and intervention of mental disorders in children and young people and research that identifies the necessary conditions for open wards in acute mental health facilities
- delivering a mental health grants program of \$2.58 million of which \$1.57 million was provided to a Suicide Prevention Program for research, program delivery and promotion
- investing in Aboriginal and Torres Strait Islander community wellbeing initiatives that promote social and emotional wellbeing, and reduce community distress and suicide
- identifying strategies to increase access to services in rural and remote communities
- hosting workshops by an international leader in mental health promotion to strengthen cross sectoral engagement in mentally healthy workplaces.

During 2014-15, the QMHC's focus will shift from establishment to implementation of activities that will enable it to fulfil its legislative obligations. This will include:

- finalising the Strategic Plan and monitoring the implementation of agreed actions
- leading implementation of specified actions identified in the Strategic Plan
- presenting the Ordinary Report, addressing social housing issues for clients with a mental illness and/or substance misuse, to the Minister for tabling in Parliament
- responding to recommendations of the evaluation of a key program which addresses the early detection and intervention of mental disorders in children and young people
- supporting the work of the MHDAC, including development of strategies to enhance the engagement of consumers, families and carers and to improve outcomes for Aboriginal and Torres Strait Islander peoples
- reviewing the suicide prevention and other key action areas in accordance with agreed priorities and actions outlined in the Strategic Plan
- establishing mechanisms to support interagency and inter-sectoral collaboration to address mental health and substance misuse.

## STATEMENTS

### Staffing

Queensland Mental Health Commission	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
	1	10	10	15

Notes:

1. Full-time equivalents (FTEs) as at 30 June.

### Performance Statement

Queensland Mental Health Commission	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
<b>Service standards</b>				
Stakeholder satisfaction with:				
<ul style="list-style-type: none"> <li>opportunities to provide consumer, support person and provider perspectives on mental health and substance misuse issues</li> </ul>	1, 2	New measure	..	75%
<ul style="list-style-type: none"> <li>extent to which consumer and provider perspectives are represented in strategic directions articulated by the Commission to improve the system</li> </ul>	1, 2	New measure	..	75%
<ul style="list-style-type: none"> <li>the range of stakeholders involved in developing and implementing solutions</li> </ul>	1, 2	New measure	..	75%

Notes:

1. The purpose of this service standard is to monitor the perceived level of client satisfaction with the QMHC. This will be measured through an annual client survey which will seek the views of key stakeholder bodies such as the Queensland Mental Health and Drug Advisory Council (QMHDAC). It is anticipated that as awareness of the QMHC and its capacity grows, a wider range of stakeholders will be reached and more opportunities provided for input.
2. A target of 75% is considered to be the minimum acceptable percentage of those targeted through survey that are satisfied with their opportunity to contribute, actual participation levels and results as reflected in the whole-of-Government Strategic Plan priorities.

## INCOME STATEMENT

Queensland Mental Health Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		..	..	..
Grants and other contributions	1, 4, 7	7,147	5,948	8,504
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>7,147</b>	<b>5,948</b>	<b>8,504</b>
<b>Expenses</b>				
Employee expenses	5, 8	1,547	1,450	2,062
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	2, 6, 9	1,380	1,907	2,476
Grants and subsidies	3	4,048	2,568	3,938
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		172	23	28
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>7,147</b>	<b>5,948</b>	<b>8,504</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Mental Health Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>

## BALANCE SHEET

Queensland Mental Health Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		72	72	..
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>72</b>	<b>72</b>	<b>..</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>72</b>	<b>72</b>	<b>..</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		72	72	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>72</b>	<b>72</b>	<b>..</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>72</b>	<b>72</b>	<b>..</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>..</b>	<b>..</b>	<b>..</b>

## CASH FLOW STATEMENT

Queensland Mental Health Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		..	..	..
Grants and other contributions	10,13,16	7,147	5,948	8,504
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs	14, 17	(1,475)	(1,378)	(2,134)
Supplies and services	11,15,18	(1,380)	(1,907)	(2,476)
Grants and subsidies	12	(4,048)	(2,568)	(3,938)
Borrowing costs		..	..	..
Other		(172)	(23)	(28)
<b>Net cash provided by/(used in) operating activities</b>		<b>72</b>	<b>72</b>	<b>(72)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>72</b>	<b>72</b>	<b>(72)</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>..</b>	<b>72</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>72</b>	<b>72</b>	<b>..</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Budget and 2013-14 Estimated actual include:

1. Income grants and other contributions – a reduction of \$1.2M reflects an approved deferral of funds to financial year 2014-15 to align funding to whole-of-Government Strategic Plan implementation.
2. Supplies and services – increase reflects consultancy and contractor engagement work undertaken to inform whole-of-Government Strategic Plan development.
3. Expenses grants and subsidies – reduction commensurate with the deferred funds to financial year 2014-15 to align funding to whole-of-Government Strategic Plan implementation.

Major variations between 2013-14 Budget and 2014-15 Budget include:

4. Income grants and contributions – increase predominantly relates to \$1.2M funding deferral.
5. Employee Expenses – increase reflects an increase in FTEs from 10 to 15.
6. Supplies and Services – increase reflects consultancy and contractor engagement work anticipated for whole-of-Government Strategic Plan implementation.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

7. Income grants and contributions – variance in the main relates to funding deferral treatment.
8. Employee Expenses – increase reflects an increase in FTEs from 10 to 15.
9. Supplies and Services – increase reflects consultancy and contractor engagement work anticipated for whole-of-Government Strategic Plan implementation.

### Cash flow statement

Major variations between 2013-14 Budget and 2013-14 Estimated actual include:

10. Income grants and other contributions – a reduction of \$1.2M reflects an approved deferral of funds to financial year 2014-15 to align funding to whole-of-Government Strategic Plan implementation.
11. Supplies and services – increase reflects consultancy and contractor engagement work undertaken to inform whole-of-Government Strategic Plan development.
12. Expenses grants and subsidies – reduction commensurate with the deferred funds to financial year 2014-15 to align funding to whole-of-Government Strategic Plan implementation.

Major variations between 2013-14 Budget and 2014-15 Budget include:

13. Income grants and contributions – increase predominantly relates to \$1.2M funding deferral.
14. Employee Expenses – increase reflects an increase in FTEs from 10 to 15.
15. Supplies and Services – increase reflects consultancy and contractor engagement work anticipated for whole-of-Government Strategic Plan implementation.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

16. Income grants and contributions – variance in the main relates to funding deferral treatment.
17. Employee Expenses – increase reflects an increase in FTEs from 10 to 15.
18. Supplies and Services – increase reflects consultancy and contractor engagement work anticipated for whole-of-Government Strategic Plan implementation.



# OFFICE OF THE HEALTH OMBUDSMAN

## AGENCY OVERVIEW

### Strategic direction

The Queensland Government has committed to a more transparent, accountable and responsive health complaints management system. On 20 August 2013, Parliament passed the *Health Ombudsman Act 2013* with the key objectives of:

- protecting the health and safety of the public
- promoting professional, safe and competent practice by health practitioners
- promoting high standards of service delivery by health service organisations
- maintaining public confidence in the management of complaints and other matters relating to the provision of health services.

The Health Ombudsman will be supported by the Office of the Health Ombudsman (OHO), which will commence dealing with health complaints on 1 July 2014. The primary functions of the office are to:

- receive and investigate complaints about health services and health service providers, including registered and unregistered health practitioners
- decide what action should be taken in relation to those complaints and, in certain instances, take immediate action to protect the safety of the public
- monitor the health, conduct and performance functions of the Australian Health Practitioner Regulation Agency (AHPRA) and national health practitioner boards
- provide information about minimising and resolving health service complaints
- report publicly on the performance of its functions.

Upon commencement, the OHO will acquire functions currently performed by AHPRA and Queensland's Health Quality and Complaints Commission (HQCC). While AHPRA will continue as a national regulatory agency, with some functions and funding transitioned to the OHO, the Health Quality Complaints Commission (HQCC) will cease operations on 30 June 2014.

## RESOURCES AND PERFORMANCE

The Department of Health, on behalf of the Minister for Health, facilitated the start-up of the OHO transitional office on 28 January 2014. Following proclamation of a number of key sections of the Act, the OHO was established as a legal entity on 17 February 2014.

The office received operational start-up funding of \$5 million for the period until 30 June 2014. Upon proclamation of the remaining sections of the Act in late June 2014, the ongoing funding for the OHO will comprise:

- state-appropriated funding (of a similar amount to that of the HQCC)
- a portion of funding sourced from practitioners' registration fees (via AHPRA), which will support the OHO in handling serious complaints (formerly assessed and investigated by AHPRA and the national health practitioner boards).

Once operational, innovative strategies will be employed to ensure that the OHO can meet or exceed the performance requirements outlined in the Act, particularly those related to timeliness.

## STATEMENTS

### Staffing

Office of the Health Ombudsman	Notes	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget
		..	..	91

Notes:

1. Full-time equivalents (FTEs) as at 30 June.

## INCOME STATEMENT

Office of the Health Ombudsman	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		..	..	..
Grants and other contributions		..	..	9,995
Interest		..	..	..
Other revenue		..	..	250
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		..	..	<b>10,245</b>
<b>Expenses</b>				
Employee expenses		..	..	7,680
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	2,115
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	413
Finance/borrowing costs		..	..	..
Other expenses		..	..	37
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		..	..	<b>10,245</b>
<b>OPERATING SURPLUS/ (DEFICIT)</b>		..	..	..

## STATEMENT OF CHANGES IN EQUITY

Office of the Health Ombudsman	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		..	..	..
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		..	..	..
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	1,670
<b>Total movement in equity for period</b>		..	..	<b>1,670</b>

## BALANCE SHEET

Office of the Health Ombudsman	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		..	..	2,010
Receivables		..	..	78
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	79
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		..	..	<b>2,167</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	877
Intangibles		..	..	175
Other		..	..	..
<b>Total non-current assets</b>		..	..	<b>1,052</b>
<b>TOTAL ASSETS</b>		..	..	<b>3,219</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	152
Accrued employee benefits		..	..	562
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	139
<b>Total current liabilities</b>		..	..	<b>853</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	55
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	641
<b>Total non-current liabilities</b>		..	..	<b>696</b>
<b>TOTAL LIABILITIES</b>		..	..	<b>1,549</b>
<b>NET ASSETS/(LIABILITIES)</b>		..	..	<b>1,670</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	1,670
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		..	..	<b>1,670</b>

## CASH FLOW STATEMENT

Office of the Health Ombudsman	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		..	..	..
Grants and other contributions		..	..	9,995
Interest received		..	..	245
Taxes		..	..	..
Other		..	..	5
<b>Outflows</b>				
Employee costs		..	..	(7,680)
Supplies and services		..	..	(2,115)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		..	..	(37)
<b>Net cash provided by/(used in) operating activities</b>		..	..	<b>413</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	..	<b>413</b>
<b>Cash at the beginning of financial year</b>		..	..	..
Cash transfers from restructure		..	..	1,597
<b>Cash at the end of financial year</b>		..	..	<b>2,010</b>

## **EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS**

### **Income statement / Balance sheet / Cash flow statement**

1. The Office of the Health Ombudsman will be established on 1 July 2014 therefore no data is available from the 2013-14 financial year for comparative purposes.

# HEALTH QUALITY AND COMPLAINTS COMMISSION

## **AGENCY OVERVIEW**

### **Strategic direction**

The Health Quality and Complaints Commission (the HQCC) will cease operations on 30 June 2014 and as such its service standards will be discontinued. For details of the HQCC's performance against its service standards in 2013-14, please refer to the Government's separately published 'Discontinued measures' document.

Financial statements relating to the HQCC are overleaf.

## INCOME STATEMENT

Health Quality and Complaints Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		..	..	..
Grants and other contributions	3,4	9,941	9,941	..
Interest	3,4	245	245	..
Other revenue	3,4	5	5	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>	3,4	<b>10,191</b>	<b>10,191</b>	..
<b>Expenses</b>				
Employee expenses	1,3,4	7,676	7,338	..
Supplies and services:		..	..	..
- Outsourced service delivery		..	..	..
- Other supplies and services	2,3,4	2,020	2,397	..
Grants and subsidies		..	..	..
Depreciation and amortisation	3,4	460	431	..
Finance/borrowing costs		..	..	..
Other expenses	3,4	35	25	..
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>	3,4	<b>10,191</b>	<b>10,191</b>	..
<b>OPERATING SURPLUS/(DEFICIT)</b>		..	..	..

## STATEMENT OF CHANGES IN EQUITY

Health Quality and Complaints Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		..	..	..
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		..	..	..
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		..	..	..

## BALANCE SHEET

Health Quality and Complaints Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		1,561	1,597	..
Receivables		98	78	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		62	79	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>	5,6	<b>1,721</b>	<b>1,754</b>	<b>..</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		944	1,158	..
Intangibles		305	307	..
Other		..	..	..
<b>Total non-current assets</b>	5,6	<b>1,249</b>	<b>1,465</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>2,970</b>	<b>3,219</b>	<b>..</b>
<b>CURRENT LIABILITIES</b>				
Payables		118	152	..
Accrued employee benefits		556	562	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		139	139	..
<b>Total current liabilities</b>	5,6	<b>813</b>	<b>853</b>	<b>..</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		74	55	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		780	641	..
<b>Total non-current liabilities</b>	5,6	<b>854</b>	<b>696</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>1,667</b>	<b>1,549</b>	<b>..</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,303</b>	<b>1,670</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		1,303	1,670	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>	5,6	<b>1,303</b>	<b>1,670</b>	<b>..</b>

## CASH FLOW STATEMENT

Health Quality and Complaints Commission	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		..	..	..
Grants and other contributions	9,11	9,941	9,941	..
Interest received		245	245	..
Taxes		..	..	..
Other	9,11	5	5	..
<b>Outflows</b>				
Employee costs	7,9,11	(7,676)	(7,338)	..
Supplies and services	8,9,11	(2,020)	(2,397)	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	9,11	(35)	(25)	..
<b>Net cash provided by/(used in) operating activities</b>	9,11	<b>460</b>	<b>431</b>	<b>..</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>	9,11	<b>460</b>	<b>431</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>1,101</b>	<b>1,166</b>	<b>1,597</b>
Cash transfers from restructure	10,12	..	..	(1,597)
<b>Cash at the end of financial year</b>	10,12	<b>1,561</b>	<b>1,597</b>	<b>..</b>

## **EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS**

### **Income statement**

Major variations between 2013-14 Budget and 2013-14 Estimated actual include:

1. Decrease in employee expenses due to staff vacancies.
2. Increase in temporary employee expenses to backfill various vacancies.

Major variations between 2013-14 Budget and 2014-15 Budget include:

3. The Health Quality and Complaints Commission will cease operation 30 June 2014.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

4. The Health Quality and Complaints Commission will cease operation 30 June 2014.

### **Balance sheet**

Major variations between 2013-14 Budget and 2014-15 Budget include:

5. The Health Quality and Complaints Commission will cease operation 30 June 2014. All assets and liabilities will be transferred to the Office of the Health Ombudsman commencing 01 July 2014.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

6. The Health Quality and Complaints Commission will cease operation 30 June 2014. All assets and liabilities will be transferred to the Office of the Health Ombudsman commencing 01 July 2014.

### **Cash flow statement**

Major variations between 2013-14 Budget and 2013-14 Estimated actual include:

7. Decrease in employee expenses due to staff vacancies.
8. Increase in temporary employee expenses to backfill various vacancies.

Major variations between 2013-14 Budget and 2014-15 Budget include:

9. The Health Quality and Complaints Commission will cease operation 30 June 2014.
10. The Health Quality and Complaints Commission will cease operation 30 June 2014. Surplus funds will be transferred to the Office of the Health Ombudsman commencing 01 July 2014.

Major variations between 2013-14 Estimated actual and the 2014-15 budget include:

11. The Health Quality and Complaints Commission will cease operation 30 June 2014.
12. The Health Quality and Complaints Commission will cease operation 30 June 2014. Surplus funds will be transferred to the Office of the Health Ombudsman commencing 01 July 2014.

# GLOSSARY OF TERMS

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**Accrual Accounting** — Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.

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**Administered Items** — Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.

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**Agency/Entity** — Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.

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**Appropriation** — Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for:

- delivery of agreed services
- administered items
- adjustment of the Government's equity in agencies, including acquiring of capital.

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**Balance Sheet** — A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.

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**Capital** — A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.

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**Cash Flow Statement** — A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.

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**Controlled Items** — Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.

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**Depreciation** — The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.

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**Equity** — Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.

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**Equity Injection** — An increase in the investment of the Government in a public sector agency.

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<b>Financial Statements</b>	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income Statement</b>	— A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
<b>Outcomes</b>	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-Source Revenue</b>	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	— Key policy areas that will be the focus of Government activity.
<b>Services</b>	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).



