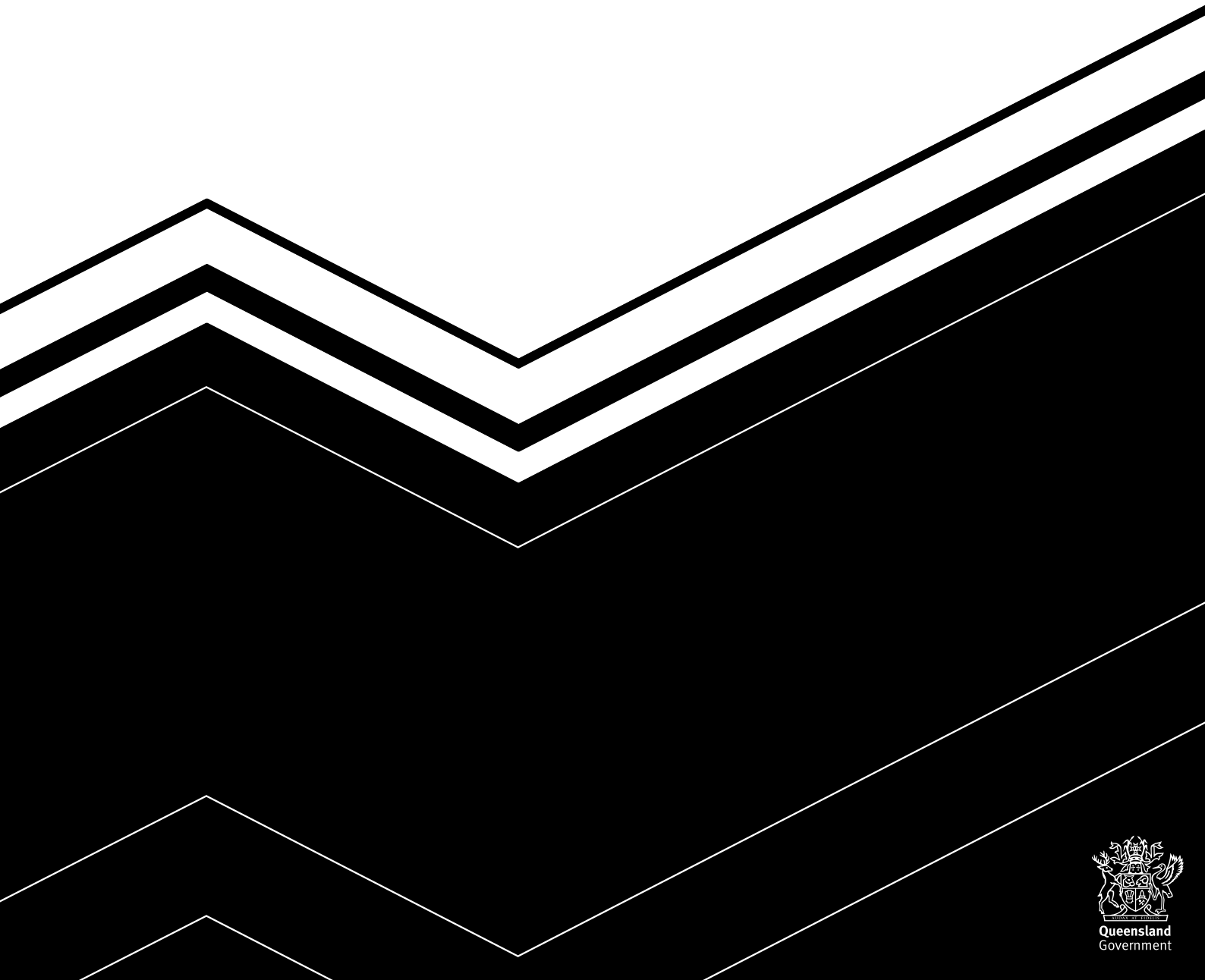
Service Delivery Statements

Queensland Health



Queensland Government

2016-17 Queensland Budget Papers

1. Budget Speech
2. Budget Strategy and Outlook
3. Capital Statement
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Appropriation Bills

Budget Highlights

The Budget Papers are available online at

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Service Delivery Statements

ISSN 1445-4890 (Print)
ISSN 1445-4904 (Online)

Health Portfolio

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The tables below represent the agencies and services which are the responsibility of the Minister for Health and Minister for Ambulance Services:

Minister for Health and Minister for Ambulance Services
The Honourable Cameron Dick MP

Department of Health
Director-General: Michael Walsh
Service area 1: Acute Inpatient Care
Service area 2: Outpatient Care
Service area 3: Emergency Care
Service area 4: Sub and Non-Acute Care
Service area 5: Mental Health and Alcohol and Other Drug Services
Service area 6: Prevention, Primary and Community Care

Queensland Ambulance Service
Director-General: Michael Walsh **Commissioner: Russell Bowles**
Objective: To provide timely and quality ambulance services which meet the needs of the Queensland community.
Service area 1: Ambulance Services

Hospital and Health Services

Objective: Hospital and Health Services are independent statutory bodies established on 1 July 2012, to provide public hospital and health services in accordance with the *Hospital and Health Boards Act 2011*, the principles and objectives of the national health system and the Queensland Government's priorities for the public health system.

Cairns and Hinterland Hospital and Health Service

Board Chair: Carolyn Eagle

Acting Chief Executive: Clare Douglas

Central Queensland Hospital and Health Service

Board Chair: Paul Bell

Chief Executive: Len Richards

Central West Hospital and Health Service

Board Chair: Jane Williams

Chief Executive: Michel Lok

Children's Health Queensland Hospital and Health Service

Board Chair: Rachel Hunter

Chief Executive: Fionnagh Dougan

Darling Downs Hospital and Health Service

Board Chair: Michael Horan

Chief Executive: Peter Gillies

Gold Coast Hospital and Health Service

Board Chair: Ian Langdon

Chief Executive: Ron Calvert

Mackay Hospital and Health Service

Board Chair: Timothy Mulherin

Acting Chief Executive: Helen Chalmers

Metro North Hospital and Health Service

Board Chair: Robert Stable

Chief Executive: Ken Whelan

Metro South Hospital and Health Service

Board Chair: Terry White

Chief Executive: Richard Ashby

North West Hospital and Health Service

Board Chair: Paul Woodhouse

Interim Chief Executive: Lisa Davies Jones

South West Hospital and Health Service

Board Chair: Lindsay Godfrey

Chief Executive: Glynis Schultz

Sunshine Coast Hospital and Health Service

Board Chair: Lorraine Ferguson

Chief Executive: Kevin Hegarty

Torres and Cape Hospital and Health Service

Board Chair: Robert McCarthy

Chief Executive: Jill Newland

Townsville Hospital and Health Service

Board Chair: Tony Mooney

Chief Executive: Peter Bristow

West Moreton Hospital and Health Service

Board Chair: Michael Willis

Chief Executive: Sue McKee

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: Douglas McTaggart

Director and Chief Executive Officer: Frank Gannon

Objective: 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: Lesley van Schoubroeck

Objective: To drive ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health, drug and alcohol system.

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

www.qimrberghofer.edu.au

www.qmhc.qld.gov.au

www.oho.qld.gov.au

Health overview

The Queensland public healthcare system, collectively known as 'Queensland Health', comprises 16 independent Hospital and Health Services (HHSs), the Department of Health (the department) and the Queensland Ambulance Service. The Council of the Queensland Institute of Medical Research, the Queensland Mental Health Commission, and the Office of the Health Ombudsman make up the remainder of the Health Portfolio.

The 2015-16 State Budget provided additional funding of $2.302 billion over four years including $426.9 million in 2016-17 to ensure that health and ambulance services keep pace with the ongoing growth in demand for these services.

This additional funding has provided Queensland Health with funding certainty to ensure the healthcare system is robust and able to respond to both medium term and emerging challenges.

The drivers of the increasing demand for health services are diverse. They include a population that is growing and ageing, an increasing prevalence of chronic disease, an expanding range of new treatment options and technological interventions, as well as heightened expectations from the community and consumers around their healthcare needs.

Along with these drivers of demand, Queensland faces the additional challenge of continuing to provide equitable access to quality healthcare across Queensland's unique landscape and relatively decentralised population, combined with changes to Commonwealth funding arrangements.

In order to meet these challenges while ensuring that the health system provides services that represent value for money, Queensland Health must continue to become more efficient by embracing technological advances such as Digital Hospitals and telehealth, focusing on hospital avoidance strategies such as integrated and alternative models of care, and driving health promotion and prevention measures.

The recently released 10 Year Vision*:* My Health, Queensland's Future: Advancing Health 2026 provides a strong platform to enable Queensland Health to focus and strengthen its decision-making and policy development over the next decade. The vision outlines that by 2026 Queenslanders will be among the healthiest people in the world and this outcome will be guided by five core principles of: Sustainability; Compassion; Inclusion; Excellence; and Empowerment.

The health system directly supports the Queensland Government's priorities and objectives for the community by keeping people healthier and productive. The vision also builds on the Government's Advance Queensland suite of initiatives which aim to harness innovation and create jobs for the future.

The 2015-16 Budget also provided an additional $320.3 million over four years to deliver the Government's health related election commitments. Key priority areas of need included: the nursing workforce; preventative health; patient safety; and mental health.

To date, all of the Government's election commitments are delivered or on track. Highlights for 2015-16 across priority areas include:

Nursing Workforce

- recruiting 16 nurse educators across HHSs to coach, mentor and support up to 4,000 additional graduate nurses and midwives to be recruited over the next four years
- recruiting the first 50 of 400 new nurse navigators to facilitate the patient journey across the health sector, and educate patients on their condition and its management to improve health literacy
- recruiting 31 additional registered nurses to deliver the Primary School Nurse Health Readiness Program
- enacting legislation that mandates nurse-to-patient ratios in Queensland public hospitals.

Preventative Health

- delivering the Health for Life! – Taking Action on Diabetes Program targeted at Queenslanders at high risk of developing Type 2 diabetes. The program is aimed at assisting individuals make healthier lifestyle choices and reducing avoidable hospital admissions
- introducing the Public Health (Childcare Vaccination and Other Legislation) Amendment Bill 2015 to protect vulnerable Queenslanders from preventable diseases
- progressing implementation of legislation which extends the range of smoke-free places in Queensland, which will commence on 1 September 2016
- delivering a range of preventive health initiatives including 10,000 Steps, Heart Foundation Walking Groups to increase levels of physical activity and social marketing campaigns to promote the consumption of fruit and vegetables
- encouraging Queenslanders to make healthy choices helps mitigate health problems before more expensive hospital based care is required.

Patient Safety

- re-establishing the Patient Safety and Quality Improvement Service
- engaging the Australian Council on Healthcare Standards to conduct an audit of the patient safety and quality improvement functions of all HHSs.

Mental Health

- increasing residential rehabilitation care for young people in Townsville through a partnership with Mind Australia
- undertaking the biggest mental health reform in 15 years by overhauling the *Mental Health Act 2000* following the introduction of the Mental Health Bill 2015. The new laws will benefit Queenslanders living with mental illness and those who care for them by ensuring new laws reflect up to date developments in patient rights and clinical practice
- increasing respite care for Queenslanders living with dementia or neurodegenerative conditions to support Queensland seniors and to address the needs of their carers.

Operating Budget

In 2016-17, Queensland Health's operating budget will be $15.274 billion, which is an increase of $1.091 billion (7.7 per cent) from the published 2015-16 operating budget of $14.183 billion.

Hospital and Health Services

A total of $12.614 billion (82.6 per cent of the total operating 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. Funding provided to HHSs and other organisations through the service agreements represents an increase of 8.6 per cent compared to the published 2015-16 Budget, and 2.8 per cent compared to the most recent 2015-16 contracts (based on amendment window 2). This growth in activity will enable significant service expansion in areas such as outpatients and across HHSs enabling them to grow services to meet local need.

The targeted opening of the Sunshine Coast University Hospital in April 2017, with approximately 450 overnight beds, will also lead to a range of additional secondary and tertiary health services, including neurosurgery and cardiac surgery.

Outpatient Strategy

The 2015-16 Budget provided an additional $361.2 million over four years for the Specialist Outpatient Strategy. The strategy has been developed by the department to deliver system wide performance improvements to specialist outpatient services. In 2016-17, $114.2 million will be invested to support the strategy. The strategy is focused on improving the patient journey by investing in more services, new models of care, improved technology, and greater support for general practitioners to ensure patients receive timely and appropriate outpatient services. The immediate focus of the strategy will be reducing the current number of patients waiting longer than clinically recommended for a specialist outpatient appointment.

Priority Areas

In 2016-17, Queensland Health will provide new funding to support a range of initiatives aimed at improving health outcomes for disadvantaged and/or vulnerable people in our community including:

- $6 million over four years (including $1.5 million in 2016-17) to continue the statewide Pre-Exposure Prophylaxis Demonstration project being led by Cairns and Hinterland HHS which involves those at high risk of acquiring HIV taking medication on a daily basis to prevent HIV becoming established within the body
- $15.8 million over three years to fund the North Queensland Aboriginal and Torres Strait Islander Sexually Transmissible Infections Action Plan 2016-2021. This plan will strengthen the capacity of the health system to significantly lower the incidence of sexually transmitted infections in North Queensland
- $9.6 million over three years (including $1.7 million in 2016-17) for a Suicide Prevention in Health Services Initiative. This funding will be utilised to develop and implement a health service targeted suicide prevention strategy which will include the establishment of a dedicated taskforce to develop evidence based prevention initiatives
- $700,000 in 2016-17 to fund the development of an education program for health staff across a range of domestic and family violence initiatives
- $100,000 per annum over three years (2016-17 to 2018-19) to implement the proposed Refugee Health and Wellbeing Policy and Action Plan, including refugee health and wellbeing resources, training and communications.

Responding to Ice

Funding of $6 million in 2016-17 has been internally reallocated by Queensland Health to tackle the Ice epidemic in Queensland. Funding will support the continuation of Drug and Alcohol Brief Intervention Teams in the Emergency Departments of Logan, Rockhampton and Townsville Hospitals, as well as a range of service responses in targeted areas including Cooktown, Gold Coast, Charleville and Cunnamulla.

Queensland Ambulance Service[1]

An additional $13 million over three years to fast track employment of an additional 75 ambulance officers in the Queensland Ambulance Service to ensure the delivery of quality ambulance services in a timely manner.

Election Commitments

During 2016-17, Queensland Health will continue to deliver on the Government's election commitments, with a continued focus on rebuilding the nursing workforce including: additional nurse graduates and midwives; a further 68 additional nurse navigators; and recruitment of more nurses where required to comply with mandated nurse-to-patient ratios. Other key highlights include:

- commencing construction of a new Integrated Community Health Centre in Wynnum
- considering the recommendations of the Parliamentary Inquiry into the establishment of a Queensland Health Promotion Commission.

eHealth and Built Infrastructure

In 2015-16, Queensland Health achieved a major milestone with both the Princess Alexandra and Cairns Hospitals becoming digital. This integrated electronic medical records (ieMR) project will improve patient care through the development of a statewide authoritative single source of patient records. Specifically, this capability is:

- supporting clinicians to make better decisions at the bedside
- optimising the management of patients, resources and provision of services
- supporting interaction across a network of providers by making it easier to transfer information and collaborate with healthcare partners.

During 2015-16, Queensland Health continued to operate a comprehensive built infrastructure and eHealth planning and prioritisation process. Through this work, the department maintains a comprehensive, forward looking view of priority health infrastructure and eHealth projects across Queensland.

In 2016-17, Queensland Health's total capital investment program of $948.7 million[2] will progress a range of health infrastructure priorities including: hospitals; health technology; research and scientific services; mental health services; and information technologies.

The Government is providing additional funding of $230 million over five years to 2020-21 ($20 million in 2016-17) for the Advancing Queensland's Health Infrastructure Program. The program will facilitate essential upgrades to health facilities and supporting infrastructure across Queensland, including repurposing of the Nambour General Hospital, redevelopment of the Atherton Hospital including the emergency department and operating theatres, and redevelopment of the Thursday Island Hospital. The program will also support the development of a new health precinct for the southern corridor of Cairns and short term carpark solutions at Caboolture and Logan Hospitals.

Other capital investment program highlights for 2016-17 include:

- $167 million to complete delivery of the $1.872 billion Sunshine Coast University Hospital and the Sunshine Coast Health Institute
- $27.9 million as part of the Enhancing Regional Hospitals Program for upgrades at the Hervey Bay and Gladstone Emergency Departments, Caloundra Health Service, and Roma Hospital
- $12.7 million (of a total $13.6 million) for the Integrated Community Health Centre in Wynnum
- $909,000 toward the refurbishment of the Alan Ticehurst Building in Cloncurry
- $2.3 million (of a total $4.5 million) to commence replacement of the Dimbulah Primary Healthcare Clinic
- $15.5 million to complete the $334 million Queensland and Australian Government funded Townsville Hospital Expansion
- $80 million to continue delivering a range of asset renewal and enhancement works across the State under the Priority Capital Program.

During 2015-16, the department undertook a comprehensive review of the current approved capital program. This review identified funds totalling $173.7 million as a result of project and/or program efficiencies.

[1] Further details about the Queensland Ambulance Service can be found in the Queensland Ambulance section of this *Service Delivery Statement*.

[2] In addition to the $948.7 million capital investment, Queensland Health has entered into a Public Private Partnership finance lease for the Sunshine Coast University Hospital of $460 million, which will involve principal repayments over the period 2017-42. The repayment for 2016-17 is $2.3 million.

It is proposed that this funding will be reallocated over four years from 2016-17 (subject to business case approval) to fund the two highest areas of risk, the Financial System Renewal project and Laboratory Information System project, as both systems are at end of life and require replacement.

During 2016-17, the department will progress the development of business cases for a range of eHealth priority projects including:

- continued delivery of the Digital Hospitals Program to extend the functionality and implementation of ieMR capability to additional facilities across the State
- the Patient Administration System.

In 2016-17, the department will support the new Infrastructure Portfolio Office within the Department of Infrastructure, Local Government and Planning to deliver a range of health related regional capital projects including: Palm Island Primary Health Care Centre; Townsville Paediatric Redevelopment project; McKinlay Multi-purpose Health Centre, Boulia Community Hospital refurbishment; and Step-up Step-down mental health services at Gladstone, Bundaberg and Mackay.

Commonwealth Budget Impacts

The 1 April 2016 Council of Australian Governments Agreement on Public Hospital Funding has partially restored activity based funding for an interim three year period between 2017-18 and 2019-20, with the Commonwealth funding 45 per cent of 'efficient growth' in public hospital services but subject to a national cap in funding growth of 6.5 per cent per year.

The Australian Government recognised that the previous policy, whereby Commonwealth funding would have grown by population and the Consumer Price Index only, was not sustainable. The department has estimated that the new agreement will lead to an additional $445 million for the Queensland public hospital system over the three year period.

The 2016-17 Commonwealth Budget also announced major changes to dental funding arrangements. These arrangements were scheduled to commence on 1 July 2016, however the Commonwealth legislation to enable them was not passed before the Commonwealth Parliament was dissolved on 8 May 2016. The proposed model, which would involve activity-based funding for public dental services and would replace existing Commonwealth funding support for both public and private dental services, would transfer all responsibility and risk for Commonwealth funded dental services to states and territories. The Australian Government has provided very little detail regarding how the new arrangements would work.

The Commonwealth Budget did not make provision for an extension of the National Partnership Agreement on Supporting National Mental Health Reform which expires on 30 June 2016 and will result in the loss of $10.4 million per annum across Queensland.

The Commonwealth Budget also included a revision to the Aged Care Funding Instrument. Based on preliminary analysis on a per capita basis, the department estimates a $230.4 million reduction in funding for Queensland aged care services over four years.

Service performance

Performance statement

Acute Inpatient Care

Service area objective

To provide safe, timely, appropriately accessible, patient-centred care that maximises the health outcomes of patients.

Service area description

Acute inpatient care includes a broad range of services provided to patients under a formal admission process and can refer to care provided in hospital and/or in a patient's home.

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Acute Inpatient Care				
Service standards *Effectiveness measures* Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	1	<2	0.8	<2
Percentage of elective surgery patients treated within clinically recommended times:	2			
• Category 1 (30 days)		>98%	98%	>98%
• Category 2 (90 days)		>95%	94%	>95%
• Category 3 (365 days)		>95%	98%	>95%
Median wait time for elective surgery (days):	2, 3			
• Category 1 (30 days)		..	12	..
• Category 2 (90 days)		..	48	..
• Category 3 (365 days)		..	137	..
• All categories		25	29	25
Percentage of admitted patients discharged against medical advice:	4			
• Non-Aboriginal and Torres Strait Islander patients		0.8%	1%	0.8%
• Aboriginal and Torres Strait Islander patients		1.2%	3.4%	1%
Percentage of babies born of low birth weight to:	5			
• Non-Aboriginal and Torres Strait Islander mothers		4.6%	4.9%	4.6%
• Aboriginal and Torres Strait Islander mothers		8.1%	8.5%	7.8%
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	6	$4,928	$4,913	$4,831
Other measure Total weighted activity units – acute inpatient	7	989,143	1,017,822	1,014,312

Notes:

1. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
2. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16 the scope of Elective Surgery has expanded to now include Central West Hospital and Health Service (Longreach Hospital), South West Hospital and Health Service (Charleville, Roma & St George Hospitals) and Torres and Cape Hospital and Health Service (Cooktown, Thursday Island & Weipa Hospitals).

3. There is no national benchmark target for this measure in Categories 1, 2 and 3. The 'All Categories' target represents the individual HHS targets set by the department.
4. The 2015-16 Target/Estimate figures are based on the Closing the Gap trajectory. The 2015-16 Estimated Actual figures are based on data for the period 1 July 2015 to 31 January 2016 and therefore, should be interpreted with caution.
5. The 2015-16 Target/Estimate figures are based on the Closing the Gap trajectory. The 2015-16 Estimated Actual figures are based on data for the period 1 July 2015 to 31 December 2015 and therefore, should be interpreted with caution.
6. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services (HHSs) has been reflected in the 2016-17 Target/Estimate figures. Central West, South West and Torres and Cape HHSs do not have any ABF facilities within the HHS. The Health consolidated figure includes Mater Health Services.
7. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison. The decrease in the 2016-17 Target/Estimate from the 2015-16 Estimated Actual is reflective of HHSs' delivery of additional WAUs on top of the amount purchased through the Service Agreements. The delivery of additional WAUs by HHSs is through access to efficient growth in 2015-16 and own source revenue use.

Outpatient Care

Service area objective

To deliver coordinated care, clinical follow up and appropriate discharge planning throughout the patient journey.

Service area description

Outpatient services are examinations, consultations, treatments or other services provided to patients who are not currently admitted to hospital that require specialist care. Outpatient services also provide associated allied health services (such as physiotherapy) and diagnostic testing.

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Outpatient Care				
Service standards *Effectiveness measures* Percentage of specialist outpatients waiting within clinically recommended times:	1			
• Category 1 (30 days)		..	61%	65%
• Category 2 (90 days)		..	50%	55%
• Category 3 (365 days)		..	74%	75%
Efficiency measure[2]				
Other measure Total weighted activity units – Outpatients	3	229,878	231,821	247,220

Notes:

1. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016 with the following exceptions due to a temporary inability to report for some facilities during the transition to a new electronic information system: no data has been included for Cairns Base Hospital and Royal Brisbane and Women's Hospital for the period February to April 2016 and no data has been included for the Princess Alexandra Hospital for the period January to April 2016. Reporting functions for these facilities will commence once the transition to the new electronic system is complete. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
2. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
3. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.

Emergency Care

Service area objective

To minimise early mortality and complications, through diagnosing and treating acute and urgent illness and injury.

Service area description

Emergency care is provided by a wide range of facilities and providers from remote nurse run clinics, general practices, ambulance services, retrieval services, through to Emergency Departments (EDs). EDs are dedicated hospital-based facilities specifically designed and staffed to provide 24 hour emergency care.

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Emergency Care				
Service standards *Effectiveness measures* Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	1, 2	90%	79%	>80%
Percentage of emergency department patients seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	99%	100%
• Category 2 (within 10 minutes)		80%	75%	80%
• Category 3 (within 30 minutes)		75%	63%	75%
• Category 4 (within 60 minutes)		70%	75%	70%
• Category 5 (within 120 minutes)		70%	94%	70%
• All categories		..	72%	..
Percentage of patients transferred off-stretcher within 30 minutes		90%	82%	90%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	18	20
Efficiency measure[4]				
Other measure Total weighted activity units – Emergency Department	5	217,541	226,742	228,432

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection (EDC). The EDC does not include attendances at the Princess Alexandra Hospital between December 2015 and April 2016 and Cairns Hospital for March 2016 due to a temporary inability to report during the transition to a new electronic information system. Reporting functions for these facilities will commence once the transition to the new electronic system is complete.
3. A Target/Estimate for percentage of emergency department patients seen within recommended timeframes is not included in the 'All Categories' as there is no national benchmark. The included triage category targets for 2016-17 are based on the Australasian Triage Scale.
4. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
5. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.

Sub and Non-Acute Care

Service area objective

Sub and non-acute acute care is specialised multidisciplinary care that aims to optimise patients' functioning and quality of life.

Service area description

Sub and non-acute care comprises rehabilitation care, palliative care, geriatric evaluation and management care, psychogeriatric care and maintenance care.

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Sub and Non-Acute Care				
Service standards *Effectiveness measures*[1]				
Efficiency measures[2]				
Other measure Total weighted activity units - sub acute	3	92,248	90,351	97,684

Notes:

1. An effectiveness measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
2. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
3. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.

Mental Health and Alcohol and Other Drug Services

Service area objective

To provide comprehensive, recovery-oriented mental health, drug and alcohol services to improve the mental health and wellbeing of all Queenslanders and minimise the impact of substance misuse in Queensland communities.

Service area description

Integrated Mental Health Services deliver assessment, treatment and rehabilitation services in community, inpatient and extended treatment settings to reduce symptoms of mental illness and facilitate recovery. Alcohol, Tobacco and Other Drug Services provide prevention, treatment and harm reduction responses in community-based services.

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Mental Health and Alcohol and Other Drug Services				
Service standards *Effectiveness measures* Proportion of re-admissions to acute psychiatric care within 28 days of discharge	1	<12%	12.9%	<12%
Rate of community follow up within 1 – 7 days following discharge from an acute mental health inpatient unit	2	>65%	64.9%	>65%
Efficiency measure[3]				
Other measures Percentage of the population receiving clinical mental health care	4	>1.9%	1.9%	>1.9%
Ambulatory mental health service contact duration (hours)	5	>879,550	888,080	>977,318
Total weighted activity units – Mental Health	6, 7	135,317	209,085	111,156

Notes:

1. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
2. Queensland has made significant progress in improving the rate of community follow up over the past five years.
3. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
4. Proportion of persons accessing any type of public mental health services over the estimated Queensland population for 2016. 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. The 2016-17 Target/Estimate is based on the national average for 2013-14.
5. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.
6. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
7. The 2015-16 Estimated Actual is above target due to a statistical discharge and statistical admission of all mental health patients on the same day triggered by the implementation of a new care type for the mental health classification. The decrease in the 2016-17 Target/Estimate from the 2015-16 Target/Estimate is a result of a technical adjustment for measurement of Non-ABF activity relating to long term inpatients in residential mental health facilities.

Prevention, Primary and Community Care

Service area objective

To prevent illness and injury, address health problems or risk factors and protect the good health and wellbeing of Queenslanders.

Service area description

These services are provided by a range of healthcare professionals in socially appropriate and accessible ways and include health promotion, illness prevention, disease control, immunisation, screening, oral health services, environmental health, research, advocacy and community development, allied health, assessment and care planning and self-management support.

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Prevention, Primary and Community Care				
Service standards *Effectiveness measures* Percentage of the Queensland population who consume recommended amounts of:	1			
• fruits		58.4%	57%	58.1%
• vegetables		9.6%	8%	8.2%
Percentage of the Queensland population who engaged in levels of physical activity for health benefit:	1			
• Persons		64.1%	58%	59.2%
• Male		68.6%	61%	62.2%
• Female		59.7%	54%	55.1%
Percentage of the Queensland population who are overweight or obese:	1			
• Persons		58.4%	58%	56.8%
• Male		64.8%	67%	65.7%
• Female		52%	49%	48%
Percentage of the Queensland population who consume alcohol at risky and high risk levels:	1			
• Persons		17.9%	22%	21.6%
• Male		27.4%	33%	32.3%
• Female		8.7%	12%	11.8%
Percentage of the Queensland population who smoke daily:	1			
• Persons		13.7%	12%	11.6%
• Male		14.6%	13%	12.6%

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Female		12.2%	12%	11.6%
Percentage of the Queensland population who were sunburnt in the last 12 months:	1			
• Persons		52.7%	52%	51%
• Male		55.4%	57%	55.9%
• Female		51.2%	46%	45.1%
Annual notification rate of HIV infection	2	5	4.3	4
Vaccination rates at designated milestones for:	3			
• All children 12-15 months		95%	93.1%	95%
• All children 24-27 months		95%	91.3%	95%
• All children 60-63 months		95%	92.6%	95%
Percentage of target population screened for:	4			
• Breast cancer		57.3%	57.6%	57.7%
• Cervical cancer		56.3%	56%	54.4%
• Bowel cancer		33.3%	35.5%	37%
Percentage of invasive cancers detected through BreastScreen Queensland that are small (<15mm) in diameter	5	58.6%	55.5%	56.3%
Ratio of potentially preventable hospitalisations - rate of Aboriginal and Torres Strait Islander hospitalisations to rate of non-Aboriginal and Torres Strait Islander hospitalisations	6	2	1.9	1.8
Percentage of women who, during their pregnancy, were smoking after 20 weeks:	7			
• Non-Aboriginal and Torres Strait Islander women		8.7%	7.7%	7.7%
• Aboriginal and Torres Strait Islander women		35.8%	36.6%	34.7%
Efficiency measure[8]				
Other measures Number of adult oral health weighted occasions of service (ages 16+)	9	2,400,000	2,771,000	2,150,000
Number of children and adolescent oral health weighted occasions of service (0-15 years)	10	1,300,000	1,186,000	1,300,000

Health Consolidated	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Percentage of public general dental care patients waiting within the recommended timeframe of two years		95%	100%	95%
Percentage of oral health weighted occasions of service which are preventative	11	15%	14%	15%
Number of rapid HIV tests performed	12	3,000	4,500	4,500
Total weighted activity units – Interventions and procedures	13	141,089	133,137	143,893

Notes:

1. The 2015-16 Estimated Actual is the 2015 survey result and is not directly comparable with the 2015-16 Target/Estimate which was based on a time trend indicator. The 2016-17 Target/Estimate is based on an estimated improvement in the indicator.
2. The annual notification rate of HIV infection is a reflection of the number of notifications of HIV per 100,000 population. The 2015-16 Estimated Actual is an estimate based on the number of first diagnoses of HIV in Queensland for the 2015 calendar year.
3. The 95 per cent target is aspirational and aligns with the Immunisation Strategy. The definition of fully immunised at 24-27 months was revised on 1 October 2014 to include three additional vaccines, resulting in a decreased coverage rate. Estimated Actual coverage data for the current financial year is provided for the period 1 July 2015 to 31 March 2016.
4. The 2015-16 Estimated Actual is based on the latest data available (2013-14 biennial period for breast and cervical cancer; 2013-14 financial year for bowel cancer). The 2016-17 Target/Estimate is based on the estimated 2014-2015 biennial participation rates for breast screening and the 2014-15 financial year for bowel cancer screening. The estimated 2016-2017 biennial participation rate for cervical cancer screening is less than 2015-16 Estimated Actual as the number of cervical screens has decreased from the previous biennial period and the estimated residential population of the target group has increased. There is also potential impact on the participation rate due to proposed changes to target group and screening frequency from May 2017 and therefore should be interpreted with caution.
5. The 2015-16 Estimated Actual relates to the 2014-15 financial year. The 2016-17 Target/Estimate is based on historical data using consecutive financial year periods. The Target/Estimate should be interpreted with caution.
6. The 2015-16 Target/Estimate has been recalculated to enable comparison and to account for 47 Primary Health Care Centres and Outpatient Clinics removed from the declared hospital list as at 1 July 2014. The 2015-16 Estimated Actual figure reflects data recorded between 1 July 2015 and 18 April 2016. The 2016-17 Target/Estimate is based on an estimated improvement in the indicator.
7. The 2016-17 Target/Estimate figures for Aboriginal and Torres Strait Islander women are based on the Closing the Gap trajectory. The 2015-16 Estimated Actual figures relate to all perinatal data within reporting databases as at 19 April 2016. The majority of this data relates to the period 1 July 2015 to 31 December 2015 and therefore, should be interpreted with caution.
8. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
9. The 2015-16 Target/Estimate is based on funding allocated by the department to Hospital and Health Services (HHSs), including Commonwealth funding under the National Partnership Agreement on Adult Public Dental Services (NPA). The 2015-16 Estimated Actual is over target primarily due to Medicare payments claimed directly by HHSs under the Child Dental Benefits Schedule (CDBS) that were invested in additional adult dental services. The reduced 2016-17 Target/Estimate reflects the assumption that Commonwealth Government funding will continue on the basis of the current agreement until 31 December 2016, however, there is no funding certainty beyond this date.
10. The 2015-16 Estimated Actual is below target in part due to the Medicare Child Dental Benefits Schedule which has reduced demand for child and adolescent oral health services by allowing eligible children to receive free basic dental treatment at private dentists.
11. 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.
12. The number for Estimated Actual rapid HIV point-of-care tests 2015-16 is based on the number of 2015 calendar year tests. It is higher than previous estimates because of an increased uptake in the community sector, where the tests are largely performed by peers. This rise is expected to stabilise at current levels and should be maintained at this higher level on the basis that the program and the demand for testing continues. The roll-out of rapid tests across the health care and community sector is an initiative funded by the department.
13. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.

Health consolidated budget summary

The table below shows the total resources available in 2016-17 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Health Consolidated	2015-16 Budget $'000	2015-16 Est. Actual $'000	2016-17 Budget $'000
CONTROLLED			
Income			
Appropriation revenue[1]			
Deferred from previous year/s	..	..	..
Balance of service appropriation	9,406,668	9,540,920	10,014,701
Other revenue	4,761,378	4,997,724	5,260,100
Total income	**14,168,046**	**14,538,644**	**15,274,801**
Expenses			
Acute Inpatient Care	6,293,123	6,501,829	6,885,729
Outpatient Care	1,873,664	1,935,803	1,952,915
Emergency Care	1,394,113	1,440,348	1,486,823
Sub and Non-Acute Care	528,814	546,352	563,202
Mental Health and Alcohol and Other Drug Services	1,493,982	1,543,529	1,552,693
Prevention, Primary and Community Care	2,035,158	2,102,652	2,229,024
Ambulance Services	563,707	567,700	603,585
Total expenses	**14,182,562**	**14,638,213**	**15,273,970**
Operating surplus/deficit	**(14,516)**	**(99,569)**	**831**
Net assets	**12,612,831**	**11,922,411**	**12,184,867**
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	33,544	33,508	33,974
Other administered revenue	4	25	25
Total revenue	**33548**	**33,533**	**33,999**
Expenses			
Transfers to government	..	25	25
Administered expenses	33,548	33,508	33,974
Total expenses	**33,548**	**33,533**	**33,999**
Net assets	**..**	**..**	**..**

Note:

1. Appropriation revenue includes State and Commonwealth funding.

Service area sources of revenue[1, 2]

Sources of revenue 2016-17 Budget					
Health Consolidated	**Total cost $'000**	**State contribution $'000**	**User charges and fees $'000**	**C'wealth revenue $'000**	**Other revenue $'000**
Acute Inpatient Care	6,885,729	4,412,363	582,654	1,832,986	57,726
Outpatient Care	1,952,915	1,243,483	166,187	527,269	15,976
Emergency Care	1,486,823	946,640	126,532	401,492	12,160
Sub and Non-Acute Care	563,202	362,142	47,510	148,766	4,784
Mental Health and Alcohol and Other Drug Services[4]	1,552,693	1,030,522	133,020	376,826	12,325
Prevention, Primary and Community Care	2,229,024	1,401,591	191,769	618,312	17,352
Ambulance Services[3]	603,585	558,955	31,125	0	13,505
Total	**15,273,970**	**9,955,695**	**1,278,797**	**3,905,651**	**133,827**

Note:

1. Explanations of variances are provided in the financial statements.
2. Totals may vary due to rounding.
3. Queensland Ambulance Service revenue and costs for internal transactions with the department have been eliminated upon consolidation.
4. Commonwealth revenue for Mental Health and Alcohol and Other Drug Services reflects a $10.4 million decrease following the cessation of the National Partnership Agreement on Supporting National Mental Health Reform.

Budget measures summary

This table shows a summary of budget measures relating to the Department since the 2015-16 State Budget. Further details are contained in *Budget Paper 4*.

Health Consolidated	2015-16 $'000	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	..	..	..	..
Departmental[1]	1,470	745	6,881	7,033	358,000
Capital measures					
Administered	..	..	..	..	..
Departmental	..	20,000	28,900	43,300	99,500

Note:

1. Figures reconcile with *Budget Paper 4*, including the whole-of-government expense measure 'Brisbane CBD government office agency rental impacts'.

Health consolidated capital program

In 2016-17, Queensland Health will invest $948.7 million[1] on the capital infrastructure program, with an additional capital investment of $8.8 million for the Council of the Queensland Institute of Medical Research. This investment will progress a range of health infrastructure priorities including hospitals, ambulance stations and vehicles, health technology, research and scientific services, mental health services and information and communication technologies.

Capital budget

Health consolidated	Notes	2015-16 Budget $'000	2015-16 Est. Actual $'000	2016-17 Budget $'000
Capital purchases[1]				
Total property, plant and equipment	2	1,297,614	1,033,253	1,408,651
Total capital grants		1,500		
Total capital purchases	3	**1,299,114**	**1,033,253**	**1,408,651**

Note:

1. For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.
2. Decrease from 2015-16 Budget to the 2015-16 Estimated Actual relates to a range of issues including deferred investment in the ICT program, realignment of programs and revised investment strategies.
3. In addition to the $948.7 million capital investment in 2016-17, QH has entered into a Public Private Partnership finance lease for the Sunshine Coast University Hospital of $460 million, which will involve principal repayments over the period 2017-42. The repayment for 2016-17 is $2.3 million.

[1] In addition to the $948.7 million capital investment, Queensland Health has entered into a Public Private Partnership finance lease for the Sunshine Coast University Hospital of $460 million, which will involve principal repayments over the period 2017-42. The repayment for 2016-17 is $2.3 million.

Staffing[1, 2, 3]

Health consolidated	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Hospital and Health Services	4, 5	64,604	68,498	69,361
Queensland Ambulance Service	6, 7	4,106	4,146	4,261
eHealth Queensland	8, 9	1,102	1,232	1,318
Health Support Queensland	10	3,871	4,090	4,235
Other Department of Health	11, 12	1,759	1,659	1,755
TOTAL		**75,442**	**79,625**	**80,930**

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and, for HHSs, may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual predominantly reflect commissioning of new services and additional activity purchased from the HHSs through amendments to the 2015-16 Service Agreements. For example, additional initiatives have been rolled out across the HHSs including: Outpatient Waitlist Reduction Strategies; growth in sub specialty services; and new funding for Graduate nurses. The Digital Hospital initiative implementation across several HHSs has also considerably increased the Estimated Actual FTEs in 2015-16.
5. Increases in FTEs for the 2016-17 Budget reflect commissioning of new services and additional activity purchased from the HHSs. Other increases are due to: the start-up of the new Sunshine Coast University Hospital (SCUH) in April 2017; the Lady Cilento Children's Hospital (LCCH) increased capacity; higher than anticipated demand for hospital services; and several other initiatives.
6. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect the recruitment of additional frontline Ambulance Officers to meet increasing demand.
7. Increases in FTEs for the 2016-17 Budget predominantly relate to the recruitment of additional frontline Ambulance Officers to meet increasing demand, with the remainder being additional temporary positions required for the implementation of a new Human Resources/Payroll Solution.
8. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual relate to temporary project staff engaged to deliver on capital funded programs including the Windows 10 upgrade, Office 365 rollout, SCUH Project, and new services required at Digital Hospital sites.
9. Increases in FTEs for the 2016-17 Budget are due to the continuation of temporary project staff for capital funded programs including the Windows 10 upgrade, Office 365 rollout, SCUH Project, and new services required at Digital Hospital sites.
10. The increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual, as well as the increase in FTEs for the 2016-17 Budget, are due to: the growth in services provided to HHSs to meet increased demand; new services provision to LCCH and SCUH; the initiation of major business improvement projects such as procurement renewal, the replacement pathology system; the new front end Payroll rostering system; and the conversion of contract and agency staff to permanent employees.
11. The reduction in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual relates to the active management of staffing within the published Budget figure to allow for contingent and emergent needs.
12. The reduction in FTEs from the 2015-16 Budget to the 2016-17 Budget is due to four FTEs being transferred to the Department of Infrastructure, Local Government and Planning to support the Infrastructure Portfolio Office.

Budgeted financial statements

Analysis of budgeted financial statements

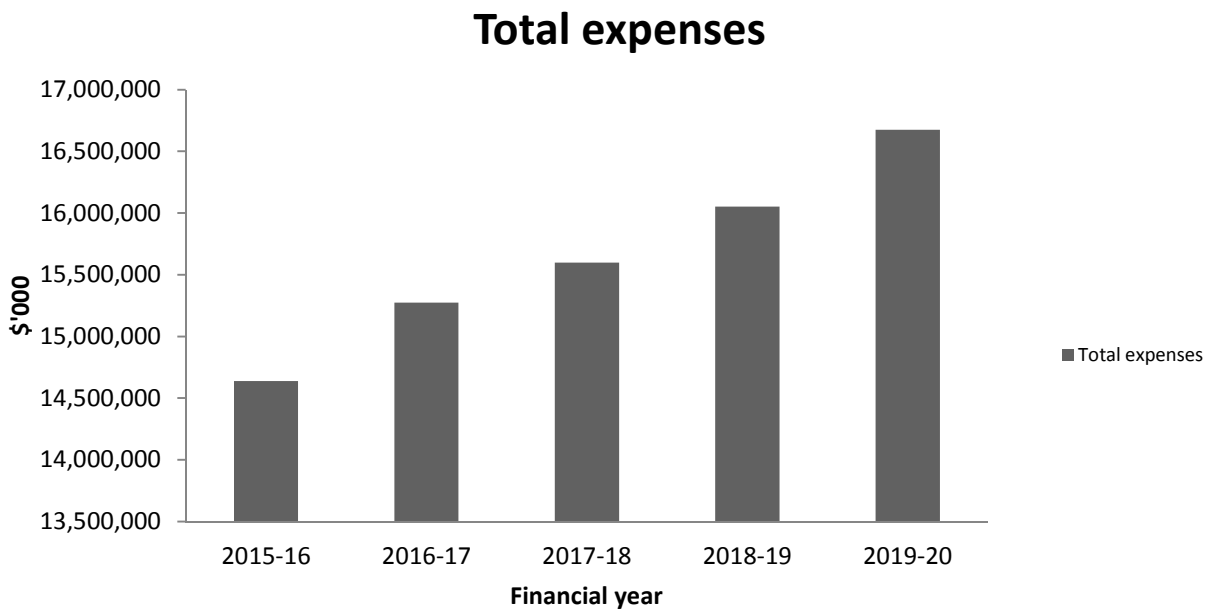
An analysis of Queensland Health's budgeted financial statements, inclusive of the Department of Health, Queensland Ambulance Service and Hospital and Health Services, as reflected in the financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be $15.274 billion in 2016-17, an increase of $1.091 billion from the 2015-16 Budget.

The 2016-17 Budget supports growing demand and critical service needs and includes increased expenditure for enterprise bargaining agreements, depreciation and additional funding to support the ongoing growth in demand for frontline health services.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

Queensland Health's major assets are in property, plant and equipment ($12.021 billion). Queensland Health's main liabilities relate to payables of an operating nature ($1.201 billion) and accrued employee benefits ($729.3 million) which are expected to remain at a similar level over the next three years to 2019-20.

Reporting Entity Financial Statements

Reporting Entity comprises:

- **Queensland Health and Hospital and Health Services (excluding Administered)**

Explanations of variances for each entity are included in the individual budget financial statements located in this *Service Delivery Statement.*

Reporting entity income statement

Queensland Health and Hospital and Health Services	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
Appropriation revenue		9,406,668	9,540,920	10,014,701
Taxes		..	..	..
User charges and fees		1,229,320	1,222,519	1,278,797
Royalties and land rents		..	..	..
Grants and other contributions		3,463,530	3,714,795	3,929,109
Interest		5,152	4,314	2,902
Other revenue		62,550	55,081	48,344
Gains on sale/revaluation of assets		826	1,015	948
Total income		**14,168,046**	**14,538,644**	**15,274,801**
EXPENSES				
Employee expenses		8,717,214	9,281,942	9,812,166
Supplies and services		4,403,892	4,349,366	4,452,064
Grants and subsidies		156,285	85,502	75,138
Depreciation and amortisation		721,185	721,185	728,412
Finance/borrowing costs		..	..	13,091
Other expenses		159,453	176,252	174,951
Losses on sale/revaluation of assets		24,533	23,966	18,148
Total expenses		**14,182,562**	**14,638,213**	**15,273,970**
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT)		**(14,516)**	**(99,569)**	**831**

Reporting entity balance sheet

Queensland Health and Hospital and Health Services	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets		397,794	680,747	464,751
Receivables		600,513	1,241,234	1,359,045
Other financial assets		254	..	..
Inventories		128,580	142,000	142,988
Other		153,744	200,981	204,832
Non-financial assets held for sale		21,804	..	..
Total current assets		**1,302,689**	**2,264,962**	**2,171,616**
NON-CURRENT ASSETS				
Receivables		372,831	93,760	95,031
Other financial assets		102,087	98,623	98,623
Property, plant and equipment		11,866,588	11,152,503	12,020,733
Deferred tax assets		..	..	..
Intangibles		250,277	241,284	209,503
Other		90	200	200
Total non-current assets		**12,591,873**	**11,586,370**	**12,424,090**
TOTAL ASSETS		**13,894,562**	**13,851,332**	**14,595,706**
CURRENT LIABILITIES				
Payables		563,970	1,211,315	1,201,014
Current tax liabilities		..	..	..
Accrued employee benefits		401,914	697,383	729,262
Interest bearing liabilities and derivatives		9,159	..	..
Provisions		620	1,500	2,000
Other		11,209	16,009	16,074
Total current liabilities		**986,872**	**1,926,207**	**1,948,350**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		247,283	..	459,985
Provisions		..	..	..
Other		19,963	2,714	2,504
Total non-current liabilities		**267,246**	**2,714**	**462,489**
TOTAL LIABILITIES		**1,254,118**	**1,928,921**	**2,410,839**
NET ASSETS/(LIABILITIES)		**12,640,444**	**11,922,411**	**12,184,867**
EQUITY				
TOTAL EQUITY		**12,640,444**	**11,922,411**	**12,184,867**

Reporting entity cash flow statement

Queensland Health and Hospital and Health Services	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		9,406,668	9,318,683	10,014,701
User charges and fees		1,135,156	1,269,339	1,290,117
Royalties and land rent receipts		..	..	..
Grants and other contributions		3,463,478	3,562,677	3,774,742
Interest received		5,173	4,314	2,902
Taxes		..	..	..
Other		414,388	414,452	403,995
Outflows:				
Employee costs		(8,692,661)	(9,192,351)	(9,784,512)
Supplies and services		(4,618,273)	(4,464,369)	(4,786,900)
Grants and subsidies		(144,217)	(76,593)	(75,138)
Borrowing costs		..	..	(13,091)
Taxation equivalents paid		..	..	..
Other		(176,459)	(203,965)	(196,081)
Net cash provided by or used in operating activities		**793,253**	**632,187**	**630,735**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		512	1,820	5,304
Investments redeemed		..	..	..
Loans and advances redeemed		..	(5,185)	..
Outflows:				
Payments for non-financial assets		(1,277,014)	(1,036,369)	(903,099)
Payments for investments		..	(17,713)	..
Loans and advances made		(309)	3,067	(1,580)
Net cash provided by or used in investing activities		**(1,276,811)**	**(1,054,380)**	**(899,375)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		1,090,390	723,839	619,319
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(584,747)	(591,060)	(566,675)
Dividends paid		..	..	..
Net cash provided by or used in financing activities		**505,643**	**132,779**	**52,644**
Net increase/(decrease) in cash held		**22,085**	**(289,414)**	**(215,996)**
Cash at the beginning of financial year		**375,709**	**970,161**	**680,747**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**397,794**	**680,747**	**464,751**

Department of Health overview

The Department of Health is responsible for providing leadership and direction to enable the health system to deliver safe and responsive services for Queenslanders and works in close collaboration with Hospital and Health Services (HHSs) and other organisations to achieve these goals.

The department's strategic objectives, as identified in its 2016-2020 Strategic Plan, are:

- supporting Queenslanders to be healthier: promoting and protecting the health of Queenslanders
- enabling safe, quality services: delivering and enabling safe, clinically effective, high quality health services
- equitable health outcomes: improving health outcomes through better access to services for Queenslanders
- high performance: responsive, dynamic and accountable management of the Department and of funding and service performance
- dynamic policy leadership: driving service improvement and innovation through a collaborative policy cycle
- broad engagement with partners: harnessing the skill and knowledge of our partners
- an engaged and productive workforce: fostering a culture that is vibrant, innovative and collaborative.

By implementing these strategic objectives, the department contributes to the Queensland Government's objectives of:

- delivering quality frontline services
- building safe, caring and connected communities
- creating jobs and a diverse economy.

The department's key responsibilities include:

Providing strategic leadership and direction through the development of policies and legislation and regulation for the health of Queenslanders by:

- implementing the My Health, Queensland's Future: Advancing Health 2026 10-year vision, which provides a shared sense of purpose and strategic direction to support improved health outcomes for all Queenslanders
- improving governance arrangements to ensure better coordination and collaboration across Queensland Health through Executive Committees specifically set up for the key focus areas of: Policy and Planning; Patient Safety; Strategic Procurement; Disaster Management; eHealth; Investment; Purchasing and Performance
- improving governance arrangements for administering public health legislation for which the department is responsible, such as the *Food Act 2006*, and implementing best practice arrangements for assessing compliance with this legislation
- enacting significant changes to legislation during 2015-16 including:
  - a substantial overhaul of the *Mental Health Act 2000*
  - amendment of the *Hospital and Health Boards Act 2011* to mandate safe nurse-to-patient ratios in Queensland's public hospitals
  - amendment of the *Tobacco and Other Smoking Products Act 1998* to create more smoke-free public places
  - amendment of the *Food Act 2006* to require fast food outlets to display kilojoule content of their food and drinks on menus
  - amendment of the *Public Health Act 2005* to improve the management and control of health risks (such as *Legionella* bacteria) associated with the supply and use of water in health and residential aged care facilities
  - introduction of the Public Health (Childcare Vaccination and Other Legislation) Amendment Bill 2015 to protect vulnerable Queenslanders from preventable diseases
- progressing further proposed legislative and policy changes in 2016-17, including:
  - the Public Health (Medicinal Cannabis) Bill 2016 which will change current access to medicinal cannabis
  - the recommendations of the Parliamentary inquiry into licensing arrangements affecting the sale and use of tobacco in Queensland
  - the Medicines, Poisons and Therapeutic Goods Bill will be introduced to provide for a contemporary and cost-effective regulatory regime for control of public health harms arising from inappropriate use of medicines and poisons
- leading policy development on issues that impact on the health of Queenslanders and contributing to national policy directions where national approaches are most appropriate (e.g. blood supply and use, organ and tissue donation).

Developing statewide plans for health services, workforce, and major capital investment through:

- continuing to implement a range of statewide service plans for high priority areas to provide oversight and linkages across the entire State's healthcare system and eliminate duplication of effort and associated waste
- progressing business cases in line with the department's built infrastructure and eHealth priorities to ensure Queensland's health infrastructure has the flexibility and capacity to meet future service requirements.

Purchasing, supporting and monitoring the quality of health service delivery through:

- purchasing health services from HHSs, not-for-profit, community and other non-government organisations through a range of funding mechanisms including partnerships, service agreements and grant funding
- ensuring agreed targets and outcomes of funded organisations are clearly established through service agreements, in order to achieve the most effective and efficient delivery of healthcare within the allocated resources
- collaborating with HHSs to assess service performance, investigate the key drivers of any reduced performance and mitigate existing or potential risks to achieving targeted outcomes set out in service agreements
- planning, purchasing and enabling health services to achieve the outcomes in Making Tracks towards closing the gap in health outcomes for Indigenous Queenslanders by 2033: Investment Strategy 2015-2018
- partnering with HHSs in addressing emerging statewide patient safety and quality issues to achieve safer, high quality care.

Delivering specialised health services, providing ambulance, public health, health information and communication technology and state wide health support services through:

- providing specialised aeromedical retrieval, disaster management and emergency telehealth support capability
- engaging consumers and communities in their health and promoting healthier choices and protective behaviours. In 2015-16, the department funded a range of preventative health initiatives including the 10,000 steps program, Heart Foundation Walking Groups and media campaigns which promote the consumption of fruit and vegetables
- partnering with industry, communities and governments to create living and work environments that support improved health through:
  - continuing to support the Parliamentary Inquiry into the establishment of a Queensland Health Promotion Commission by providing advice on the potential role, scope and purpose of a commission, and evidence on the effectiveness of similar agencies and models
  - progressing Health and Wellbeing Strategy 2015-2020 initiatives including:
    - brief interventions and support for hospital inpatients to quit smoking, pre-natal and workplace quit smoking programs, awareness programs delivered in schools and programs to target a reduction in the high levels of smoking in the indigenous population. These interventions are supported by Quitline and social marketing campaigns
    - the Health for Life! risk assessment and early intervention initiative to improve identification of people at high risk of developing chronic diseases such as Type 2 diabetes and provision of lifestyle modification support. The program is aimed at assisting individuals make healthier lifestyle choices and reducing avoidable hospital admissions. As part of this initiative, cross-referral will be encouraged across all funded organisations to better target needs and realise efficiencies through increased participation numbers
    - a tri-partite arrangement with the Office of Industrial Relations and WorkCover Queensland to promote health and wellbeing initiatives in the workplace
    - funding cooking and lifestyle programs being delivered by non-government organisations in high schools, rural and remote locations and disadvantaged communities
- enhancing surveillance and response to emerging health threats and disasters through:
  - progressing a range of endeavours which will further strengthen planning and emergency management arrangements across Queensland Health as a result of the Ravenshoe Review
  - planning for the Gold Coast 2018 Commonwealth Games and the coordination of arrangements across the department, Queensland Ambulance Service, designated hospitals and supporting HHSs
- delivering health technologies that have the flexibility and capacity to meet future health care and service delivery needs:
  - in 2015-16 the department released the eHealth Investment Strategy for a digital system which provides a cohesive plan to address both legacy system risks and strategic investments needed to enable information sharing across care settings, facilities and public/provider boundaries

  - leading digital healthcare innovation with the recent launch of digital hospital exemplars at the Princess Alexandra and Cairns Hospitals
  - delivering a range of health services across the State that support the delivery of better health outcomes while also harnessing economies of scale across the health system
- building the leadership and management capability of Queensland Health clinicians:
  - delivering a range of transformational leadership and management development programs, including the Medical Leadership in Action Program, the Emerging Clinical Leaders Program, the Clinician Business Development Program, the "Step UP' Program for early career clinicians, and the "Learn2Lead" Program for junior doctors
- improving healthcare services provided in Queensland public hospitals:
  - engaging and partnering with the HHSs to deliver real improvements to patient care and drive sustainable system-wide improvement, specifically in relation to access, equity and quality of services provided.

Service performance

Performance statement

Queensland Health Corporate and Clinical Support

Service area objective

To deliver safe and responsive services for Queenslanders.

Service area description

The responsibilities of this service area are to:

- provide direction to the promotion of health and the delivery of public health services in consultation with HHSs and other health service providers and stakeholders
- manage statewide 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
- provide diagnostic, scientific and clinical support services which enable the provision of frontline health services.

Department of Health	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Queensland Health Corporate and Clinical Support				
Service standards *Effectiveness measures* Percentage of ICT availability for major enterprise applications:	1			
• Metro		99.8%	99.9%	99.8%
• Regional		95.7%	99.9%	95.7%
• Remote		92%	99.9%	92%
Percentage of all high level ICT incidents resolved within targets defined in the Service Catalogue	2	80%	82.9%	80%

Department of Health	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Efficiency measures Percentage of capital infrastructure projects delivered on budget and within time and scope within a 5 per cent unfavourable tolerance	3	95%	95%	95%
Percentage of correct, on time pays	4	97%	96.2%	97%
Percentage of calls to 13HEALTH answered within 20 seconds	5	80%	80.7%	80%
Other measures Percentage of initiatives with a status reported as critical (Red)	6	<20%	14.6%	<20%
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	7	100%	100%	100%

Notes:

1. This service standard measures continuity and availability of ICT services via the wide area network. Availability data from the period 1 July 2015 to 31 March 2016 has been included in the 2015-16 Estimated Actual figures.
2. This service standard measures ICT incidents resolved within recommended timeframes as per the Service Level Agreement between eHealth Queensland and its customers. Incidents related to eHealth Queensland services resolved by eHealth Queensland staff between 1 July 2015 and 31 March 2016 have been included in the 2015-16 Estimated Actual figure.
3. Although all projects were completed or are forecast to be completed within scope, a small number of projects did not meet or are forecast not to meet the time or budget tolerance.
4. The 2015-16 Estimated Actual and 2016-17 Target/Estimate 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 Estimated Actual figure was incorrectly recorded as 99.2 per cent and the 2015-16 Target/Estimate of 99 per cent was based on this figure. The corrected 2014-15 Estimated Actual figure is 96.9 per cent and the corrected 2015-16 Target Estimate is 97 per cent.
5. Funding and human resources is calculated to achieve the performance indicator of 80 per cent of calls answered in 20 seconds as this is internationally recognised as a suitable target/grade of service for health call centres.
6. This measure relates to all new initiatives and initiatives that are not yet fully operational. The 2015-16 Estimated Actual figure is based on actual reported critical (Red) status for July 2015 to March 2016. This figure is reflective of the quarterly reporting updates of the current financial year, as per the whole-of-government ICT Dashboard.
7. Formal reviews by statewide clinical experts are undertaken on HHS responses to significant negative variance in VLADs and other National Safety and Quality indicators to independently assess the adequacy of the response and action plans and to escalate areas of concern if required.

Staffing[1, 2]

Department of Health	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
eHealth Queensland	3, 4	1,102	1,232	1,318
Health Support Queensland	5	3,871	4,090	4,235
Other Department of Health	6, 7	1,759	1,659	1,755
TOTAL		**6,732**	**6,981**	**7,308**

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The increase in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual relates to temporary project staff engaged to deliver on capital funded programs including the Windows 10 upgrade, Office 365 rollout, Sunshine Coast University Hospital (SCUH) Project, and new services required at Digital Hospital sites.
4. The increase in FTEs for the 2016-17 Budget is due to the continuation of temporary project staff for capital funded programs including the Windows 10 upgrade, Office 365 rollout, SCUH Project, and new services required at Digital Hospital sites.
5. The increase in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual, as well as the increase in FTEs for the 2016-17 Budget, are due to: the growth in services provided to HHSs to meet increased demand; new services provision to the Lady Cilento Children's Hospital and SCUH; the initiation of major business improvement projects such as procurement renewal, the replacement pathology system; the new front end Payroll rostering system; and the conversion of contract and agency staff to permanent employees.
6. The reduction in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual relates to the active management of staffing within the published Budget figure to allow for contingent and emergent needs.
7. The reduction in FTEs from the 2015-16 Budget to the 2016-17 Budget is due to four FTEs being transferred to the Department of Infrastructure, Local Government and Planning to support the Infrastructure Portfolio Office.

Controlled income statement

Department of Health	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
Appropriation revenue	1,10,19	9,406,668	9,540,920	10,014,701
Taxes		..	..	..
User charges and fees	2,11,20	3,319,712	3,309,603	3,389,798
Royalties and land rents		..	..	..
Grants and other contributions	3,12,21	3,261,255	3,523,031	3,737,392
Interest		1,959	1,403	189
Other revenue	4,13,22	6,043	22,186	11,517
Gains on sale/revaluation of assets		..	28	25
Total income		**15,995,637**	**16,397,171**	**17,153,622**
EXPENSES				
Employee expenses	5,14,23	2,941,076	3,023,856	3,178,457
Supplies and services	6,15,24	12,605,925	12,975,450	13,597,943
Grants and subsidies	7,16,25	137,209	69,621	61,263
Depreciation and amortisation	17,26	183,237	186,783	163,385
Finance/borrowing costs		..	..	..
Other expenses	8,18,27	125,228	136,797	140,593
Losses on sale/revaluation of assets	9,28	1,478	4,664	950
Total expenses		**15,994,153**	**16,397,171**	**17,142,591**
OPERATING SURPLUS/(DEFICIT)		**1,484**	**..**	**11,031**

Controlled balance sheet

Department of Health	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	29,38,50	(323,151)	(17,820)	(142,223)
Receivables	39,51	651,302	779,842	910,647
Other financial assets		254	..	..
Inventories		56,202	59,131	59,131
Other	30,40	142,145	188,653	191,284
Non-financial assets held for sale	31,41	21,804	..	..
Total current assets		**548,556**	**1,009,806**	**1,018,839**
NON-CURRENT ASSETS				
Receivables		372,831	93,760	95,031
Other financial assets		102,087	98,623	98,623
Property, plant and equipment	42,52	1,648,629	1,653,297	1,373,600
Intangibles	32,43,53	247,641	206,867	152,300
Other		..	..	..
Total non-current assets		**2,371,188**	**2,052,547**	**1,719,554**
TOTAL ASSETS		**2,919,744**	**3,062,353**	**2,738,393**
CURRENT LIABILITIES				
Payables	33,44,54	327,231	514,065	526,025
Accrued employee benefits	34,45,55	253,580	477,676	491,977
Interest bearing liabilities and derivatives	35,46	9,159	..	..
Provisions		..	..	..
Other		63	72	72
Total current liabilities		**590,033**	**991,813**	**1,018,074**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	36,47,56	247,283	..	459,985
Provisions		..	..	..
Other	37,48	19,963	2,714	2,504
Total non-current liabilities		**267,246**	**2,714**	**462,489**
TOTAL LIABILITIES		**857,279**	**994,527**	**1,480,563**
NET ASSETS/(LIABILITIES)		**2,062,465**	**2,067,826**	**1,257,830**
EQUITY				
TOTAL EQUITY	**49,57**	**2,062,465**	**2,067,826**	**1,257,830**

Controlled cash flow statement

Department of Health	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	58,68,77	9,406,668	9,318,683	10,014,701
User charges and fees	59,69,78	3,448,821	3,488,469	3,395,817
Royalties and land rent receipts		..	..	..
Grants and other contributions	60,70,79	3,261,255	3,371,889	3,583,093
Interest received		1,980	1,403	189
Taxes		..	..	..
Other		159,307	187,124	170,594
Outflows:				
Employee costs	61,71,80	(2,936,592)	(2,974,000)	(3,168,381)
Supplies and services	62,72,81	(12,739,320)	(13,079,979)	(13,710,147)
Grants and subsidies	63,73	(125,141)	(61,617)	(61,263)
Borrowing costs		..	..	..
Other	64,74	(141,559)	(160,130)	(157,288)
Net cash provided by or used in operating activities		**335,419**	**91,842**	**67,315**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		1,500	(1,298)	1,525
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	65,75,82	(1,106,428)	(740,642)	(707,261)
Payments for investments	66,83	..	(17,713)	..
Loans and advances made		(309)	(2,116)	(1,580)
Net cash provided by or used in investing activities		**(1,105,237)**	**(761,769)**	**(707,316)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	67,76,84	1,567,635	1,126,245	1,147,635
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(680,621)	(689,489)	(632,037)
Net cash provided by or used in financing activities		**887,014**	**436,756**	**515,598**
Net increase/(decrease) in cash held		**117,196**	**(233,171)**	**(124,403)**
Cash at the beginning of financial year		**(440,347)**	**215,351**	**(17,820)**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**(323,151)**	**(17,820)**	**(142,223)**

Administered income statement

Department of Health	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
Appropriation revenue		33,544	33,508	33,974
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		4	25	25
Gains on sale/revaluation of assets		..	..	..
Total income		**33,548**	**33,533**	**33,999**
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies		29,606	29,575	30,789
Depreciation and amortisation		..	..	..
Finance/borrowing costs	85,86	3,942	3,933	3,185
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		..	25	25
Total expenses		**33,548**	**33,533**	**33,999**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Administered balance sheet

Department of Health	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets		4	10	10
Receivables	87,91	12,190	12,189	41,626
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		**12,194**	**12,199**	**41,636**
NON-CURRENT ASSETS				
Receivables	88,92	41,626	41,626	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**41,626**	**41,626**	**..**
TOTAL ASSETS		**53,820**	**53,825**	**41,636**
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		5	10	10
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	89,93	12,189	12,189	41,626
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**12,194**	**12,199**	**41,636**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	90,94	41,626	41,626	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**41,626**	**41,626**	**..**
TOTAL LIABILITIES		**53,820**	**53,825**	**41,636**
NET ASSETS/(LIABILITIES)		**..**	**..**	**..**
EQUITY				
TOTAL EQUITY		**..**	**..**	**..**

Administered cash flow statement

Department of Health	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		33,544	33,471	33,974
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		4	25	25
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	95,98	(29,606)	(29,575)	(30,789)
Borrowing costs	96,99	(3,942)	(3,933)	(3,185)
Other		..	..	..
Transfers to Government		..	(25)	(25)
Net cash provided by or used in operating activities		**..**	**(37)**	**..**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	97,100	11,433	11,433	12,189
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**11,433**	**11,433**	**12,189**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	97,100	(11,433)	(11,433)	(12,189)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**(11,433)**	**(11,433)**	**(12,189)**
Net increase/(decrease) in cash held		**..**	**(37)**	**..**
Cash at the beginning of financial year		**4**	**47**	**10**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**4**	**10**	**10**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Increase in appropriation is due to the reprovision of prior year surplus, the re-profiling of departmental funding offset by the deferral of current year funding in line with revised expenditure forecasts.
2. Decrease due to reductions in forecast revenues for Interstate Patients, Licence Fees, Rent Revenue and WorkCover reimbursements together with a change in process for WorkCover recoveries. This is offset with an increase in contract labour revenue for payroll arrangements between the department and Hospital and Health Services.
3. Increase is driven by greater National Health Reform Agreement funding as well as increased Commonwealth programs funding estimates.
4. Increase relates to higher revenues from recoveries and reimbursements including non recurrent Blood Program efficiencies.
5. Increase due to indexation in line with enterprise bargaining agreement rates and increase in non-prescribed Hospital and Health Service staffing levels to deliver critical frontline services. Increases within the department are due to temporary and project based staff required in response to an increased demand for frontline services in Hospital and Health Services which are recoverable under fee for service arrangements.
6. Increase due to the impact of reclassification of grants expense to supplies and services in line with Queensland Treasury Accounting Policy Guideline 20. This has been offset by a decrease due to deferrals to future years and the re-profiling of departmental expenditure.
7. Decrease due to reclassification of grants expense to supplies and services in line with Queensland Treasury Accounting Policy Guideline 20. This has been offset an increase in expense for contributions to non-government entities (Sunshine Coast University Hospital project).
8. Increase relates to higher than anticipated expenditure for frontline services provided to Hospital and Health Services in line with increased activity.
9. Increase relates to capital works in progress written off in 2015-16 as a result of revaluation of works in progress prior to capitalisation and transfer to Hospital and Health Services.

Major variations between 2015-16 Budget and 2016-17 Budget include:

10. Increase in appropriation includes growth funding for frontline services, increased funding for enterprise bargaining agreements and the deferral of program funding in line with revised expenditure forecasts. This increase is offset by an overall decrease in Commonwealth National Partnership Agreement funding due to programs either ceasing or yet to be renegotiated.
11. Increase due to additional service revenue in response to an increased demand for frontline services in Hospital and Health Services under fee for service arrangements.
12. Increase is driven by greater National Health Reform Agreement funding as well as increased Commonwealth programs funding estimates offset by reduced general grants.
13. Increase relates to higher than anticipated recoveries and general reimbursements, consistent with increased frontline services expenses.
14. Increase due to indexation in line with enterprise bargaining agreement rates and increase in non-prescribed Hospital and Health Service staffing levels to deliver critical frontline services. Increases within the department are due to temporary and project based staff required in response to an increased demand for frontline services in Hospital and Health Services which are recoverable under fee for service arrangements.
15. Increase due to the inclusion of expenses associated with deferred and new funding programs, such as growth funding for frontline services, and indexation to account for likely overall increase.
16. Decrease due to the impact of reclassification of grants expense to supplies and services in line with Queensland Treasury Accounting Policy Guideline 20.
17. Decrease relates to assets coming to the end of their useful life and a reduction in commissioning of departmental assets in line with reduced Capital Acquisition Plan activity.
18. Increase relates to higher than anticipated expenditure for frontline services provided to Hospital and Health Services in line with increased activity.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

19. Increase in appropriation includes growth funding for frontline services, increased funding for enterprise bargaining agreements and the deferral of program funding in line with revised expenditure forecasts. This increase is offset by an overall decrease in Commonwealth National Partnership Agreement funding due to programs either ceasing or yet to be renegotiated.
20. Increase due to additional service revenue in response to an increased demand for frontline services in Hospital and Health Services under fee for service arrangements.
21. Increase is driven by higher levels of National Health Reform Agreement funding which has been offset by a reduction in general grants funding.
22. Decrease is due to the non-recurrent funding for the Blood Program provided in 2015-16.
23. Increase due to indexation in line with enterprise bargaining agreement rates and increase in non-prescribed Hospital and Health Service staffing levels to deliver critical frontline services. Increases within the department are due to temporary and project based staff required in response to an increased demand for frontline services in Hospital and Health Services which are recoverable under fee for service arrangements.
24. Increase due to the inclusion of expenses associated with deferred and new funding programs, such as growth funding for frontline services, and indexation to account for likely overall increase.
25. Decrease due to the impact of reclassification of grants expense to supplies and services in line with Queensland Treasury Accounting Policy Guideline 20.
26. Decrease relates to assets coming to the end of their useful life and a reduction in commissioning of departmental assets in line with reduced Capital Acquisition Plan activity.
27. Increase relates to higher than anticipated expenditure for frontline services provided to Hospital and Health Services in line with increased activity.
28. Decrease relates to reduction capital works in progress anticipated to be written down prior to transfer to Hospital and Health Services in 2016-17, consistent with reduced Capital Acquisition Plan activity.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

29. Increase in cash predominantly to an increase in payables and a reduction in anticipated outstanding debtors and end of year.
30. Increase due to change in expected balance for prepayments at end of financial year.
31. Decrease due to cancellation of land asset transfer, previously assumed to occur in 2015-16.
32. Decrease due to deferrals relating to the reduced commissioning forecast in the Capital Acquisition Plan, including ICT and software projects.
33. Increase due to change in required accrual days for payroll expenditure to be recovered from non-prescribed Hospital and Health Services.
34. Increase due to timing of payments to QSuper and other contributions resulting in higher accrual amounts required at the end of the financial year.
35. Decrease due to reclassification in line with Lend Lease revised loan schedule.
36. Decrease due to de-recognition of anticipated liability in 2015-16.
37. Decrease due to reclassification in line with Lend Lease revised loan schedule.

Major variations between 2015-16 Budget and 2016-17 Budget include:

38. Increase in cash predominantly to an increase in payables and a reduction in anticipated outstanding debtors and end of year.
39. Increase due to change in required accrual days for payroll expenditure to be recovered from non-prescribed Hospital and Health Services.
40. Increase due to change in expected balance for prepayments at end of financial year.
41. Decrease due to cancellation of land asset transfer, previously assumed to occur in 2015-16.
42. Decrease due to reduced commissioning forecast in the Capital Acquisition Plan.
43. Decrease due to the reduced activity forecast in the Capital Acquisition Plan.

44. Increase due to change in required accrual days for payroll expenditure to be recovered from non-prescribed Hospital and Health Services.
45. Increase due to timing of payments to QSuper and other contributions resulting in higher accrual amounts required at the end of the financial year.
46. Decrease due to reclassification in line with Lend Lease revised loan schedule.
47. Increase due to recognition of Sunshine Coast University Hospital Exemplar lease arrangements.
48. Decrease due to reclassification in line with Lend Lease revised loan schedule.
49. Decrease due to the reduced activity forecast in the Capital Acquisition Plan, offset by deferral of capital funding.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

50. Decrease in cash predominantly due to an increase in anticipated outstanding debtors and end of year.
51. Increase due to change in required accrual days for payroll expenditure to be recovered from non-prescribed Hospital and Health Services.
52. Decrease due to reduced commissioning forecast in the Capital Acquisition Plan.
53. Decrease due to the reduced activity forecast in the Capital Acquisition Plan.
54. Increase due to indexation to account for likely overall increase in expenditure.
55. Increase in line with enterprise bargaining agreement anticipated increase.
56. Increase due to recognition of Sunshine Coast University Hospital Exemplar lease transfer.
57. Decrease due to the reduced activity forecast in the Capital Acquisition Plan, offset by deferral of capital funding.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

58. Decrease in appropriation is due to the deferral of current year funding in line with revised expenditure forecasts.
59. Increase due to higher contract labour revenue for payroll arrangements between the department and Hospital and Health Services.
60. Increase is driven by greater National Health Reform Agreement funding as well as increased Commonwealth programs funding estimates.
61. Increase due to indexation in line with enterprise bargaining agreement rates and increase in non-prescribed Hospital and Health Service staffing levels to deliver critical frontline services. Increases within the department are due to temporary and project based staff required in response to an increased demand for frontline services in Hospital and Health Services which are recoverable under fee for service arrangements.
62. Increase due to the impact of reclassification of grants expense to supplies and services in line with Queensland Treasury Accounting Policy Guideline 20. This has been offset by a decrease due to deferrals to future years and the re-profiling of Departmental expenditure.
63. Decrease due to reclassification of grants expense to supplies and services in line with Queensland Treasury Accounting Policy Guideline 20. This has been offset an increase in expense for contributions to non-Government entities (Sunshine Coast University Hospital project).
64. Increase relates to higher than anticipated expenditure for frontline services provided to Hospital and Health Services in line with increased activity.
65. Decrease due to the reduced expenditure forecast in line with reduced Capital Acquisition Plan activity and deferral of funding into 2016-17.
66. Increase due to adjustment to the anticipated payment for the telecommunications loan as per updated loan schedule.
67. Decrease relates to deferral of Capital Acquisition Plan funding from 2015-16 to 2016-17 in line with planned expenditure.

Major variations between 2015-16 Budget and 2016-17 Budget include:

68. Increase in appropriation includes growth funding for frontline services, increased funding for enterprise bargaining agreements and the deferral of program funding in line with revised expenditure forecasts. This increase is offset by an overall decrease in Commonwealth National Partnership Agreement funding due to programs either ceasing or yet to be renegotiated.
69. Decrease due to reduction in anticipated timing of receipt of revenue charged to Hospital and Health Services under fee for service arrangements.
70. Increase is driven by greater National Health Reform Agreement funding as well as increased Commonwealth programs funding estimates.
71. Increase due to indexation in line with enterprise bargaining agreement rates and increase in non-prescribed Hospital and Health Service staffing levels to deliver critical frontline services. Increases within the department are due to temporary and project based staff required in response to an increased demand for frontline services in Hospital and Health Services under fee for service arrangements.
72. Increase due to the inclusion of expenses associated with deferred and new funding programs, such as growth funding for frontline services, and indexation to account for likely overall increase.
73. Decrease due to the impact of reclassification of grants expense to supplies and services in line with Queensland Treasury Accounting Policy Guideline 20.
74. Increase relates to higher than anticipated expenditure for frontline services provided to Hospital and Health Services in line with increased activity.
75. Decrease due to the reduced expenditure forecast in line with reduced Capital Acquisition Plan funding in 2016-17.
76. Decrease relates to deferrals in Capital Acquisition Plan funding.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

77. Increase in appropriation includes growth funding for frontline services, increased funding for enterprise bargaining agreements and the deferral of program funding in line with revised expenditure forecasts. This increase is offset by an overall decrease in Commonwealth National Partnership Agreement funding due to programs either ceasing or yet to be renegotiated.
78. Decrease due to reduction in anticipated timing of receipt of revenue charged to Hospital and Health Services under fee for service arrangements.
79. Increase is driven by higher levels of National Health Reform Agreement funding which has been offset by a reduction in general grants funding.
80. Increase due to indexation in line with enterprise bargaining agreement rates and increase in non-prescribed Hospital and Health Service staffing levels to deliver critical frontline services. Increases within the department are due to temporary and project based staff required in response to an increased demand for frontline services in Hospital and Health Services which are recoverable under fee for service arrangements.
81. Increase due to the inclusion of expenses associated with deferred and new funding programs, such as growth funding for frontline services, and indexation to account for likely overall increase.
82. Decrease due to the reduced expenditure forecast in line with reduced Capital Acquisition Plan funding, partially offset by deferrals of funding from 2015-16 into 2016-17 year.
83. Decrease due to 2015-16 adjustment to the anticipated payment for the telecommunications loan as per updated loan schedule.
84. Increase relates to deferrals from the 2015-16 Capital Acquisition Plan activity, offset by an overall reduction in the Capital Acquisition Plan.

Administered income statement

Major variations between 2015-16 Budget and 2016-17 Budget include:

85. Decrease relates to realignment of expenses to reflect loan schedule interest.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

86. Decrease relates to realignment of expenses to reflect loan schedule interest.

Administered balance sheet

Major variations between 2015-16 Budget and 2016-17 Budget include:

87. Increase due to reclassification of non-current portion of loan receivable to current as per loan schedule.
88. Decrease due to reclassification of non-current portion of loan receivable to current as per loan schedule.
89. Increase due to reclassification of non-current portion of loan payable to current as per loan schedule.
90. Decrease due to reclassification of non-current portion of loan payable to current as per loan schedule.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

91. Increase due to reclassification of non-current portion of loan receivable to current as per loan schedule.
92. Decrease due to reclassification of non-current portion of loan receivable to current as per loan schedule.
93. Increase due to reclassification of non-current portion of loan payable to current as per loan schedule.
94. Decrease due to reclassification of non-current portion of loan payable to current as per loan schedule.

Administered cash flow statement

Major variations between 2015-16 Budget and 2016-17 Budget include:

95. Increase relates to realignment of expenses to reflect loan schedule interest.
96. Decrease relates to realignment of expenses to reflect loan schedule interest.
97. Increase due to increased Mater loan receipts as per loan schedule.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

98. Increase relates to realignment of expenses to reflect loan schedule interest.
99. Decrease relates to realignment of expenses to reflect loan schedule interest.
100. Increase due to increased Mater loan receipts as per loan schedule.

Queensland Ambulance Service

Overview

The Queensland Ambulance Service (QAS) is an integral part of the primary health care sector in Queensland. QAS's mission is to deliver value to the community through timely, patient-focused ambulance services. Established by the *Ambulance Service Act 1991*, the QAS operates as a statewide service within Queensland Health, and is accountable for the delivery of pre-hospital ambulance response services, emergency and non-emergency pre-hospital patient care and transport services, inter-facility ambulance transport, casualty room services, and planning and coordination of multi-casualty incidents and disasters.

The QAS delivers ambulance services through 15 Local Ambulance Service Networks (LASNs) which are aligned to the State's Hospital and Health Services. A 16th statewide LASN comprises the Operations Centres (OpCens). There are seven QAS OpCens throughout Queensland responsible for emergency call taking, operational deployment and dispatch, and coordination of non-urgent patient transport services.

The QAS is committed to enhancing patient and staff safety, delivering quality ambulance services in a timely manner and retaining a well-trained, well-equipped workforce. This approach meets the Government's objectives and priorities including delivering quality front line services, strengthening the public health system and providing responsive and integrated government services.

Service summary

The QAS delivers services from 290 response locations across Queensland. In 2015-16, the QAS had an approved staff establishment of 4,106 full-time equivalents. In 2015-16, the QAS:

- recruited an additional 75 ambulance officers to provide enhanced roster coverage, plus a further 40 ambulance officers as part of the department's demand management strategies
- completed the rollout of operational iPads to over 3,000 paramedics enabling them real time in-field access to communications and training
- expanded the Higher Acuity Response Unit to service the Gold Coast utilising Critical Care Paramedics to provide advanced lifesaving medical care to seriously injured patients
- expanded the Lower Acuity Response Units (LARU) to Cairns and Sunshine Coast. LARU explores alternative pathways for lower acuity patients which may include referring or transporting a patient to their local general practitioner
- completed the statewide rollout of replacement defibrillators
- commissioned 155 new and replacement ambulance vehicles
- completed construction of the Miriam Vale Station and Russell Island Station and residence replacement
- commenced the rollout of 116 Satellite Communication Push-to-Talk Radios in regional Queensland to increase communication where there is no land mobile radio network coverage
- commenced the expansion of acute therapy for patients suffering the most serious form of heart attack.

The QAS will have an operating expense budget of $673.1 million for 2016-17 which is an increase of $39.8 million (6.3 per cent) from the published 2015-16 operating expense budget of $633.3 million. Key deliverables for the QAS through 2016-17 include:

- recruiting 110 additional ambulance officers to provide enhanced roster coverage to manage increasing demand for ambulance services, in addition to the 40 ambulance officers recruited in late 2015-16
- commissioning 170 new and replacement ambulance vehicles and continuing the rollout of the new power assisted stretchers (these stretchers provide an enhanced work platform for paramedics and greatly assist in improving patient and officer safety)
- investing $15.9 million to undertake minor works at various ambulance stations and for the planning or delivery of new and replacement ambulance stations at Collinsville, Rainbow Beach, Yandina, Bundaberg, Birtinya, Kenilworth, Coral Gardens, Wynnum and Thursday Island
- enhancing emergency and disaster response capability through the construction of a QAS Emergency and Fleet Management Hub
- commencing procurement of Dynamic Deployment software as a new solution to enhance resourcing and scheduling of frontline and response
- providing ambulance officers with refresher training in situational awareness to reduce the potential impact of occupational violence of paramedics.

Service performance

Performance statement

Ambulance services

Service area objective

To provide timely and quality ambulance services which meet the needs of the Queensland community.

Service area description

The QAS achieves this objective by providing pre-hospital ambulance response services, emergency and non-emergency pre-hospital patient care and transport services, inter-facility ambulance transport, casualty room services, and planning and coordination of multi-casualty incidents and disasters.

Queensland Ambulance Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Time within which code 1 incidents are attended:	1, 2			
• 50th percentile response time	3	8.2 minutes	8.6 minutes	8.2 minutes
• 90th percentile response time	4	16.5 minutes	17 minutes	16.5 minutes
Percentage of Triple Zero (000) calls answered within 10 seconds	5	90%	91%	90%
Percentage of non-urgent incidents attended to by the appointment time	2, 6	>70%	85%	>70%
Percentage of patients who report a clinically meaningful pain reduction	7	>85%	88.7%	>85%
Patient satisfaction	8	>97%	98%	>97%
Efficiency measures Gross cost per incident	2, 9	$632	$647	$652

Notes:

1. A code 1 incident is potentially life threatening necessitating the use of ambulance warning devices (lights and/or siren) en route.
2. An incident is an event that results in one or more responses by the ambulance service.
3. This measure reports the time within which 50 per cent of the first responding ambulance resources arrive at the scene of an emergency in code 1 situations.
4. This measure reports the time within which 90 per cent of the first responding ambulance resources arrive at the scene of an emergency in code 1 situations.
5. This measure reports the percentage of Triple Zero (000) calls answered by ambulance services communication centre staff in a time equal to or less than ten seconds.
6. This measure reports the proportion of medically authorised road transports (code 3) (excluding Queensland Health and aero-medical transports) which arrive on time for designated appointment, or are met for returned transport within two hours of notification of completion of an appointment (code 4).
7. 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.
8. This is the total number of patients who were either 'satisfied' or 'very satisfied' with ambulance services they had received, divided by the total number of patients that responded to the National Patient Satisfaction Survey of the Council of Ambulance Authorities.
9. This measure reports ambulance service expenditure divided by the number of incidents. The increase in cost per incident relates to additional costs associated with frontline staff enhancements to meet increasing demand for ambulance transport services and additional investment in information and communication technology.

Staffing[1, 2, 3]

Queensland Ambulance Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Queensland Ambulance Service	4, 5	4,106	4,146	4,261

Notes:

1. The 2015-16 Budget reflects the forecast FTEs as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to changes in demand.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect additional approved frontline ambulance officers to meet increasing demand.
5. Increases in FTEs for the 2016-17 Budget predominantly reflect the recruitment of additional front line ambulance officers to meet increasing demand and a small number of additional temporary positions for the implementation of a new Human Resources/Payroll Solution.

Controlled income statement

Queensland Ambulance Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
Appropriation revenue	5,12	511,853	511,853	558,955
Taxes		..	..	..
User charges and fees	6	101,895	101,187	100,672
Royalties and land rents		..	..	..
Grants and other contributions	1,7	20,215	23,077	23,445
Interest		..	..	..
Other revenue		775	1,130	1,091
Gains on sale/revaluation of assets		..	..	..
Total income		**634,738**	**637,247**	**684,163**
EXPENSES				
Employee expenses	2,8,13	463,391	467,841	485,593
Supplies and services	3,9,14	123,617	125,647	137,785
Grants and subsidies	4,10,15	8,458	6,528	10,500
Depreciation and amortisation	11,16	35,221	35,221	36,652
Finance/borrowing costs		..	..	..
Other expenses		1,617	1,546	1,652
Losses on sale/revaluation of assets		950	464	950
Total expenses		**633,254**	**637,247**	**673,132**
OPERATING SURPLUS/(DEFICIT)		**1,484**	**..**	**11,031**

Controlled balance sheet

Queensland Ambulance Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	17,25,32	16,488	42,969	37,060
Receivables	18,26	38,245	21,573	21,573
Other financial assets		254	..	..
Inventories		1,478	1,642	1,642
Other	19,27	1,739	3,817	3,817
Non-financial assets held for sale		200	..	..
Total current assets		**58,404**	**70,001**	**64,092**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	20,28,33	448,010	428,055	446,560
Intangibles	21,34	4,434	2,163	5,198
Other		..	..	..
Total non-current assets		**452,444**	**430,218**	**451,758**
TOTAL ASSETS		**510,848**	**500,219**	**515,850**
CURRENT LIABILITIES				
Payables	22,29	24,934	35,555	35,555
Accrued employee benefits	23,30	17,867	16,607	16,607
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		23	32	32
Total current liabilities		**42,824**	**52,194**	**52,194**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**42,824**	**52,194**	**52,194**
NET ASSETS/(LIABILITIES)		**468,024**	**448,025**	**463,656**
EQUITY				
TOTAL EQUITY	**24,31,35**	**468,024**	**448,025**	**463,656**

Controlled cash flow statement

Queensland Ambulance Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	41,48	511,853	511,853	558,955
User charges and fees	42	100,945	100,723	99,722
Royalties and land rent receipts		..	..	..
Grants and other contributions	36,43,49	20,215	23,077	23,445
Interest received		..	..	..
Taxes		..	..	..
Other		775	1,130	1,091
Outflows:				
Employee costs	37,44,50	(463,391)	(467,841)	(485,593)
Supplies and services	38,45,51	(123,617)	(125,647)	(137,785)
Grants and subsidies	39,46,52	(8,458)	(6,528)	(10,500)
Borrowing costs		..	..	..
Other		(1,617)	(1,546)	(1,652)
Net cash provided by or used in operating activities		**36,705**	**35,221**	**47,683**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		1,500	1,500	1,500
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	40,47,53	(45,401)	(42,533)	(59,692)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(43,901)**	**(41,033)**	**(58,192)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		4,600	4,600	4,600
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**4,600**	**4,600**	**4,600**
Net increase/(decrease) in cash held		**(2,596)**	**(1,212)**	**(5,909)**
Cash at the beginning of financial year		**19,084**	**44,181**	**42,969**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**16,488**	**42,969**	**37,060**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase in grants and other contributions is principally due to an increased allocation of Motor Accident Insurance Commission (MAIC) funds.
2. The increase in employee expenses principally relates to additional staff enhancements and enterprise bargaining increases, the implementation of the aggregate rate, additional recruitment costs, staff uniforms and protective equipment.
3. The increase in supplies and services is principally due to increased operational equipment requirements, property costs, contractor and professional services, operating leases and additional shared services costs.
4. The decrease in grants and subsidies is principally due to a delayed capital program. As part of the 2013 machinery-of-government change, Queensland Ambulance Service (QAS) communications assets were transferred to the Public Safety Business Agency (PSBA) to enable efficiencies and consistency across the network. The QAS pay an operating grant for its ongoing communications capital program.

Major variations between 2015-16 Budget and 2016-17 Budget include:

5. The increase in appropriation revenue is principally due to supplementation received for anticipated growth in QAS activities. These funds are primarily for additional operational staff.
6. The decrease in user charges is principally due to reduced activity from interstate patient transports and educational training due to increased competition and a decline from the mining sector.
7. The increase in grants and other contributions is principally due to an increased allocation of MAIC funds.
8. The increase in employee expenses is principally due to additional funding received for the anticipated growth in QAS activities. These funds are primarily for additional operational staff costs.
9. The increase in supplies and services is principally due to: motor vehicles and other operational costs associated additional ambulance officers, increased software licenses, stretcher maintenance, Government Wireless Network (GWN) recurrent costs and data management costs for defibrillators and an allocation for Consumer Price Index (CPI) cost increases.
10. The increase in grants and subsidies is principally due to an increased communications capital program, which includes operations centre modernisation and communication network upgrades, PSBA Network upgrades and Brisbane operations centre console refurbishment programs.
11. The increase in depreciation and amortisation is principally due to asset purchases from additional ambulance vehicles and stretchers required for growth to meet increased activities.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. The increase in appropriation revenue is principally due to supplementation received for anticipated growth in QAS activities. These funds are primarily for additional operational staff.
13. The increase in employee expenses is principally due to additional funding received for the anticipated growth in QAS activities. These funds are primarily for additional operational staff costs.
14. The increase in supplies and services is principally due to: motor vehicle and other operational costs associated additional ambulance officers, increased software licenses, stretcher maintenance, GWN recurrent costs and data management costs for defibrillators and an allocation for CPI cost increases.
15. The increase in grants and subsidies is principally due to an increased communications capital program, which includes operations centre modernisation and communication network upgrades, PSBA Network upgrades and Brisbane operations centre console refurbishment programs.
16. The increase in depreciation and amortisation is principally due to asset purchases from additional ambulance vehicles and stretchers required for growth to meet increased activities.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

17. The increase in cash assets is principally due to a better than anticipated final balance in the 2015-16 financial year. Reduced receivables and a delayed capital program contributed to the increased cash balance.

18. The decrease in receivables is primarily due to a lower than expected opening balance.
19. The increase in other current assets is primarily due to an estimated higher value associated with prepayments.
20. The decrease in property plant and equipment is due to a delayed capital program during 2015-16.
21. The decrease in intangibles is due to delays in the ICT program due to changes in scope and direction of the 2015-16 program.
22. The increase in payables is principally due to a higher than originally estimated opening balance for 2015-16.
23. The decrease in accrued employee benefits largely reflects lower than anticipated payables for staff entitlements.
24. The decrease in equity is principally due to the capital expenditure planned for 2015-16.

Major variations between 2015-16 Budget and 2016-17 Budget include:

25. The increase in cash assets is principally due to a better than anticipated final balance in the 2015-16 financial year. Reduced receivables and a delayed capital program contributed to the increased cash balance.
26. The decrease in receivables is primarily due to a lower than expected opening balance.
27. The increase in other current assets is primarily due to an estimated higher value associated with prepayments.
28. The decrease in property plant and equipment is due to a delayed capital program during 2015-16.
29. The increase in payables is principally due to a higher than originally estimated opening balance for 2015-16.
30. The decrease in accrued employee benefits largely reflects lower than anticipated payables for staff entitlements.
31. The decrease in equity is principally due to the increase in payables for 2015-16.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

32. The decrease in cash assets is principally due to the planned capital expenditure for 2016-17.
33. The increase in property, plant and equipment is due to the increased capital expenditure planned for 2016-17.
34. The increase in intangibles is due to the capital expenditure planned for 2016-17 for internally generated computer software.
35. The increase in equity is due to the capital expenditure planned for 2016-17.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

36. The increase in grants and contributions is principally due to an increase in the allocation of MAIC funds.
37. The increase in employee expenses principally relates to additional overtime and penalty costs incurred from the delay in implementing changes to the overtime meal allowance directive, the implementation of the aggregate rate, additional recruitment costs, staff uniforms and protective equipment.
38. The increase in supplies and services is principally due to increased operational equipment requirements, property costs, contractor and professional services, operating leases and additional shared services costs.
39. The decrease in grants and subsidies is principally due to a delayed communications capital program, which includes operations centre modernisation and communication network upgrades, PSBA Network upgrades and the Brisbane Operations Centre console refurbishment program.
40. The decrease in payments for property plant and equipment is mainly due to a delayed capital program for 2015-16.

Major variations between 2015-16 Budget and 2016-17 Budget include:

41. The increase in appropriation revenue is principally due to supplementation received for anticipated growth in QAS activities. These funds are primarily for additional operational staff.
42. The decrease in receipts for user charges and fees is principally due to reduced activity from interstate patient transports and educational training due to increased competition and a decline from the mining sector.
43. The increase in grants and contributions is principally due to an increase in the allocation of MAIC funds.
44. The increase in employee expenses is principally due to additional funding received for the anticipated growth in QAS activities. These funds are primarily for additional operational staff costs.

45. The increase in supplies and services is principally due to: motor vehicles and other operational costs associated additional ambulance officers, increased software licenses, stretcher maintenance, GWN recurrent costs and data management costs for defibrillators and an allocation for CPI cost increases.

46. The increase in grants and subsidies is principally due to an increased communications capital program, which includes operations centre modernisation and communication network upgrades, PSBA Network upgrades and the Brisbane Operations Centre console refurbishment program.

47. The increase in payments for property, plant and equipment and intangibles is due to the capital expenditure planned for 2016-17.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

48. The increase in appropriation revenue is principally due to supplementation received for anticipated growth in QAS activities. These funds are primarily for additional operational staff.

49. The increase in grants and contributions is principally due to an increase in the allocation of MAIC funds and Veteran Affairs for CPI increases.

50. The increase in employee expenses is principally due to additional funding received for the anticipated growth in QAS activities. These funds are primarily for additional operational staff costs.

51. The increase in supplies and services is principally due to: motor vehicles and other operational costs associated additional ambulance officers, increased software licenses, stretcher maintenance, GWN recurrent costs and data management costs for defibrillators and an allocation for CPI cost increases.

52. The increase in grants and subsidies is principally due to an increased communications capital program, which includes operations centre modernisation and communication network upgrades, PSBA Network upgrades and the Brisbane Operations Centre console refurbishment program.

53. The increase in payments for property, plant and equipment and intangibles is due to the capital expenditure planned for 2016-17.

Cairns and Hinterland Hospital and Health Service

Overview

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 in the geographical area stretching from Jumbun in the south to Cow Bay 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 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.

In working towards better health for Queenslanders, the strategic plan of the Cairns and Hinterland HHS aligns with the Queensland Government's objectives for the community to strengthen our public health system, deliver quality frontline services and restoring integrity and accountability. This will be achieved through the following strategic objectives:

- striving to continually improve patient care, safety and outcomes
- providing health care services that are patient focused and culturally appropriate
- actively engaging stakeholders and considering their input in the delivery of healthcare services
- deploying the right people, to the right service, in the right place at the right time, and creating and maintaining a positive and productive workplace culture that will enable our workforce to be fully engaged, educated and supported
- ensuring fiscally responsible decision making while providing stable and sustainable health services
- establishing engaged, consistent and timely decision making processes at all levels of the organisation and at the closest point to service delivery
- building, developing and implementing technology and systems that support integrated health care delivery and enhance organisational performance.

The Cairns and Hinterland HHS serves a large Indigenous population, and is the referral service for the Torres Strait, Cape York and Northern Peninsula Area. In addition, the HHS provides significant services to Papua New Guineans. A key challenge for the Cairns and Hinterland HHS is its growing and ageing population. By 2026, an extra 67,000 people are expected to reside within the catchment area and close to one in five will be aged over 65.

Service summary

The Cairns and Hinterland HHS has an operating budget of $777.9 million for 2016-17 which is an increase of $65.1 million (9.1 per cent) from the published 2015-16 operating budget of $712.8 million.

In February 2016, Cairns Hospital became Australia's first large-scale regional Digital Hospital. This key transformation connects patients, clinicians and health services through fully integrated health care. Patients can quickly and easily access up to date health records and clinicians have immediate access to patient treatment plans, allowing more time for delivering care. This is a significant achievement for Cairns and Hinterland HHS and in 2016-17 the HHS will continue to capitalise on the new digital capability to improve health services for the community.

In 2016-17, the Cairns and Hinterland HHS will focus on key initiatives including implementing the Regional eHealth Project to improve clinical and patient electronic information sharing between Queensland Health facilities and external healthcare partners, implementing the Nurse Navigator Program that will facilitate the patient's journey through the complex health

system, and the Senior Intervention for Triage model into the Cairns Hospital Emergency Department which aims to commence diagnostic tests and treatment early in the patient's presentation.

Service performance

Performance statement

Cairns and Hinterland Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Cairns and Hinterland community.

Service area description

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.

Cairns and Hinterland Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	76%	80%
• Category 3 (within 30 minutes)		75%	73%	75%
• Category 4 (within 60 minutes)		70%	78%	70%
• Category 5 (within 120 minutes)		70%	94%	70%
• All categories		..	79%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	80%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	93%	>98%
• Category 2 (90 days)		>95%	97%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.3	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	56.9%	>65%

Cairns and Hinterland Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	17.5%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			
• Category 1 (30 days)		..	54%	55%
• Category 2 (90 days)		..	27%	35%
• Category 3 (365 days)		..	48%	50%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	16	20
Median wait time for elective surgery (days)	4	25	23	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,774	$4,983	$4,598
Other measures Total weighted activity units:	10			
• Acute Inpatient		60,659	65,383	62,902
• Outpatients		14,189	13,406	14,117
• Sub-acute		8,887	8,915	9,963
• Emergency Department		15,325	17,845	15,920
• Mental Health		7,779	7,107	8,077
• Interventions and Procedures		10,425	11,580	10,504
Ambulatory mental health service contact duration (hours)	11	>77,500	79,341	>80,135

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection (EDC). The EDC does not include attendances at the Cairns Hospital for March 2016 due to a temporary inability to report during the transition to a new electronic information system. Reporting functions for this facility will commence once the transition to the new electronic system is complete.
3. A Target/Estimate for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category targets 2015-16 are based on the Australasian Triage Scale.
4. 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Whilst overall Queensland has made significant progress in improving the rate of community follow up over the past five years, the department continues to work with HHSs regarding improvements in this area.
7. Whilst overall Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target, the department continues to work with HHSs regarding improvements in this area. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016 with the following exceptions due to a temporary inability to report for some facilities during the transition to a new electronic information system: no data has been included for the Cairns Hospital for the period February to April 2016. Reporting functions for this facility will commence once the transition to the new electronic system is complete. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.

9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Cairns and Hinterland Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Cairns and Hinterland Hospital and Health Service	3, 4, 5	4,178	4,801	4,554

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflects an error in the initial calculation of the 2015-16 Budget of 174 FTEs, therefore, the 2015-16 Budget should have totalled 4,352. The movement is a result of increased funds regarding the Outpatient Waitlist Reduction Strategies, along with internal areas of growth to maintain Emergency Access Targets; Elective Surgery Targets and Patient Off Stretcher Times. There has also been an increase in line with additional funding through Amendment Windows 1 and 2 Service Agreement updates. Also contributing to the increase are the FTEs related to the Digital Hospital program.
5. The decrease in FTEs for the 2016-17 Budget reflect the Cairns and Hinterland HHS's financial turn-around plan which will be implemented through-out 2016-17. The plan will focus on temporary employee contracts, improved processes around nursing and rostering practices across clinical streams. Also contributing to the decrease in FTEs is the transition to a 'business as usual' model for Digital Hospital.

Income statement

Cairns and Hinterland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,6,12	691,582	742,329	756,542
Grants and other contributions	7,13	14,853	14,586	16,640
Interest		96	69	71
Other revenue	2,8	6,281	4,547	4,683
Gains on sale/revaluation of assets		..	..	..
Total income		**712,812**	**761,531**	**777,936**
EXPENSES				
Employee expenses	3,9,14	59,654	86,327	90,616
Supplies and Services:				
Other supplies and services	4,10	157,125	190,446	171,067
Department of Health contract staff		455,012	462,869	471,271
Grants and subsidies		550	550	550
Depreciation and amortisation	11	35,127	35,995	38,927
Finance/borrowing costs		..	..	..
Other expenses		3,464	3,464	3,571
Losses on sale/revaluation of assets		1,880	1,880	1,934
Total expenses		**712,812**	**781,531**	**777,936**
OPERATING SURPLUS/(DEFICIT)	**5**	**..**	**(20,000)**	**..**

Balance sheet

Cairns and Hinterland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	15,24	20,903	4,785	4,785
Receivables	16,25	19,347	27,015	27,555
Other financial assets		..	..	..
Inventories	17,26	1,964	4,068	4,149
Other		42	340	346
Non-financial assets held for sale		..	..	..
Total current assets		**42,256**	**36,208**	**36,835**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18,27	781,861	706,109	705,972
Intangibles	19,28	338	5,104	5,104
Other		..	..	..
Total non-current assets		**782,199**	**711,213**	**711,076**
TOTAL ASSETS		**824,455**	**747,421**	**747,911**
CURRENT LIABILITIES				
Payables	20,29	38,070	48,342	48,868
Accrued employee benefits	21,30	43	1,830	1,866
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	22,31	2,175	3,262	3,327
Total current liabilities		**40,288**	**53,434**	**54,061**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**40,288**	**53,434**	**54,061**
NET ASSETS/(LIABILITIES)		**784,167**	**693,987**	**693,850**
EQUITY				
TOTAL EQUITY	**23,32**	**784,167**	**693,987**	**693,850**

Cash flow statement

Cairns and Hinterland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	33,40,45	689,465	740,104	754,255
Grants and other contributions	41,46	14,853	14,586	16,640
Interest received		96	69	71
Other		22,051	20,317	20,453
Outflows:				
Employee costs	34,42,47	(59,676)	(86,289)	(90,580)
Supplies and services	35,43	(643,203)	(661,894)	(657,791)
Grants and subsidies		(550)	(550)	(550)
Borrowing costs		..	..	..
Other		(3,464)	(3,461)	(3,571)
Net cash provided by or used in operating activities		**19,572**	**22,882**	**38,927**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	36,48	..	(5,185)	..
Outflows:				
Payments for non-financial assets	37,49	(7,533)	(20,156)	(5,485)
Payments for investments		..	..	..
Loans and advances made	38,50	..	5,185	..
Net cash provided by or used in investing activities		**(7,533)**	**(20,156)**	**(5,485)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	39,51	7,533	13,269	5,485
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	44,52	(35,127)	(35,995)	(38,927)
Net cash provided by or used in financing activities		**(27,594)**	**(22,726)**	**(33,442)**
Net increase/(decrease) in cash held		**(15,555)**	**(20,000)**	**..**
Cash at the beginning of financial year		**36,458**	**24,785**	**4,785**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**20,903**	**4,785**	**4,785**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding provided through amendments to the Service Agreement between Cairns and Hinterland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements, non-labour escalation and depreciation expense.
2. The decrease relates to a reduction in recoveries from other government departments. The 2015-16 Budget was based on historic performance. The reduction relates to Integrated Electronic Medical Record (ieMR) staff costs which were reimbursed during the 2014-15 year, which are no longer reimbursed in 2015-16.
3. The increase is largely due to the increased number of Senior Medical Officers employed by the HHS, along with enterprise bargaining back pays to 1 July 2015. Additional movement relates to increased Health Service Executive costs and Board costs.
4. The increase relates to additional expenditure associated with the increase in full-time equivalent (FTE) numbers, due to growth in activity and programs such as Digital Hospital and enterprise bargaining agreements. Activity increases are in line with strategies put in place to achieve Tier 1 Key Performance Indicators (KPIs), specifically around National Emergency Access Targets; National Elective Surgery Target and Patients Off Stretcher Time.
5. The forecasted deficit is attributed to strategies adopted by the Hospital and Health Service to maintain or significantly improve Tier 1 KPI targets, specifically around the National Emergency Access Targets, National Elective Surgery Targets and Patient Off Stretcher Times. The deficit is expected to be partially funded from prior year surpluses.

Major variations between 2015-16 Budget and 2016-17 Budget include:

6. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
7. The increase relates to additional funding expected from the Commonwealth for items such as Remote Medical Benefits Scheme; Council Of Australian Governments S19(2) Initiative funding and Regional Health Services Funding
8. The decrease relates to a reduction in recoveries from other government departments. The 2015-16 Budget was based on historic performance. The reduction relates to ieMR staff costs which were reimbursed during 2014-15. In 2015-16, costs are no longer reimbursed in this fashion.
9. The increase is largely due to allowing for additional Senior Medical Officer FTEs, along with enterprise bargaining adjustments.
10. The increase relates to additional expenditure associated with the increase in FTE numbers, due to growth in activity and programs such as Digital Hospital and enterprise bargaining agreements. Activity increases are in line with strategies put in place to achieve Tier 1 KPIs, specifically around National Emergency Access Targets; National Elective Surgery Target and Patients Off Stretcher Time.
11. The increase predominantly relates to the commissioning of assets in 2016-17.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
13. The increase relates to additional funding expected from the Commonwealth for items such as Remote Medical Benefits Scheme; Council Of Australian Governments S19(2) Initiative funding and Regional Health Services Funding
14. The increase relates to additional expenditure associated with the increase in FTE numbers, due to growth in activity and programs such as Digital Hospital and enterprise bargaining agreements.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

15. The decrease is due to a revision of the anticipated increase in the receivables balance at end of year which resulted in a reduction in the cash position.
16. The increase is due to additional funding provided through amendments to the Service Agreement between the department and the Cairns and Hinterland Hospital and Health Service.
17. The increase is predominantly due to increase in Pharmacy Inventory due to an overall increase in activity.
18. The decrease relates to a revised commissioning schedule for asset transfers from the department.
19. The increase relates to software purchases for the Digital Hospital project.
20. The increase is as a result of a higher operational expenditure on supplies and services.
21. The increase relates to the revised provision requirement in line with the increase in employee expenses.
22. The increase is due to unforeseeable receipt of advance payments.
23. The decrease relates to a revised commissioning schedule for asset transfers from the department, along with a forecasted deficit at year end. The forecasted deficit is attributed to strategies adopted by the Hospital and Health Service to maintain or significantly improve Tier 1 KPI targets, specifically around the National Emergency Access Targets; National Elective Surgery Targets and Patient Off Stretcher Times. The deficit is expected to be partially funded from prior year surpluses.

Major variations between 2015-16 Budget and 2016-17 Budget include:

24. The decrease is due to a revision of the anticipated increase in receivables balance at end of year.
25. The increase is in line with higher estimated user charges and fees per the Service Agreement.
26. The increase is predominantly due to increase in Pharmacy Inventory due to an overall increase in activity.
27. The decrease relates to a revised commissioning schedule for asset transfers from the department.
28. The increase relates to software costs related to the Digital Hospital project.
29. The increase is as a result of a higher operational expenditure on supplies and services.
30. The increase relates to a revision of provision for accrual of employee expenses.
31. The increase is due to unforeseeable receipt of advance payments.
32. The decrease relates to the revised calculation of contributed equity for the transfer of potential commissioned assets from the department, along with the full year forecast loss the Health Service is predicting.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

33. The increase relates to additional funding provided through amendments to the Service Agreement between Cairns and Hinterland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements, non-labour escalation and depreciation expense.
34. The increase is largely due to the increased number of Senior Medical Officers employed by the Cairns and Hinterland Hospital and Health Service, along with enterprise bargaining back pays to 1 July 2015. Additional movement relates to increased Health Service Executive costs and Board costs.
35. The increase relates to additional expenditure associated with the increase in FTE numbers, due to growth in activity and programs such as the Digital Hospital project and enterprise bargaining agreements. Activity increases are in line with strategies put in place to achieve Tier 1 KPIs, specifically around National Emergency Access Targets, National Elective Surgery Target and Patients Off Stretcher Time.
36. The decrease is a result of a reclassification of loans and advances.
37. The increase is a result of additional acquisitions over and above initial projections at the beginning of 2015-16.
38. The increase is a result of a reclassification of loans and advances.
39. The increase relates to the commissioning of assets to be transferred from the department to Cairns and Hinterland Hospital and Health Service via contributed equity.

Major variations between 2015-16 Budget and 2016-17 Budget include:

40. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
41. The increase relates to additional funding expected from the Commonwealth for items such as Remote Medical Benefits Scheme; Council Of Australian Governments S19(2) Initiative funding and Regional Health Services Funding
42. The increase is largely due to allowing for additional Senior Medical Officer FTEs, along with expenditure relating to enterprise bargaining agreements.
43. The increase relates to additional expenditure associated with the increase in FTE numbers, due to growth in activity and programs such as Digital Hospital and enterprise bargaining agreements. Activity increases are in line with strategies put in place to achieve Tier 1 KPIs, specifically around National Emergency Access Targets; National Elective Surgery Target and Patients Off Stretcher Time.
44. The increase relates to additional depreciation funding, which is subsequently returned to Queensland Treasury.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

45. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
46. The increase relates to additional funding expected from the Commonwealth for items such as Remote Medical Benefits Scheme; Council Of Australian Governments S19(2) Initiative funding and Regional Health Services Funding.
47. The increase relates to additional expenditure associated with the increase in FTE numbers, due to growth in activity and programs such as the Digital Hospital project and enterprise bargaining agreements.
48. The decrease is a result of reclassification of loans and advances.
49. The decrease is related to minimal projected acquisitions for 2016-17.
50. The decrease is a result of a reclassification of loans and advances.
51. The decrease relates to a reduction of cash received from the department for capital items.
52. The increase relates to additional depreciation funding, which is subsequently returned to Queensland Treasury.

Central Queensland Hospital and Health Service

Overview

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

The Central Queensland HHS is responsible for the direct management of more than 16 hospitals and facilities including:

- Baralaba Hospital
- Biloela Hospital
- Blackwater Hospital
- Capricorn Coast Hospital
- Emerald Hospital
- Gladstone Hospital
- Mount Morgan Hospital
- Moura Hospital
- Rockhampton Hospital
- Springsure Hospital
- Theodore Hospital
- Woorabinda Hospital

Central Queensland HHS provides mental health services, oral health services and aged care services, with a number of facilities also providing community health services.

Central Queensland HHS is committed to delivering safe, evidence-based, patient-centred, effective and economically sustainable care with a highly skilled and valued workforce that meets the community's needs.

The Central Queensland HHS's six strategic objectives contribute to the Queensland Government's objectives for the community to: deliver quality frontline services; create jobs and a diverse economy; and build safe, caring and connected communities.

With a vision of Changing Lives for the Better, Central Queensland HHS recently introduced a radiation oncology service and reintroduced a public ophthalmology service. Its priorities include the future development of a cardiac service at the Rockhampton Hospital and the utilisation of surgical theatres in Gladstone and Emerald.

The health of Central Queenslanders is influenced by a range of factors including increasing rates of lifestyle-related diseases, an ageing population, the geographic diversity of our region and the distance to a tertiary facility which require innovative models of care to effectively optimise the wellbeing of the community.

Service summary

The Central Queensland HHS has an operating budget of $531.5 million for 2016-17 which is an increase of $43.5 million (8.9 per cent) from the published 2015-16 operating budget of $488 million.

The Cancer Services Building at Rockhampton Hospital was opened in October 2015, providing the platform for a range of new and improved services to Central Queenslanders. The introduction of a radiation oncology service from the new building is the first step in the delivery of a range of cancer treatments to the Central Queensland HHS catchment. A rooftop helipad and state-of-the-art Intensive Care Unit ensure the most urgent patients receive the critical care they need sooner.

A Master Planning project for the Gladstone Hospital Campus will be undertaken this year and will incorporate planning for the new Gladstone Hospital Emergency Department development. Improvements to car parking facilities at Rockhampton Hospital have been identified as a capital funding priority for the HHS.

In 2015, Central Queensland HHS introduced a model of continuous improvement based on the principles of Lean Methodology which engages those who deliver a service in the design and implementation of safer, more efficient and more effective services that improve patient access and patient experience. Called the CQ Way, this initiative will continue to deliver service improvement.

Developing effective partner relations is identified as essential to the delivery of new and improved services to Central Queenslanders. Valuable relationships, such as with those delivering medical imaging and radiation oncology services will be prioritised in 2016-17 alongside reintroducing a public ophthalmology service, the delivery of a cardiac service and other identified service needs.

Service performance

Performance statement

Central Queensland Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Central Queensland community.

Service area description

The 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 Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	95%	100%
• Category 2 (within 10 minutes)		80%	90%	80%
• Category 3 (within 30 minutes)		75%	88%	75%
• Category 4 (within 60 minutes)		70%	89%	70%
• Category 5 (within 120 minutes)		70%	97%	70%
• All categories		..	90%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	87%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	99%	>98%
• Category 2 (90 days)		>95%	99%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.3	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	73.8%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	10.9%	<12%

Central Queensland Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Percentage of specialist outpatients waiting within clinically recommended times:	8			
• Category 1 (30 days)		..	75%	75%
• Category 2 (90 days)		..	84%	85%
• Category 3 (365 days)		..	97%	95%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	10	20
Median wait time for elective surgery (days)	3	25	47	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,823	$4,938	$4,904
Other measure Total weighted activity units:	10			
• Acute Inpatient		33,671	36,267	35,103
• Outpatients		8,404	9,373	8,474
• Sub-acute		4,251	3,052	3,955
• Emergency Department		13,969	13,788	14,306
• Mental Health		3,059	2,905	3,130
• Interventions and Procedures		4,760	3,587	4,080
Ambulatory mental health service contact duration (hours)	11	>35,000	37,972	>38,352

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Queensland has made significant progress in improving the rate of community follow up over the past five years.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimate Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.

11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Central Queensland Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Central Queensland Hospital and Health Service	3, 4	2,678	2,678	2,688

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement, throughout the financial year.
4. Increases in FTEs for the 2016-17 Budget reflect the commissioning of new Intensive Care Unit services and recruitment of permanent medical officers to reduce number of locum medical officers.

Income statement

Central Queensland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,13,24	466,437	494,797	514,814
Grants and other contributions	2,14	18,138	14,476	14,004
Interest	3,15	179	107	109
Other revenue	4,16	3,248	2,550	2,577
Gains on sale/revaluation of assets		..	41	42
Total income		**488,002**	**511,971**	**531,546**
EXPENSES				
Employee expenses	5,17	35,243	40,333	41,881
Supplies and Services:				
Other supplies and services	6,18	144,149	170,578	169,384
Department of Health contract staff	7,19,25	276,724	273,636	277,948
Grants and subsidies	8,20	336	405	415
Depreciation and amortisation	9,21	30,198	38,933	39,635
Finance/borrowing costs		..	..	..
Other expenses	10,22	1,066	1,514	1,552
Losses on sale/revaluation of assets	11,23,26	286	1,172	731
Total expenses		**488,002**	**526,571**	**531,546**
OPERATING SURPLUS/(DEFICIT)	**12**	**..**	**(14,600)**	**..**

Balance sheet

Central Queensland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	27,34	13,766	9,798	11,135
Receivables	28,35	8,523	11,009	10,871
Other financial assets		..	..	..
Inventories		3,163	3,143	3,171
Other	29,36	1,542	1,088	1,142
Non-financial assets held for sale		..	..	..
Total current assets		**26,994**	**25,038**	**26,319**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	30,37,41	532,483	500,361	480,102
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**532,483**	**500,361**	**480,102**
TOTAL ASSETS		**559,477**	**525,399**	**506,421**
CURRENT LIABILITIES				
Payables	31,38	23,057	28,208	29,362
Accrued employee benefits	32,39	16	1,153	1,182
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		21	32	32
Total current liabilities		**23,094**	**29,393**	**30,576**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**23,094**	**29,393**	**30,576**
NET ASSETS/(LIABILITIES)		**536,383**	**496,006**	**475,845**
EQUITY				
TOTAL EQUITY	**33,40,42**	**536,383**	**496,006**	**475,845**

Cash flow statement

Central Queensland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	43,51,60	466,741	497,119	514,997
Grants and other contributions	44,52	18,138	14,476	14,004
Interest received	45,53	179	107	109
Other		15,307	14,609	15,239
Outflows:				
Employee costs	46,54	(35,243)	(39,997)	(41,852)
Supplies and services	47,55,61	(444,289)	(455,429)	(458,966)
Grants and subsidies		(336)	(405)	(415)
Borrowing costs		..	..	..
Other	48,56	(1,741)	(2,190)	(2,261)
Net cash provided by or used in operating activities		**18,756**	**28,290**	**40,855**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		96	114	117
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	49,57,62	(15,424)	(22,408)	(3,932)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(15,328)**	**(22,294)**	**(3,815)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	58,63	6,451	5,854	3,932
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	50,59	(30,198)	(38,933)	(39,635)
Net cash provided by or used in financing activities		**(23,747)**	**(33,079)**	**(35,703)**
Net increase/(decrease) in cash held		**(20,319)**	**(27,083)**	**1,337**
Cash at the beginning of financial year		**34,085**	**36,881**	**9,798**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**13,766**	**9,798**	**11,135**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding provided through amendments to the Service Agreement between Central Queensland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
2. The decrease relates to the reclassification of Multi-purpose Service Program funding from being recognised as a locally receipted grant to being treated as System Manager Funding.
3. The decrease is due to a reduction of Queensland Treasury Corporation and bank interest rates affecting General Trust and Patient Trust investments.
4. The decrease is related to a reduction in secondment of Central Queensland Hospital and Health Service employees to external agencies and associated funding reimbursement from external agencies, and a reduction in WorkCover reimbursements due to reduced claims.
5. The increase is largely due to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with Central Queensland Hospital and Health Service. Additional movement relates to other staffing costs.
6. The increase predominantly relates to increased outsourced service delivery expenses for the provision of radiology services by a private provider and the devolvement of the public blood budget from the department during 2015-16. An underestimation of the 2015-16 Budget also contributed to the increase.
7. The decrease relates to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with Central Queensland Hospital and Health Service. This reduction has been offset by increases in enterprise bargaining agreements.
8. The increase relates to understatement of the 2015-16 Budget for payments made to the Theodore Council of Ageing service for the provision of aged care services in Theodore.
9. The increase reflects increased depreciation costs secondary to transfer of significant capital projects such as the Cancer Services building at Rockhampton Hospital during 2015-16.
10. The increase relates to a change in accounting treatment of internal audit fees previously treated as a budget transfer. Internal audit now shown as an expense in the accounts with a corresponding revenue entry.
11. The increase relates to the revaluation decrement for land and increase in recognition of doubtful debts.
12. Key drivers for the deficit include an increase in both labour and non-labour expenditure related to increased service provision to meet activity targets. Financial sustainability strategies are being instituted to manage the deficit. The deficit will be partially funded from prior year surpluses.

Major variations between 2015-16 Budget and 2016-17 Budget include:

13. The increase relates to additional funding provided through the Service Agreement between Central Queensland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
14. The decrease relates to the reclassification in the 2015-16 Service Level Agreement Multi-purpose Service Program funding as a System Manager Grant instead of being a Locally Receipted Grant as was previously the case.
15. The decrease is due to a reduction of Queensland Treasury Corporation and bank interest rates affecting General Trust and Patient Trust investments.
16. The decrease is related to a reduction in secondment of Central Queensland Hospital and Health Service employees to external agencies and associated funding reimbursement from external agencies, and a reduction in WorkCover reimbursements due to reduced claims.
17. The increase is largely due to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with Central Queensland Hospital and Health Service. Additional movement relates to other staffing costs.
18. The increase predominantly relates to increased outsourced service delivery expenses for the provision of radiology services by a private provider and the devolvement of the public blood budget from the department during 2015-16. An underestimation of the 2015-16 Budget also contributed to the increase.

19. The increase relates to enterprise bargaining agreements increases for contract labour staff.
20. The increase is due to the 2015-16 Budget for the provision of Aged Care services at Theodore provided by the Theodore Council of Ageing for Central Queensland Hospital and Health Service being understated. The 2016-17 Budget has been increased to reflect the required budget level.
21. The increase reflects increased depreciation costs secondary to transfer of significant capital projects such as the Cancer Services building at Rockhampton Hospital during 2015-16.
22. The increase relates to a change in accounting treatment of internal audit fees previously treated as a budget transfer. Internal audit now shown as an expense in the accounts with a corresponding revenue entry.
23. The increase relates to the revaluation decrement for land and increase in recognition of doubtful debts.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

24. The increase relates to additional funding provided through the Service Agreement between Central Queensland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
25. The increase relates to increased expenditure in relation to enterprise bargaining costs and increase in full-time equivalent numbers.
26. The decrease relates to the revaluation decrement for land recognised in 2015-16. Land revaluation decrements expected to be minimal in 2016-17.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

27. The decrease relates predominantly to the result of forward estimates on an operating deficit in 2015-16.
28. The increase mainly relates to a higher forecasted locally receipted revenue from private patient billings, Pharmaceutical Benefits Scheme (PBS) reimbursements and Commonwealth aged care funding for nursing homes.
29. The decrease relates to a reduction in prepayments now expected for 2015-16.
30. The decrease relates to commissioning of non-current assets and the annual asset revaluation program.
31. The increase relates to the higher forecast on accrued locum medical officers.
32. The increase relates to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with the Central Queensland Hospital and Health Service.
33. The decrease relates to a reduction in contributed equity received in relation to the transfer of commissioned assets from the department and the forward estimated operating deficit in 2015-16.

Major variations between 2015-16 Budget and 2016-17 Budget include:

34. The decrease relates predominantly to the operating deficit in 2015-16.
35. The increase mainly relates to higher forecasted locally receipted revenue from private patient billings, PBS reimbursements and Commonwealth aged care funding for nursing homes.
36. The decrease relates to a reduction in prepayments now expected for 2016-17.
37. The decrease relates to commissioning of non-current assets and the annual asset revaluation program.
38. The increase relates to the higher forecast on accrued locum medical officers.
39. The increase relates to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with the Central Queensland Hospital and Health Service.
40. The decrease relates to a reduction in contributed equity received in relation to the transfer of commissioned assets from the department.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

41. The decrease relates to commissioning of non-current assets and as a result of the annual asset revaluation program.

42. The decrease relates to a reduction in contributed equity received in relation to the transfer of commissioned assets from the department.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

43. The increase relates to additional funding provided through amendments to the Service Agreement between Central Queensland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation revenue.
44. The decrease relates to the reclassification of Multi-purpose Service Program funding from being recognised as a locally receipted grant to being treated as System Manager Funding.
45. The decrease is due to a reduction of Queensland Treasury Corporation and bank interest rates affecting General Trust and Patient Trust investments.
46. The increase is largely due to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with Central Queensland Hospital and Health Service. Additional movement relates to other staffing costs.
47. The increase predominantly relates to increased outsourced service delivery expenses for the provision of radiology services by a private provider and the devolvement of the public blood budget from the department during 2015-16. An underestimation of the 2015-16 Budget also contributed to the increase.
48. The increase relates to a change in accounting treatment of internal audit fees previously treated as a budget transfer. Internal audit now shown as an expense in the accounts with a corresponding revenue entry.
49. The increase relates to payment for Helipad Landing Site and new Intensive Care Unit projects budgeted in prior year but invoices received from vendors in this financial year. Also relates to prior year unspent Health Technology Equipment Replacement Program and Minor Capital Funding.
50. The increase relates to additional depreciation revenue, which is subsequently returned to Queensland Treasury.

Major variations between 2015-16 Budget and 2016-17 Budget include:

51. The increase relates to additional funding provided through the Service Agreement between Central Queensland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
52. The decrease relates to the reclassification of Multi-purpose Service Program funding from being recognised as a locally receipted grant to being treated as System Manager Funding.
53. The decrease is due to a reduction of Queensland Treasury Corporation and bank interest rates affecting General Trust and Patient Trust investments.
54. The increase is largely due to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with Central Queensland Hospital and Health Service. Additional movement relates to other staffing costs.
55. The increase predominantly relates to increased outsourced service delivery expenses for the provision of radiology services by a private provider and the devolvement of the public blood budget from the department during 2015-16. An underestimation of the 2015-16 Budget also contributed to the increase.
56. The increase relates to a change in accounting treatment of internal audit fees previously treated as a budget transfer. Internal audit now shown as an expense in the accounts with a corresponding revenue entry.
57. The decrease relates to commissioning of Helipad Landing Site and new Intensive Care Unit projects in 2015-16. The 2016-17 Budget reflects the current year Health Technology Equipment Replacement Program and minor capital allocation.
58. The decrease relates to the commissioning of assets to be transferred from the department to Central Queensland Hospital and Health Service via contributed equity.
59. The increase withdrawals relates to additional depreciation revenue, which is subsequently returned to Queensland Treasury.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

60. The increase relates to additional funding provided through the Service Agreement between Central Queensland Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.

61. The increase predominantly relates to increased outsourced service delivery expenses for the provision of radiology services by a private provider and the devolvement of the public blood budget from the department during 2015-16. An underestimation of the 2015-16 Budget also contributed to the increase.

62. The decrease relates to purchases of other plant and equipment being higher in 2015-16 due to construction of the helipad and intensive care unit at Rockhampton Hospital. The 2016-17 Budget reflects the current year minor capital allocation and reduced Health Technology Equipment Replacement Program.

63. The decrease relates to the commissioning of assets to be transferred from the department to Central Queensland Hospital and Health Service via contributed equity.

Central West Hospital and Health Service

Overview

The Central West Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The 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 approximately 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, Bedourie, Birdsville, Boulia, Isisford, Jericho, Jundah, Muttaburra, Tambo and Windorah and a procedural hub at Longreach.

Central West HHS provides 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 based in Longreach and other service hubs.

Health service doctors 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 vision is to deliver excellence in health care for remote Queenslanders and is committed to contribute to the Government’s objectives for the community to deliver quality frontline services including strengthening the public health system and building safe, connected communities. In support of the Government objectives, the HHS will continue to invest in strategies that reduce the health disadvantage in western Queensland communities through the restoration of general practice, integration of primary and acute healthcare and providing more services locally and by telehealth. The 'one practice' strategy will connect patient records and clinicians across the region and better help our residents take responsibility for the management of their care.

Central West HHS remains committed to the highest standards of care and safety and will work with clinicians to implement practices that achieve the best outcomes for our patients.

Central West HHS has established collaborative partnerships with health organisations including the Royal Flying Doctor Service and North and West Remote Health, our seven regional councils, Queensland Ambulance Service and other HHSs. A key strategic partnership has been established with the North West and South West HHSs to establish the Western Queensland Primary Health Network to develop integrated models and primary care support in our remote landscapes. The health service has also forged an emerging clinical training partnership with James Cook University's Centre for Rural and Remote Health.

Service summary

The Central West HHS has an operating budget of $68.6 million for 2016-17 which is an increase of $6.6 million (10.7 per cent) from the published 2015-16 operating budget of $62 million.

During 2015-16, the Central West HHS has exceeded service activity targets for inpatient, outpatient and emergency department presentations by more than five per cent whilst maintaining access to elective surgery and specialist outpatient services in the region. Eligible patient access to public dental has also continued to grow with all patients being seen well within clinically recommended wait times.

More than 2,000 telehealth consultations will be delivered in the region in 2016-17, an increase of more than 80 per cent connecting more patients with specialists and significantly reducing the travel burden on local families. A telegeriatric service will be added in 2016-17.

On 9 March 2016, a joint partnership with James Cook University's Centre for Rural and Remote Health delivered a clinical training centre on the Longreach campus equipped with modern clinical simulation and real-time video education resources.

During 2016-17, Central West HHS will complete the Alpha health and emergency services precinct, becoming Queensland's first co-location of hospital, ambulance, police and fire services. The HHS will also deliver strategic infrastructure projects to establish Computed Tomography services in Longreach, establish a dental clinic in Barcaldine, and replace the ailing Aramac Primary Health Centre.

Nurse navigators will be established in each hospital hub to deliver on the Government’s nursing election commitments, to support frequently presenting and high intensity patients to access tertiary care and transition to community care.

Central West HHS will continue to build resilience and support education and mental health service delivery programs as part of the Tackling Adversity in Regional Drought and Disaster communities through integrating Health Services program.

The health service will also develop and implement a slow-stream rehabilitation service in partnership with RSL Care and increase access to neurology and gerontology specialist services.

Service performance

Performance statement

Central West Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Central West Queensland community.

Service area description

The Central West HHS is responsible for providing public hospital and health services including acute care, general surgery, emergency care, medical, paediatrics, gynaecology and obstetrics.

Central West Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		New measure	94%	100%
• Category 2 (within 10 minutes)		New measure	97%	80%
• Category 3 (within 30 minutes)		New measure	98%	75%
• Category 4 (within 60 minutes)		New measure	99%	70%
• Category 5 (within 120 minutes)		New measure	100%	70%
• All categories		New measure	99%	..
Median wait time for treatment in emergency departments (minutes)	1, 2	New measure	3	20
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		New measure	81%	>98%
• Category 2 (90 days)		New measure	91%	>95%
• Category 3 (365 days)		New measure	100%	>95%
Median wait time for elective surgery (days)	4	New measure	42	25
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	New measure	97%	>80%
Efficiency measures[5]				
Other measures Total weighted activity units:	6			

Central West Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Acute Inpatient		1,914	1,896	2,044
• Outpatients		746	801	1,079
• Sub-acute		191	177	201
• Emergency Department		1,033	1,037	1,129
• Mental Health		118	72	89
• Interventions and Procedures		25	114	70
Ambulatory mental health service contact duration (hours)	7	>1,996	1,601	>2,016

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. Central West Hospital and Health Service (Longreach Hospital) is now in scope for elective surgery reporting from 2015-16.
5. An efficiency measure is currently being investigated for this service area and will appear in a future *Service Delivery Statement*.
6. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
7. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target is considered aspirational for some HHSs due to a range of issues including the presence of tertiary and support services and under-reporting due to the heavy reliance upon clinician documentation and direct entry into the clinical information system. Significant investment has been made to address the under-reporting and improve functionality and work flow to facilitate entry and use of the system. This investment is complemented by accessibility of resources and the Clinical Improvement Team who support services to value and utilise the information at multiple levels within their service.

Staffing[1, 2]

Central West Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Central West Hospital and Health Service	3, 4, 5	316	343	349

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect the addition of frontline staff for enhanced service delivery.
5. Increases in FTEs for the 2016-17 Budget reflect the addition of Nurse Navigator positions and slow-stream rehabilitation service staff.

Income statement

Central West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	4	59,754	65,103	66,651
Grants and other contributions	1,5	2,044	678	690
Interest		2	..	..
Other revenue	2,6,8	171	1,081	1,250
Gains on sale/revaluation of assets		..	..	..
Total income		**61,971**	**66,862**	**68,591**
EXPENSES				
Employee expenses		10,006	10,151	10,464
Supplies and Services:				
Other supplies and services		26,857	18,928	18,749
Department of Health contract staff	3,7	21,118	33,975	35,053
Grants and subsidies		..	..	..
Depreciation and amortisation	9	3,846	3,664	4,179
Finance/borrowing costs		..	..	..
Other expenses		69	69	70
Losses on sale/revaluation of assets		75	75	76
Total expenses		**61,971**	**66,862**	**68,591**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Central West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	10,13,18	2,401	1,804	1,288
Receivables		1,361	1,371	1,379
Other financial assets		..	..	..
Inventories	11,14	463	590	594
Other		52	56	64
Non-financial assets held for sale		..	..	..
Total current assets		**4,277**	**3,821**	**3,325**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15,19	58,754	61,505	69,537
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**58,754**	**61,505**	**69,537**
TOTAL ASSETS		**63,031**	**65,326**	**72,862**
CURRENT LIABILITIES				
Payables	12,16,20	3,012	2,347	1,851
Accrued employee benefits		27	108	108
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**3,039**	**2,455**	**1,959**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**3,039**	**2,455**	**1,959**
NET ASSETS/(LIABILITIES)		**59,992**	**62,871**	**70,903**
EQUITY				
TOTAL EQUITY	**17,21**	**59,992**	**62,871**	**70,903**

Cash flow statement

Central West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	26	59,746	65,095	66,641
Grants and other contributions	22,27	2,044	678	690
Interest received		2	..	..
Other	23,28	1,981	2,891	3,060
Outflows:				
Employee costs		(10,006)	(10,151)	(10,464)
Supplies and services	24,29	(51,224)	(56,152)	(56,194)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(69)	(69)	(70)
Net cash provided by or used in operating activities		**2,474**	**2,292**	**3,663**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	30,32	(1,638)	271	(1,075)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(1,638)**	**271**	**(1,075)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	25,31,33	1,638	1,243	1,075
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	34	(3,846)	(3,664)	(4,179)
Net cash provided by or used in financing activities		**(2,208)**	**(2,421)**	**(3,104)**
Net increase/(decrease) in cash held		**(1,372)**	**142**	**(516)**
Cash at the beginning of financial year		**3,773**	**1,662**	**1,804**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**2,401**	**1,804**	**1,288**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The decrease is due to the reclassification of Multi Purpose Health Service (MPHS) funding which is now included in funding from the department.
2. The increase is due to additional locally receipted own source revenue within the Hospitals for video equipment and wage reimbursements.
3. The increase is largely due to the enterprise bargaining increases for department contract staff.

Major variations between 2015-16 Budget and 2016-17 Budget include:

4. The increase relates to additional funding provided through amendments to the Service Agreement between Central West Hospital and Health Service and the department. Additional funding provided for patient transport and asset management cost increases, additional program funding, enterprise bargaining and depreciation expenses.
5. The decrease is due to the reclassification of MPHS funding which is now included in funding from the department.
6. The increase is due to additional locally receipted own source revenue within the Hospitals for video equipment and wage reimbursements.
7. The increase is largely due to the enterprise bargaining increases for department contract staff.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

8. The increase is due to additional locally receipted own source revenue within the Hospitals for video equipment and wage reimbursements.
9. The increase is due to the capitalisation of major works in Alpha and Barcaldine Hospitals and Aramac Primary Health Centre.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

10. The decrease relates to earlier payment of payables due to the department.
11. The increase relates to the need for additional pharmacy drugs.
12. The decrease relates to earlier payment of payables due to the department.

Major variations between 2015-16 Budget and 2016-17 Budget include:

13. The decrease relates to earlier payment of payables due to the department.
14. The increase relates to the need for additional pharmacy drugs.
15. The increase relates to the transfer of non-current assets from the department.
16. The decrease relates to earlier payment of payables due to the department.
17. The increase is due to the transfer of non-current assets from the department.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

18. The decrease relates to earlier payment of payables due to the department.
19. The increase relates to the transfer of non-current assets from the department.
20. The decrease relates to earlier payment of payables due to the department.
21. The increase is due to the transfer of non-current assets from the department.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

22. The decrease is due to the reclassification of MPHS funding which is now included in funding from the department.
23. The increase is due to additional locally receipted own source revenue within the hospitals for video equipment and wage reimbursements.
24. The increase is largely due to the enterprise bargaining increases for department contract staff.
25. The decrease relates to a reduced commissioning of assets transferred from the department to Central West Hospital and Health Service via contributed equity.

Major variations between 2015-16 Budget and 2016-17 Budget include:

26. The increase relates to additional funding provided through amendments to the Service Agreement between Central West Hospital and Health Service and the department. Additional funding provided for patient transport and asset management cost increases, additional program funding, enterprise bargaining and depreciation expenses.
27. The decrease is due to the reclassification of MPHS funding which is now included in funding from the department.
28. The increase is due to additional locally receipted own source revenue within the hospitals for video equipment and wage reimbursements.
29. The increase is largely due to the enterprise bargaining increases for department contract staff.
30. The decrease is due to a reduction in Health Technology Equipment Replacement program spend.
31. The decrease relates to a reduced commissioning of assets transferred from department to Central West Hospital and Health Service via contributed equity.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

32. The decrease is due to a reduction in Health Technology Equipment Replacement program spend.
33. The decrease relates to a reduced commissioning of assets transferred from department to Central West Hospital and Health Service via contributed equity.
34. The increase relates to an increase in depreciation levels for new hospital build in Alpha.

Children's Health Queensland Hospital and Health Service

Overview

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

- secondary, tertiary and quaternary paediatric services at the Lady Cilento Children’s Hospital (LCCH)
- statewide 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, nationally, and internationally.

Children's Health Queensland HHS’s 2016-17 key priorities and objectives align with and support the Queensland Government’s objectives for the community to deliver quality frontline services including strengthening the public health system, and building safe caring and connected communities. Children’s Health Queensland HHS is focused on four overall key objectives: Child and Family Centred Care, Partnerships, People, and Performance. The strategies to achieve these objectives include:

- implementing and evaluating the Family and Consumer Participation Strategy
- implementing the Excellence Framework and performance measures
- partnering with health sector providers locally and statewide to inform child health policy and enhance child and youth health outcomes
- implementing an evaluation framework for prioritising investment in innovation and redesign
- enhancing financial stewardship and accountability to focus resources on frontline services and revitalise services for patients
- developing a framework for transition to adult services
- leveraging the LCCH ICT infrastructure to enhance clinical care by implementing the LCCH Digital Hospital program.

Service summary

Children's Health Queensland HHS has an operating budget of $677.2 million for 2016-17 which is an increase of $64.9 million (10.6 per cent) from the published 2015-16 operating budget of $612.3 million.

The service agreement between Children's Health Queensland HHS and the department 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 Children's Health Queensland HHS Strategic Plan reflects priorities for children’s health services in line with whole-of-government and statewide plans and commitments.

Children's Health Queensland HHS is the only statewide HHS, which provides a unique opportunity to work with other HHSs and healthcare providers to improve the healthcare of children across the State. Since establishment, with input from a wide range of key stakeholders, Children's Health Queensland HHS continues to define and progressively implement key initiatives in accordance with its statewide paediatric role. Children's Health Queensland HHS is committed to the ongoing implementation of, and enhancements to, key initiatives including improved complex care coordination, paediatric education and training and paediatric advice.

Service performance

Performance statement

Children's Health Queensland Hospital and Health Service

Service area objective

To deliver specialist statewide hospital and health services for children and young people from across Queensland and northern New South Wales.

Service area description

The Children's Health Queensland HHS provides the following services:

- secondary, tertiary and quaternary paediatric services at the Lady Cilento Children's Hospital (LCCH)
- statewide 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
- leadership and advocacy for children's health service needs across the State, nationally, and internationally.

Children's Health Queensland Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	92%	80%
• Category 3 (within 30 minutes)		75%	64%	75%
• Category 4 (within 60 minutes)		70%	72%	70%
• Category 5 (within 120 minutes)		70%	94%	70%
• All categories		..	73%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	81%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	84%	>95%
• Category 3 (365 days)		>95%	96%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.9	<2

Children's Health Queensland Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	57.7%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	9%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			
• Category 1 (30 days)		..	65%	65%
• Category 2 (90 days)		..	45%	45%
• Category 3 (365 days)		..	87%	90%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	22	20
Median wait time for elective surgery (days)	4	25	63	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$5,443	$5,483	$5,378
Other measures Total weighted activity units:	10			
• Acute Inpatient		47,541	50,190	50,571
• Outpatients		12,175	10,570	13,001
• Sub-acute		418	1,270	327
• Emergency Department		8,275	7,880	9,036
• Mental Health		2,558	2,753	2,052
• Interventions and Procedures		2,694	2,925	2,926
Ambulatory mental health service contact duration (hours)	11	>65,116	48,771	>65,767

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category targets 2015-16 are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Queensland has made significant progress in improving the rate of community follow up over the past five years.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.

9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target is considered aspirational for some HHSs due to a range of issues including the presence of tertiary and support services and under-reporting due to the heavy reliance upon clinician documentation and direct entry into the clinical information system. Significant investment has been made to address the under-reporting and improve functionality and work flow to facilitate entry and use of the system. This investment is complemented by accessibility of resources and the Clinical Improvement Team who support services to value and utilise the information at multiple levels within their service.

Staffing[1, 2]

Children's Health Queensland Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Children's Health Queensland Hospital and Health Service	3, 4, 5	3,183	3,400	3,486

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs as at 30 June 2017 and may change due to updates to the 2016-17 Service Agreement via the Amendment Window process throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect increased funding through the 2015-16 Service Agreement via the Amendment Window process including increased bed capacity.
5. Increases in FTEs for the 2016-17 Budget reflect FTEs required to staff new initiatives including School Readiness Program, Statewide Cannabis Trial for Refractory Epilepsy, Mental Health Allocation and Court Liaison Services and full year effect of increased bed capacity.

Income statement

Children's Health Queensland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,8,14	607,196	638,104	672,745
Grants and other contributions	2,9	1,376	2,370	2,417
Interest		265	218	223
Other revenue	3,10	3,454	1,444	1,787
Gains on sale/revaluation of assets		..	..	..
Total income		**612,291**	**642,136**	**677,172**
EXPENSES				
Employee expenses	4,11,15	414,545	441,011	471,715
Supplies and Services:	5,12			
Other supplies and services		137,845	156,575	153,300
Department of Health contract staff		..	..	..
Grants and subsidies		1,050	1,050	1,000
Depreciation and amortisation	6,13	56,237	46,121	47,876
Finance/borrowing costs		..	..	..
Other expenses		2,488	3,053	3,055
Losses on sale/revaluation of assets		126	126	226
Total expenses		**612,291**	**647,936**	**677,172**
OPERATING SURPLUS/(DEFICIT)	7	**..**	**(5,800)**	**..**

Balance sheet

Children's Health Queensland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	16,19	51,159	31,739	32,991
Receivables		14,794	13,500	13,764
Other financial assets		..	..	..
Inventories		5,515	4,900	4,939
Other		152	404	420
Non-financial assets held for sale		..	..	..
Total current assets		**71,620**	**50,543**	**52,114**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	17,20,22	1,254,827	1,280,150	1,236,438
Intangibles		606	1,034	1,034
Other		..	..	..
Total non-current assets		**1,255,433**	**1,281,184**	**1,237,472**
TOTAL ASSETS		**1,327,053**	**1,331,727**	**1,289,586**
CURRENT LIABILITIES				
Payables		30,857	31,500	33,071
Accrued employee benefits	18,21	20,233	32,697	32,697
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		5,439	2,866	2,866
Total current liabilities		**56,529**	**67,063**	**68,634**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**56,529**	**67,063**	**68,634**
NET ASSETS/(LIABILITIES)		**1,270,524**	**1,264,664**	**1,220,952**
EQUITY				
TOTAL EQUITY		**1,270,524**	**1,264,664**	**1,220,952**

Cash flow statement

Children's Health Queensland Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	23,28,32	606,839	658,000	672,358
Grants and other contributions		1,376	2,370	2,417
Interest received		265	218	223
Other		8,329	7,427	6,662
Outflows:				
Employee costs	24,29,33	(414,545)	(428,837)	(471,715)
Supplies and services	25,30	(140,952)	(160,869)	(156,762)
Grants and subsidies		(1,050)	(1,050)	(1,000)
Borrowing costs		..	..	..
Other		(2,488)	(3,102)	(3,055)
Net cash provided by or used in operating activities		**57,774**	**74,157**	**49,128**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(4,306)	(5,713)	(2,731)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(4,306)**	**(5,713)**	**(2,731)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	26,34	4,306	(19,250)	2,731
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	27,31,35	(56,237)	(46,121)	(47,876)
Net cash provided by or used in financing activities		**(51,931)**	**(65,371)**	**(45,145)**
Net increase/(decrease) in cash held		**1,537**	**3,073**	**1,252**
Cash at the beginning of financial year		**49,622**	**28,666**	**31,739**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**51,159**	**31,739**	**32,991**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding provided through amendments to the Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding was provided for increases in service activity, enterprise bargaining agreements and newly funded initiatives including part year effect of support for growth in beds.
2. The increase relates to community programs funding.
3. The decrease relates to a recovery of outgoings previously recognised as revenue now treated as an offset to expenditure.
4. The increase relates to an increase in enterprise bargaining agreements and increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital and new staff associated with new initiatives commencing in 2015-16.
5. The increase relates to increased clinical supply costs due to higher activity performed at Lady Cilento Children's Hospital, increase in building maintenance costs at Lady Cilento Children's Hospital and Children's Centre for Health Research, and contracted services to implement Strategic ICT Projects.
6. The decrease relates to adjustments, transfers and write-offs of assets in relation to the post commissioning of Lady Cilento Children's Hospital and Children's Centre for Health Research buildings and associated equipment. The 2015-16 Budget was based on department's best estimates of the Lady Cilento Children's Hospital and Centre for Children's Health Research buildings at the time.
7. The 2015-16 forecast deficit is in accordance with the November 2015 agreement with the Queensland Health Director-General for Children's Health Queensland Hospital and Health Service to utilise its retained surplus in 2015-16 in conjunction with additional department funding to support increased bed capacity at Lady Cilento Children's Hospital.

Major variations between 2015-16 Budget and 2016-17 Budget include:

8. The increase relates to additional funding provided in the 2016-17 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding includes the full year effect of increases in service activity, enterprise bargaining agreements and newly funded initiatives including financial support for growth in beds at Lady Cilento Children's Hospital.
9. The increase relates to community programs funding.
10. The decrease relates to a recovery of outgoings previously recognised as revenue now treated as an offset to expenditure.
11. The increase relates to an increase in enterprise bargaining agreements and increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital including increases in clinical staff to support the growth in beds, and new staff associated with new and enhanced initiatives and programs.
12. The increase relates to clinical supply costs associated with the full year effect of the higher activity within Lady Cilento Children's Hospital in line with the funding for growth in beds and full year effect of increased building maintenance and management costs at Lady Cilento Children's Hospital and Centre for Children's Health Research buildings.
13. The decrease relates to adjustments, transfers and write-offs of assets in relation to the commissioning of Lady Cilento Children's Hospital and Children's Centre for Health Research buildings and associated equipment. The 2015-16 Budget was based on department's best estimates of the Lady Cilento Children's Hospital and Centre for Children's Health Research buildings at the time.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

14. The increase relates to additional funding in the 2016-17 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding reflects the full year effect of service activity, additional inpatient beds, enterprise bargaining agreements and newly funded initiatives.
15. The increase relates to an increase in enterprise bargaining agreements and increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital including increases in clinical staff to support the growth in beds, and new staff associated with new and enhanced initiatives and programs.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

16. The decrease relates predominantly to the 2014-15 financial year actual deficit and the forecast deficit for the 2015-16 financial year. The 2015-16 forecast deficit is in accordance with the November 2015 agreement with the Queensland Health Director-General for Children's Health Queensland Hospital and Health Service to utilise its Retained Surplus in 2015-16 in conjunction with additional department funding to support increased bed capacity at Lady Cilento Children's Hospital.
17. The increase relates to the higher than planned asset value after the commissioning of Lady Cilento Children's Hospital and Centre for Children's Health Research buildings.
18. The increase relates to an increased workforce resulting in higher than planned accrual provisioning and includes the transfer of employee benefits from Mater Health Service to Children's Health Queensland Hospital and Health Service in the 2014-15 financial year.

Major variations between 2015-16 Budget and 2016-17 Budget include:

19. The decrease relates to the revised closing cash balance for the 2015-16 financial year and the forecast deficit for the 2015-16 financial year. The 2015-forecast deficit is in accordance with the November 2015 agreement with the Queensland Health Director-General for Children's Health Queensland Hospital and Health Service to utilise its Retained Surplus in 2015-16 in conjunction with additional department funding to support increased bed capacity at Lady Cilento Children's Hospital.
20. The decrease relates to accumulated depreciation of Children's Health Queensland Hospital and Health Service equipment and buildings.
21. The increase relates to the revised closing employee benefits balance for the 2015-16 financial year and the transfer of employee benefits from Mater Health Service to Children's Health Queensland Hospital and Health Service in the 2014-15 financial year.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

22. The decrease relates to accumulated depreciation of Children's Health Queensland Hospital and Health Service equipment and buildings.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

23. The increase relates to additional funding provided through amendments to the Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding was provided for increases in service activity, enterprise bargaining agreements and newly funded initiatives.
24. The increase relates increases in enterprise bargaining agreements and increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital and new staff associated with new initiatives and program funding provided through amendments to the Service Agreement.
25. The increase relates to increased clinical supply costs due to higher activity performed at Lady Cilento Children's Hospital, increase in building maintenance costs at Lady Cilento Children's Hospital and Children's Centre for Health Research, and contracted services to implement Strategic ICT Projects.
26. The decrease relates to the one-off write-down of the carrying value of the buildings located at the Royal Children's Hospital Herston site in the 2014-15 financial year.
27. The decrease relates to a decrease in planned depreciation, which is due to adjustments, transfers and write-offs of assets in relation to the commissioning of Lady Cilento Children's Hospital and Centre for Children's Health Research buildings and associated equipment in the 2014-15 financial year.

Major variations between 2015-16 Budget and 2016-17 Budget include:

28. The increase relates to additional funding provided in the 2016-17 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding includes the full year effect of increases in service activity, enterprise bargaining agreements and newly funded initiatives including financial support for growth in beds at Lady Cilento Children's Hospital.
29. The increase relates to an increase in enterprise bargaining agreements and the full year effect of increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital, and new staff associated with new initiatives and program funding.

30. The increase relates to clinical supply costs associated with the full year effect of the higher activity within Lady Cilento Children's Hospital in line with the funding for growth in beds and full year effect of increased building maintenance and management costs at Lady Cilento Children's Hospital and Centre for Children's Health Research buildings.

31. The decrease relates to a decrease in depreciation revenue, which is due to adjustments, transfers and write-offs of assets in relation to the commissioning of Lady Cilento Children's Hospital and Centre for Children's Health Research buildings and associated equipment in the 2014-15 financial year.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

32. The increase relates to additional funding provided in the 2016-17 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding was provided for increases in service activity, enterprise bargaining agreements and newly funded initiatives.

33. The increase relates to an increase in enterprise bargaining agreements and the full year effect of increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital, and new staff associated with new initiatives and program funding.

34. The increase relates to the planned commissioning of assets to be transferred from the department to Children's Health Queensland Hospital and Health Service.

35. The increase relates to additional depreciation revenue, which is subsequently returned to Queensland Treasury.

Darling Downs Hospital and Health Service

Overview

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

The Darling Downs HHS delivers hospital and healthcare services to approximately 300,000 people across a large and diverse geographic area of approximately 90,000 square kilometres. This service-delivery area includes the local government areas of 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 services from nine regional hospitals, eight rural community hospitals, six residential aged care facilities, three multipurpose health services and five community outpatient clinic facilities. From these facilities, the Darling Downs HHS aims to provide safe and sustainable health care services to rural and regional Queenslanders.

The Darling Downs HHS strategic plan considers and responds to the Government's healthcare priorities and objectives for the community. The Darling Downs HHS is committed to deliver outcomes that strengthen the public health system, and provide patient-centred care. In this context, six strategic objectives have been developed and adopted:

- delivering quality evidence-based healthcare for our patients and clients
- engaging, communicating and collaborating with our partners and communities to ensure we provide integrated, patient-centred care
- demonstrating a commitment to learning, research, innovation and education in rural and regional healthcare
- ensuring sustainable resources through attentive financial and asset administration
- planning and maintaining clear and focused processes to facilitate effective corporate and clinical governance
- valuing, developing and engaging our workforce to promote professional and personal wellbeing, to ensure dedicated delivery of services.

The Darling Downs HHS region is changing. A growing, ageing population and an increased incidence of chronic disease are among the greatest challenges. However, opportunities around new funding models, integration of care, innovative healthcare delivery mechanisms, workforce growth and professional development, and strengthening complementary healthcare partnerships provide for exciting areas of focus for the future.

Service summary

The Darling Downs HHS has an operating budget of $674.5 million for 2016-17 which is an increase of $36.7 million (5.8 per cent) from the published 2015-16 operating budget of $637.8 million.

During 2015-16, the Darling Downs HHS ensured elective surgery, endoscopy and outpatient waiting lists were maintained within clinically recommended timeframes. Accordingly, budgeted activity levels were exceeded in 2015-16.

The Darling Downs HHS performed favourably in the 2015-16 financial year with an anticipated $11 million surplus (based on March 2016 forecast). This has been achieved by developing and implementing more efficient models of service delivery. Efficiencies achieved by Darling Downs HHS in previous years are being reinvested to expand operating theatre capacity at Toowoomba Hospital, expand ophthalmology services, and upgrade clinical facilities at Warwick, Kingaroy and patient accommodation at Baillie Henderson Hospital.

During 2016-17 the priorities for Darling Downs HHS will include:

- progressing works towards the establishment of a state-of-the-art MRI service and second CT (Computed Tomography) Scanner at Toowoomba Hospital
- construction of a seventh operating theatre at the Toowoomba Hospital
- expansion of the Emergency Department at the Toowoomba Hospital
- continuing to implement the Government's policies for nursing, focusing on safety, quality and patient centred care.

Service performance

Performance statement

Darling Downs Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Darling Downs community.

Service area description

The Darling Downs HHS is responsible for providing public hospital and health services including acute care, general surgery, emergency care, medical, paediatrics, gynaecology and obstetrics.

Darling Downs Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	98%	100%
• Category 2 (within 10 minutes)		80%	87%	80%
• Category 3 (within 30 minutes)		75%	73%	75%
• Category 4 (within 60 minutes)		70%	80%	70%
• Category 5 (within 120 minutes)		70%	95%	70%
• All categories		..	81%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	88%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	100%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.4	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	73.7%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	10.1%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			

Darling Downs Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Category 1 (30 days)		..	99%	98%
• Category 2 (90 days)		..	100%	95%
• Category 3 (365 days)		..	100%	95%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	13	20
Median wait time for elective surgery (days)	4	25	39	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,814	$4,526	$4,651
Other measures Total weighted activity units:	10			
• Acute Inpatient		45,450	47,335	43,599
• Outpatients		8,637	9,124	9,542
• Sub-acute		5,073	4,597	4,638
• Emergency Department		15,145	15,677	15,482
• Mental Health		23,437	55,788	8,680
• Interventions and Procedures		5,801	5,206	5,896
Ambulatory mental health service contact duration (hours)	11	>60,500	71,893	>72,612

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A Target/Estimate for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Queensland has made significant progress in improving the rate of community follow up over the past five years.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Darling Downs Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Darling Downs Hospital and Health Service	3, 4, 5	4,039	4,009	4,011

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement, throughout the financial year.
4. The decreases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect increased reliance on contractors such as medical locums.
5. The decreases in FTEs for the 2016-17 Budget reflect non-recurrent funding received in 2015-16.

Income statement

Darling Downs Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,4	604,359	634,308	642,584
Grants and other contributions		29,724	29,715	29,837
Interest		111	262	262
Other revenue	2,5	3,568	2,070	1,821
Gains on sale/revaluation of assets		..	24	..
Total income		**637,762**	**666,379**	**674,504**
EXPENSES				
Employee expenses	3,6	49,019	53,484	54,421
Supplies and Services:				
Other supplies and services		161,400	162,014	172,948
Department of Health contract staff		398,900	413,337	419,919
Grants and subsidies		1,645	1,297	1,290
Depreciation and amortisation		23,840	22,586	23,117
Finance/borrowing costs		..	..	..
Other expenses		1,188	891	1,123
Losses on sale/revaluation of assets		1,770	1,770	1,686
Total expenses		**637,762**	**655,379**	**674,504**
OPERATING SURPLUS/(DEFICIT)		**..**	**11,000**	**..**

Balance sheet

Darling Downs Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	7,9,12	56,888	87,845	75,944
Receivables	8,10	10,930	14,404	14,677
Other financial assets		..	..	..
Inventories		5,645	5,509	5,564
Other		502	572	585
Non-financial assets held for sale		..	..	..
Total current assets		**73,965**	**108,330**	**96,770**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		299,756	306,402	308,301
Intangibles		..	..	..
Other		..	28	28
Total non-current assets		**299,756**	**306,430**	**308,329**
TOTAL ASSETS		**373,721**	**414,760**	**405,099**
CURRENT LIABILITIES				
Payables	11	33,788	36,631	38,009
Accrued employee benefits		1,196	1,402	1,508
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	155	155
Total current liabilities		**34,984**	**38,188**	**39,672**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**34,984**	**38,188**	**39,672**
NET ASSETS/(LIABILITIES)		**338,737**	**376,572**	**365,427**
EQUITY				
TOTAL EQUITY		**338,737**	**376,572**	**365,427**

Cash flow statement

Darling Downs Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	13,18	602,840	632,789	641,143
Grants and other contributions		29,724	29,715	29,837
Interest received		111	262	262
Other	14,19,22	11,053	9,555	9,290
Outflows:				
Employee costs	15,20	(48,807)	(53,272)	(54,315)
Supplies and services		(566,323)	(581,374)	(599,544)
Grants and subsidies		(1,645)	(1,297)	(1,290)
Borrowing costs		..	..	..
Other		(1,188)	(891)	(1,123)
Net cash provided by or used in operating activities		**25,765**	**35,487**	**24,260**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	24	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	16,21	(12,134)	(18,234)	(18,430)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(12,134)**	**(18,210)**	**(18,430)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	17	6,107	19,069	5,476
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(22,578)	(22,586)	(23,207)
Net cash provided by or used in financing activities		**(16,471)**	**(3,517)**	**(17,731)**
Net increase/(decrease) in cash held		**(2,840)**	**13,760**	**(11,901)**
Cash at the beginning of financial year		**59,728**	**74,085**	**87,845**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**56,888**	**87,845**	**75,944**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase primarily reflects additional funding from amendments to the Service Agreement between Darling Downs Hospital and Health Service and the department. In 2015-16 the largest amendments were for the treatment of additional public patients at activity based funded facilities, specialist outpatient reduction strategies to manage hospital waiting lists and enterprise bargaining. The increase includes projected increases in own source revenue generation.
2. The decrease is attributed to the cessation of funding associated with medical officer training and changes in the accounting treatment of funding from the University of Queensland Rural Medical School (now treated as grant revenue).
3. The increase is due to enterprise bargaining agreements and filling vacant positions.

Major variations between 2015-16 Budget and 2016-17 Budget include:

4. Increase reflects additional funding provided for amendments in the Service Agreement between Darling Downs Hospital and Health Service and the department, including enterprise bargaining agreements and non-labour escalation.
5. The decrease is attributed to the cessation of funding associated with medical officer training and changes in the accounting treatment of funding from the University of Queensland Rural Medical School (now treated as grant revenue)
6. The increase is due to enterprise bargaining agreements and filling vacant positions.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

7. Increase reflects the forecast surplus and equity injections from the department for investment in non-current assets.
8. Increase reflects increases in user charges and fees revenue.

Major variations between 2015-16 Budget and 2016-17 Budget include:

9. Increase reflects the forecast surplus and equity injections from the department for investment in non-current assets.
10. Increase reflects increases in User charges and fees revenue.
11. Increase reflects expected increase in trade payables associated with additional outsourced service delivery.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. The decrease reflects the planned investment in non-current assets

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

13. The increase primarily reflects additional funding from amendments to the Service Agreement between Darling Downs Hospital and Health Service and the department. In 2015-16 the largest amendments were for the treatment of additional public patients at activity based funded facilities, specialist outpatient reduction strategies to manage hospital waiting lists and enterprise bargaining. The increase includes projected increases in own source revenue generation.
14. The decrease is attributed to the cessation of funding associated with medical officer training and changes in the accounting treatment of funding from the University of Queensland Rural Medical School (now treated as grant revenue)
15. The increase is due to enterprise bargaining agreements and filling vacant positions.
16. Increase reflects commissioning of non-current assets above budgeted levels.

17. Increase reflects additional funding for investment in non-current assets including magnetic resonance imaging capability at Toowoomba Hospital.

Major variations between 2015-16 Budget and 2016-17 Budget include:

18. Increase reflects amendments to the Service Agreement between Darling Downs Hospital and Health Service and the department.
19. The decrease is attributed to the cessation of funding associated with medical officer training and changes in the accounting treatment of funding from the University of Queensland Rural Medical School (now treated as grant revenue).
20. The increase in employee expenses is due to enterprise bargaining agreements and filling vacant positions.
21. Increase reflects future commissioning of non-current assets including MRI capabilities at Toowoomba Hospital.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

22. The decrease is attributed to the cessation of funding associated with medical officer training and changes in the accounting treatment of funding from the University of Queensland Rural Medical School (now treated as grant revenue).

Gold Coast Hospital and Health Service

Overview

The Gold Coast Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The Gold Coast HHS delivers a broad range of secondary and tertiary health services through the Gold Coast University and Robina Hospitals, as well as a number of community settings throughout the region. Key primary health services are also offered such as community child health clinics and oral health services for adults and children.

The Gold Coast HHS's vision is to be recognised as a centre of excellence for world class healthcare. Our purpose is to provide excellence in sustainable and evidence based healthcare that meets the needs of the community and is guided by local patient needs. The Gold Coast HHS supports the Queensland Government's objectives for the community through its focus on the delivery of safe, effective and efficient quality of services, ensuring patients have access to health services to support a healthy Gold Coast community.

Key strategic enablers for achieving the vision include: fostering a positive work environment; developing capacity and capability in research, teaching and education; including simulation; promoting the use of data to inform decisions; and leveraging our infrastructure and strategic alliances.

An increasing population and demand for public health services on the Gold Coast requires the Gold Coast HHS to monitor its performance against key indicators and continually seek improvements to service delivery, including the consolidation and expansion of a range of tertiary services and an increase in self-sufficiency for services provided within the region.

The Gold Coast HHS has increased investment in the delivery of secondary and tertiary health services to the community, as well as expansion of services to match the local health needs. In addition, the Gold Coast HHS has continued to invest in strategies to improve integration of care, including partnerships with the Gold Coast Primary Health Networks and the non-government sector.

The Gold Coast Private Hospital commenced operations on the Gold Coast University Hospital (GCUH) site to improve access to health services for the community and to complement Gold Coast health service provision. The Gold Coast HHS has been working with Economic Development Queensland regarding the development of the Gold Coast Health and Knowledge Precinct and legacy aspects of the Gold Coast 2018 Commonwealth Games Village site which is adjacent to the GCUH.

Service summary

The Gold Coast HHS has an operating budget of $1.283 billion for 2016-17 which is an increase of $90.3 million (7.5 per cent) from the published 2015-16 operating budget of $1.193 billion.

In 2015-16, the Gold Coast HHS has continued to develop and implement the services at the GCUH to reflect its higher acuity status and the achievement of higher clinical service capabilities as per the Clinical Services Capability Framework in Cardiac Surgery, Children's Critical Care, Neonatal Intensive Care, Level 1 Trauma, Cancer Centre and Maternal Fetal Medicine. In 2015-16 autologous stem cell transplantation services commenced in the Cancer Centre and the third linear accelerator will be commissioned in 2016-17 in this service area.

During 2015-16, the Gold Coast HHS used local healthcare infrastructure to support service delivery to the community including the completion of the Southport Health Precinct refurbishment, creating increased community based service delivery.

In 2016-17, a pharmacy robot will be commissioned at the GCUH similar to the robot installed at Robina Hospital in 2015-16. A Mother and Baby Unit in Mental Health Services will also be commissioned.

The Gold Coast HHS will continue to implement initiatives to ensure long waiting patients for outpatient and elective surgery are adequately seen and treated as necessary. In 2015-16 the Gold Coast HHS successfully met the National Elective Surgery Target and this will continue in 2016-17. In addition, the Gold Coast HHS continues to decrease the percentages of patients waiting outside clinically recommended timeframes for Categories 1, 2 and 3 outpatients, reflecting that the operational action plan for outpatients is improving performance and this will continue in 2016-17. Day surgical services are under review within the Gold Coast HHS and improvement strategies are to be implemented in 2016-17. During 2016-17 the Gold Coast HHS will continue to focus on improving integrated care services via the Gold Coast Integrated Care project and the engagement of our partners in healthcare provision to better manage chronic disease within our community. Initial indications are that the program has been successful and there has been significant national and international interest in the outcomes of this program.

Service performance

Performance statement

Gold Coast Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Gold Coast community.

Service area description

The Gold Coast HHS is responsible for providing public hospital and health services including acute care, general surgery, emergency care, medical, paediatrics, gynaecology and obstetrics.

Gold Coast Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	58%	80%
• Category 3 (within 30 minutes)		75%	41%	75%
• Category 4 (within 60 minutes)		70%	59%	70%
• Category 5 (within 120 minutes)		70%	83%	70%
• All categories		..	50%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	79%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	100%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	63.2%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	11%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			

Gold Coast Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Category 1 (30 days)		..	63%	65%
• Category 2 (90 days)		..	51%	55%
• Category 3 (365 days)		..	82%	85%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	31	20
Median wait time for elective surgery (days)	4	25	31	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,780	$4,749	$4,763
Other measures Total weighted activity units:	10			
• Acute Inpatient		111,022	110,472	110,020
• Outpatients		21,235	24,169	24,661
• Sub-acute		6,864	7,570	9,599
• Emergency Department		20,438	23,139	21,187
• Mental Health		12,223	14,313	10,549
• Interventions and Procedures		19,103	15,513	18,066
Ambulatory mental health service contact duration (hours)	11	>86,601	83,963	>90,125

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A Target/Estimate for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Whilst overall Queensland has made significant progress in improving the rate of community follow up over the past five years, the department continues to work with HHSs regarding improvements in this area.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS

rurality, and historical performance. The target is considered aspirational for some HHSs due to a range of issues including the presence of tertiary and support services and under-reporting due to the heavy reliance upon clinician documentation and direct entry into the clinical information system. Significant investment has been made to address the under-reporting and improve functionality and work flow to facilitate entry and use of the system. This investment is complemented by accessibility of resources and the Clinical Improvement Team who support services to value and utilise the information at multiple levels within their service.

Staffing[1, 2]

Gold Coast Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Gold Coast Hospital and Health Service	3, 4, 5	6,447	7,069	7,069

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect the higher than anticipated demand for hospital services and the deliberate conversion of temporary external contractors to internally employed HHS staff.
5. Increases in FTEs for the 2016-17 Budget reflect the higher than anticipated demand for hospital services and the deliberate conversion of temporary external contractors to internally employed HHS staff.

Income statement

Gold Coast Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,4	1,168,903	1,240,028	1,270,041
Grants and other contributions		15,307	13,404	12,656
Interest		108	77	77
Other revenue	2,5	8,797	733	663
Gains on sale/revaluation of assets		..	17	..
Total income		**1,193,115**	**1,254,259**	**1,283,437**
EXPENSES				
Employee expenses	3,6	783,274	837,614	865,404
Supplies and Services:				
Other supplies and services		319,901	330,122	332,939
Department of Health contract staff		..	..	..
Grants and subsidies		1,401	1,323	1,323
Depreciation and amortisation		81,248	78,924	79,458
Finance/borrowing costs		..	..	..
Other expenses		2,201	5,091	3,128
Losses on sale/revaluation of assets		5,090	1,185	1,185
Total expenses		**1,193,115**	**1,254,259**	**1,283,437**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Gold Coast Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	7,12	54,825	18,477	20,309
Receivables	8,13	11,476	44,537	44,893
Other financial assets		..	..	..
Inventories		7,283	8,017	8,106
Other		1,060	1,270	1,537
Non-financial assets held for sale		..	..	..
Total current assets		**74,644**	**72,301**	**74,845**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	9,14	1,859,907	1,781,453	1,761,957
Intangibles		890	1,289	727
Other		..	..	..
Total non-current assets		**1,860,797**	**1,782,742**	**1,762,684**
TOTAL ASSETS		**1,935,441**	**1,855,043**	**1,837,529**
CURRENT LIABILITIES				
Payables	10,15	56,164	24,793	27,331
Accrued employee benefits	11,16	10	23,164	23,170
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		53	5,047	5,047
Total current liabilities		**56,227**	**53,004**	**55,548**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**56,227**	**53,004**	**55,548**
NET ASSETS/(LIABILITIES)		**1,879,214**	**1,802,039**	**1,781,981**
EQUITY				
TOTAL EQUITY		**1,879,214**	**1,802,039**	**1,781,981**

Cash flow statement

Gold Coast Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	17,20	1,163,823	1,238,767	1,268,740
Grants and other contributions		15,307	13,404	12,656
Interest received		108	77	77
Other	18,21	16,847	8,783	8,713
Outflows:				
Employee costs	19,22	(783,320)	(837,660)	(865,398)
Supplies and services		(350,877)	(361,188)	(338,962)
Grants and subsidies		(1,401)	(1,323)	(1,323)
Borrowing costs		..	..	..
Other		(2,201)	(5,091)	(3,128)
Net cash provided by or used in operating activities		**58,286**	**55,769**	**81,375**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		(261)	(68)	(85)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(9,843)	(12,189)	(6,389)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(10,104)**	**(12,257)**	**(6,474)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		9,843	9,943	6,389
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(81,248)	(78,924)	(79,458)
Net cash provided by or used in financing activities		**(71,405)**	**(68,981)**	**(73,069)**
Net increase/(decrease) in cash held		**(23,223)**	**(25,469)**	**1,832**
Cash at the beginning of financial year		**78,048**	**43,946**	**18,477**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**54,825**	**18,477**	**20,309**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding for frontline services in response to growth in healthcare activity.
2. The decrease relates to a change in the revenue recognition principles regarding salary and wage recoveries for seconded staff.
3. The increase relates to additional staff required by the Hospital and Health Service (HHS) to service the unexpected growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2015-16 and are forecast to take effect in 2016-17.

Major variations between 2015-16 Budget and 2016-17 Budget include:

4. The increase relates to additional revenue for frontline services in response to growth in healthcare activity
5. The decrease relates to reclassification regarding salary and wage recoveries for seconded staff.
6. The increase relates to additional staff required by the HHS to service the unexpected growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2015-16 and are forecast to take effect in 2016-17.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

7. The decrease relates to less cash being receipted from revenues than expected.
8. The increase relates to less cash being receipted from revenues than expected.
9. The decrease relates to changes in the valuation of HHS infrastructure and other equipment.
10. The decrease relates to changes in Gold Coast Health Service's prescribed employer status.
11. The increase relates to changes in Gold Coast Health Service's prescribed employer status.

Major variations between 2015-16 Budget and 2016-17 Budget include:

12. The decrease relates to less cash being receipted from revenues than expected
13. The increase relates to less cash being receipted from revenues than expected
14. The decrease relates to changes in the valuation of HHS infrastructure and other equipment.
15. The decrease relates to changes in Gold Coast Health Service's prescribed employer status.
16. The increase relates to changes in Gold Coast Health Service's prescribed employer status

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

17. The increase relates to additional funding for frontline services in response to growth in healthcare activity.
18. The decrease relates to a reclassification regarding salary and wage recoveries for seconded staff.
19. The increase relates to additional staff required by the HHS to service the unexpected growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2015-16 and are forecasted to take effect in 2016-17.

Major variations between 2015-16 Budget and 2016-17 Budget include:

20. The increase relates to additional revenue for frontline services in response to growth in healthcare activity.
21. The decrease relates to a reclassification regarding salary and wage recoveries for seconded staff.
22. The increase relates to additional staff required by the HHS to service the unexpected growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2015-16 and are forecasted to take effect in 2016-17.

Mackay Hospital and Health Service

Overview

The 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 approximately 182,000 people. The geographical catchment of the Mackay HHS spans 90,364 square kilometres, extending from Bowen in the north to St Lawrence in the south, west to Clermont and northwest to Collinsville. Proserpine and the Whitsundays are also included in the region.

The Mackay HHS is responsible for the direct management of facilities within the HHS's geographical boundaries, including eight hospitals and four community health facilities. Our hospitals include:

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

The vision for Mackay HHS is Delivering Queensland's Best Rural and Regional Health Care, and is realised through our four strategic objectives:

- inspired people
- exceptional patient experiences
- excellence in integrated care
- sustainable service delivery.

The actions under these strategic objectives will enable the HHS to achieve positive outcomes for the Mackay community including: better access to services; safe and excellent care; easier patient navigation of the system and ensuring our community and consumers are listened to.

The strategic objectives of the Mackay HHS contribute to the Queensland Government's objectives of delivering quality frontline services; creating jobs and a diverse economy and building safe, caring and connected communities.

During 2015-16, the Mackay HHS, through its strong performance and prudent financial management, enabled the investment of surplus funds in key projects to deliver enhanced services for our community including:

- reduced waiting times for specialist outpatient appointments
- ensuring elective surgery within clinically recommended timeframes
- preparations for enhanced clinical information technology systems - the Digital Hospital
- expansion of cardiac services to include permanent pacemakers so that patients can be treated closer to home
- infrastructure improvements including Carlyle Street to allow community child, youth and family health services to be located under the one roof.

Service summary

The Mackay HHS has an operating budget of $357.9 million for 2016-17 which is an increase of $30.2 million (9.2 per cent) from the published 2015-16 operating budget of $327.7 million.

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

In 2015-16, the Mackay HHS focused on striving to have patients seen within recommended clinical timeframes and helping patients spend less time in hospital by providing more options to receive care in the community. These key initiatives will continue to be a focus in 2016-17, as well as delivering key infrastructure and technology projects, such as refurbishments of the Emergency Departments at both Bowen and Proserpine Hospitals and expanding the telehealth service.

In 2016-17 the Mackay HHS expects to see a continued increase in demand for public health services, within a highly constrained fiscal environment. This means the HHS will focus on delivering the core services for its community and

responding to the community's health priorities, such as mental health. The future focus of the Mackay HHS will place emphasis on continuous improvement, and taking steps to ensure sustainable service delivery.

Service performance

Performance statement

Mackay Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Mackay community.

Service area description

The Mackay 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.

Mackay Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	81%	80%
• Category 3 (within 30 minutes)		75%	72%	75%
• Category 4 (within 60 minutes)		70%	80%	70%
• Category 5 (within 120 minutes)		70%	97%	70%
• All categories		..	78%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	77%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	99%	>98%
• Category 2 (90 days)		>95%	100%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.4	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	72.6%	>65%

Mackay Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	10.1%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			
• Category 1 (30 days)		..	67%	70%
• Category 2 (90 days)		..	70%	70%
• Category 3 (365 days)		..	87%	90%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	15	20
Median wait time for elective surgery (days)	4	25	44	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$5,288	$4,871	$4,752
Other measures Total weighted activity units:	10			
• Acute Inpatient		25,115	28,315	24,866
• Outpatients		8,038	8,286	7,799
• Sub-acute		1,724	1,357	1,972
• Emergency Department		8,539	8,635	8,480
• Mental Health		3,289	3,214	3,302
• Interventions and Procedures		4,283	4,491	4,273
Ambulatory mental health service contact duration (hours)	11	>27,000	27,579	>27,854

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Queensland has made significant progress in improving the rate of community follow up over the past five years.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.

10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Mackay Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Mackay Hospital and Health Service	3, 4, 5	1,908	1,980	2,000

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect the higher than anticipated demand for hospital services and the deliberate conversion of temporary external contractors to internally employed HHS staff.
5. Increases in FTEs for the 2016-17 Budget reflect the higher than anticipated demand for hospital services and the deliberate conversion of temporary external contractors to internal employed HHS staff.

Income statement

Mackay Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,9	319,070	337,734	342,026
Grants and other contributions		8,342	8,223	7,174
Interest		65	66	66
Other revenue	2,10,14	235	1,239	4,478
Gains on sale/revaluation of assets		..	..	..
Total income		**327,712**	**347,262**	**353,744**
EXPENSES				
Employee expenses		33,912	33,912	34,538
Supplies and Services:	3,4,11			
Other supplies and services		99,983	99,935	91,276
Department of Health contract staff		169,069	193,061	210,520
Grants and subsidies	5	14	912	14
Depreciation and amortisation	12,15	23,659	21,867	20,521
Finance/borrowing costs		..	..	..
Other expenses	6,16	857	2,357	857
Losses on sale/revaluation of assets	7,17	218	2,218	218
Total expenses		**327,712**	**354,262**	**357,944**
OPERATING SURPLUS/(DEFICIT)	**8,13**	**..**	**(7,000)**	**(4,200)**

Balance sheet

Mackay Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	18,25	61,971	57,540	54,125
Receivables	19,26	5,769	12,353	12,436
Other financial assets		..	..	..
Inventories		1,685	2,211	2,231
Other	20	427	189	228
Non-financial assets held for sale		..	..	..
Total current assets		**69,852**	**72,293**	**69,020**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21,27,30	490,117	461,391	476,010
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**490,117**	**461,391**	**476,010**
TOTAL ASSETS		**559,969**	**533,684**	**545,030**
CURRENT LIABILITIES				
Payables	22,28	15,279	11,604	12,531
Accrued employee benefits	23	25	717	717
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		58	..	..
Total current liabilities		**15,362**	**12,321**	**13,248**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**15,362**	**12,321**	**13,248**
NET ASSETS/(LIABILITIES)		**544,607**	**521,363**	**531,782**
EQUITY				
TOTAL EQUITY	**24,29,31**	**544,607**	**521,363**	**531,782**

Cash flow statement

Mackay Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	32,36	318,913	337,577	341,860
Grants and other contributions		8,342	7,325	7,174
Interest received		65	66	66
Other	33,37,40	5,563	6,567	9,806
Outflows:				
Employee costs		(33,912)	(33,912)	(34,538)
Supplies and services	34,38	(282,553)	(306,497)	(306,391)
Grants and subsidies		(14)	(14)	(14)
Borrowing costs		..	..	..
Other	35	(857)	(2,357)	(857)
Net cash provided by or used in operating activities		**15,547**	**8,755**	**17,106**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	41	(4,236)	(6,383)	(2,773)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(4,236)**	**(6,383)**	**(2,773)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	42	4,236	4,236	2,773
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	39,43	(23,659)	(21,867)	(20,521)
Net cash provided by or used in financing activities		**(19,423)**	**(17,631)**	**(17,748)**
Net increase/(decrease) in cash held		**(8,112)**	**(15,259)**	**(3,415)**
Cash at the beginning of financial year		**70,083**	**72,799**	**57,540**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**61,971**	**57,540**	**54,125**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding provided through amendments to the Service Agreement between Mackay Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
2. The increase relates to increases in recognition and receipting of recoverables such as repairs and maintenance projects, salary and wages, and salary and wages for WorkCover.
3. The increase relates to the additional staff in Locum and Agency staff. The use of the Locums and Agency staff is to cover vacant positions whilst waiting for permanent staff to be appointed and relocate to the region.
4. The increase to department contract staff is due to the additional full-time equivalent (FTE) employees being used in special projects. These project include IT projects including (but not limited to) the Digital Hospital IT project, Website Upgrade, Windows 7 Upgrade. Additional to this is the impact from the wait list reduction in the Specialist Outpatient and Elective surgery project. These projects are being funded through surpluses from prior years.
5. The increase relates to the recognition of the Dysart GP Super Clinic which was placed on the asset register and recognised as a donation in 2015-16.
6. The increase relates to the revaluation of the land in MHHS, which resulted in a decrement of $2 million.
7. The increase relates to a one off settlement for a legal case.
8. The deficit position for 2015-16 is due to the revaluation of the land, the one off settlement for a legal case, additional FTEs being used on IT projects including (but not limited to) the Digital Hospital IT project, Website Upgrade, Windows 7 Upgrade, and the wait list reduction in the Specialist Outpatient and Elective Surgery project. These projects are being funded through surpluses from prior years.

Major variations between 2015-16 Budget and 2016-17 Budget include:

9. The increase relates to additional funding provided through the Service Agreement between Mackay Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
10. The increase relates to increases in recognition and receipting of recoverables such as repairs and maintenance projects, salary and wages, and salary and wages for WorkCover.
11. Increase relates to recognised increases in expenditure in Drugs, Clinical Supplies, Food, Other Supplies and Telecommunications.
12. The decrease relates to the impact of the completion of the major buildings at Mackay Base Hospital and work being done on the asset register. This work has seen some values in older buildings being reduced.
13. The projected deficit for 2016-17 is due to the expansion of additional beds for Theatre, Cardiac and High Dependency Unit, additional FTEs being used on IT Projects including (but not limited to) Digital Hospital IT project, Website Upgrade, Windows 7 Upgrade, the wait list reduction in the Specialist Outpatient and Elective surgery project.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

14. The increase relates to increases in recognition and receipting of recoverables such as repairs and maintenance projects, salary and wages, and salary and wages for WorkCover.
15. The decrease relates to the impact of the completion of the major buildings at Mackay Base Hospital and work being done on the asset register. This work has seen some values in older buildings being reduced.
16. The decrease relates to the revaluation of the land in Mackay Hospital and Health Service, which resulted in a decrement of $2 million in 2015-16.
17. The decrease relates to the one off settlement for legal case.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

18. The decrease relates to the projected deficit for 2015-16 due to the one off settlement for a legal case, additional FTEs being used on projects as outlined, IT Projects including (but not limited to) the Digital Hospital IT project, Website Upgrade and Windows 7 Upgrade, and the wait list reduction in the Specialist Outpatient and Elective surgery project. These projects are being funded through surpluses from prior years.
19. The increase relates to additional funding payable from the department to Mackay Hospital and Health Service.
20. The decrease relates to a reduction in prepaid expenditure.
21. The decrease relates to the completion of works at the Mackay Base Hospital compared to prior years. In prior years when major buildings were completed there was a significant jump in the values against property, plant and equipment. 2014-15 saw the end of the major buildings to be commissioned; this would have initially been recognised in the 2015-16 Budget. There are some small buildings to be completed which will be in the financial year 2015-16. Additional to this the Estimated Actual for 2015-16 will include the land valuation decrement.
22. Decrease from working capital timing issues and payments between periods.
23. The increase relates to the increase in FTEs as highlighted in Income Statement Note 4.
24. The decrease relates to the recognition of a deficit position for 2015-16 due to the revaluation of the land, the one off settlement for a legal case, additional FTEs being used on IT Projects including (but not limited to) the Digital Hospital IT project, Website Upgrade and Windows 7 Upgrade, and the wait list reduction in the Specialist Outpatient and Elective surgery project. These projects are being funded through surpluses from prior years.

Major variations between 2015-16 Budget and 2016-17 Budget include:

25. The decrease relates to the projected deficit for 2015-16 due the one off settlement for a legal case, additional FTEs being used on projects as outlined in Income Statement Note 4.
26. The increase relates to additional funding payable from the department to Mackay Hospital and Health Service as a result of Window 3 and of financial year technical adjustments.
27. The decrease relates to the completion of works at the Mackay Base Hospital compared to prior years. In prior years when major buildings were completed there was a significant jump in the values against property, plant and equipment. 2014-15 saw the end of the major buildings to be commissioned; this would have initially been recognised in the 2015-16 Budget. There are some small buildings to be completed which will be in financial year 2015-16. In addition, the 2015-16 Estimated Actual will include the land valuation decrement.
28. Decrease from working capital timing issues and payments between periods.
29. The decrease relates to the deficit for 2015-16 due to the revaluation of the land in MHHS, which resulted in a decrement of $2 million, the one off settlement for a legal case, additional FTEs being used on IT Projects including (but not limited to) the Digital Hospital IT project, Website Upgrade and Windows 7 Upgrade, and the wait list reduction in the Specialist Outpatient and Elective surgery project. This is addition to the projected deficit for 2016-17 due to ongoing projects as listed from financial year 2015-16 and the expansion of additional beds for the Theatre, Cardiac and High Dependency Unit.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

30. The increase relates to finalisation of the Mackay Base Hospital redevelopment and as a result of the annual asset revaluation program.
31. The increase relates to increases in the asset revaluation reserve due to the annual revaluation program and increases to contributed equity for the transfer of commissioned assets from the department.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

32. The increase relates to additional funding provided through amendments to the Service Agreement between Mackay Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
33. The increase relates to increases in recognition and receipting of recoverables such as Repairs and Maintenance Projects, Salary and Wages and Salary and Wages for WorkCover.

34. The increase to department contract staff is due to the additional FTE employees being used in special projects. These IT Projects include (but are not limited to) the Digital Hospital IT project, Website Upgrade and Windows 7 Upgrade. Additional to this is Wait list reduction in the Specialist Outpatient and Elective surgery project. These projects are being funded through surpluses from prior years.

35. Increase relates to a one off settlement for a legal case in 2015-16.

Major variations between 2015-16 Budget and 2016-17 Budget include:

36. The increase relates to additional funding provided through amendments to the Service Agreement between Mackay Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements, depreciation expense and own source revenue.

37. The increase relates to increases in recognition and receipting of recoverables such as repairs and maintenance projects, salary and wages, and salary and wages for WorkCover.

38. The increase to department contract staff is due to the additional FTE employees being used in special projects. IT Projects include (but are not limited to) the Digital Hospital IT project, Website Upgrade and Windows 7 Upgrade. Additional to this is wait list reduction in the Specialist Outpatient and Elective surgery project. These projects are being funded through surpluses from prior years.

39. The decrease relates to the reduction in depreciation revenue.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

40. The increase relates to increases in recognition and receipting of recoverables such as Repairs and Maintenance Projects, Salary and Wages and Salary and Wages for WorkCover.

41. The decrease relates to reduction in capital acquisitions for example the Health Technology Equipment Replacement Program.

42. The decrease relates to the reduction in the commissioning of assets to be transferred from the department to Mackay Hospital and Health Service via contributed equity.

43. The decrease relates to the reduction in depreciation expense.

Metro North Hospital and Health Service

Overview

The Metro North Hospital and Health Service (HHS) is one of the largest hospital and health services, with a major clinical and research campus in Herston, on the northern CBD fringe of Brisbane. Metro North HHS operates the Royal Brisbane and Women's Hospital, the Prince Charles Hospital, Redcliffe Hospital, Caboolture Hospital, Kilcoy Hospital, as well as the Brighton Health Campus, and a range of subacute, mental health, community health and oral health facilities. Metro North HHS also provides offender health services to the Woodford Correctional Centre.

With annual revenues of approximately $2.3 billion and approximately 14,300 staff, Metro North 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 941,000 people residing in a geographical area extending from the Brisbane River to north of Kilcoy, as well as a range of regional and statewide services.

Metro North HHS's vision is to provide high quality patient-centred services and excellent patient outcomes. The strategic objectives for 2016-17 are:

- always putting people first
- improving health equity, access, quality, safety and health outcomes
- delivering value based health services through a culture of research, education, learning and innovation.

These objectives contribute to the Queensland Government's objectives of delivering quality frontline services including strengthening the public health system and building safe, caring and connected communities.

To achieve these objectives, Metro North HHS will employ a range of strategies including:

- listening to the voice of patients and their carers and families to improve the patient experience
- listening to staff and partners and involving them in organisational development, governance and decision making
- leading integration, coordination and continuity of services across and within primary, community, and hospital care
- creating system capacity
- working with our partners to identify and deliver innovative, coordinated, tailored and targeted programs for complex areas of need
- generating new knowledge through research, evaluating what others have learnt and actively bring this knowledge into practice
- creating an environment that promotes innovative approaches to support our people in continuous improvement and organisational learning
- working with our partners to ensure an appropriate balance in health investment between prevention, management and treatment of disease and
- providing models of service delivery that are fiscally responsible.

Metro North HHS will explore new investment initiatives in a range of areas including rehabilitation services, children's services, management of patients with chronic diseases, management of bariatric patients, and management of older people.

Service summary

The Metro North HHS has an operating budget of $2.386 billion for 2016-17 which is an increase of $213.1 million (9.8 per cent) from the published 2015-16 operating budget of $2.173 billion.

Key priorities or initiatives implemented or progressed in 2015-16 include: signing the agreement for the Specialist Rehabilitation and Ambulatory Care Centre; opening of intensive care beds at Caboolture Hospital as part of the Caboolture Redcliffe Intensive Care Unit service; and a new ear, nose and throat service at Redcliffe Hospital.

Major deliverables for 2016-17 include:

- Caboolture Hospital expansion, including construction of a 32-bed adult inpatient ward, administration and service areas
- integration of University of Queensland Oral Health Centre and Metro North HHS Oral Health Services
- introduction of a step up - step down model of care for mental health services
- increase inpatient acute-bed capacity at Redcliffe Hospital by relocating cancer care and renal services to the Moreton Bay Integrated Care Centre.

Service performance

Performance statement

Metro North Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Metro North community.

Service area description

The Metro North 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.

Metro North Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	74%	80%
• Category 3 (within 30 minutes)		75%	58%	75%
• Category 4 (within 60 minutes)		70%	77%	70%
• Category 5 (within 120 minutes)		70%	95%	70%
• All categories		..	69%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	71%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	95%	>98%
• Category 2 (90 days)		>95%	92%	>95%
• Category 3 (365 days)		>95%	95%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.8	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	66.1%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	15%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			

Metro North Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Category 1 (30 days)		..	55%	55%
• Category 2 (90 days)		..	45%	45%
• Category 3 (365 days)		..	69%	70%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	19	20
Median wait time for elective surgery (days)	4	25	27	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,919	$4,802	$4,659
Other measures Total weighted activity units:	10			
• Acute Inpatient		201,518	213,861	203,564
• Outpatients		53,242	51,160	60,642
• Sub-acute		16,114	17,269	16,351
• Emergency Department		34,387	36,480	34,883
• Mental Health		25,888	31,089	26,237
• Interventions and Procedures		28,976	27,258	29,357
Ambulatory mental health service contact duration (hours)	11	>161,759	149,492	>163,929

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Queensland has made significant progress in improving the rate of community follow up over the past five years.
7. Whilst overall Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target, the department continues to work with HHSs regarding improvements in this area. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016 with the following exceptions due to a temporary inability to report for some facilities during the transition to a new electronic information system - no data has been included for the Royal Brisbane and Women's Hospital for the period February to April 2016. Reporting functions for this facility will commence once the transition to the new electronic system is complete. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.

11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target is considered aspirational for some HHSs due to a range of issues including the presence of tertiary and support services and under-reporting due to the heavy reliance upon clinician documentation and direct entry into the clinical information system. Significant investment has been made to address the under-reporting and improve functionality and work flow to facilitate entry and use of the system. This investment is complemented by accessibility of resources and the Clinical Improvement Team who support services to value and utilise the information at multiple levels within their service.

Staffing[1, 2]

Metro North Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Metro North Hospital and Health Service	3, 4, 5	12,935	14,300	14,300

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect a continuation of funded initiatives including improving Outpatient Access by reducing long wait patients, reducing long wait patients on the elective surgery waiting lists and expansion of the Hospital and Health Service (HHS) Paediatric Services. The increase also includes new funding for Graduate Nursing, Epilepsy, Biala Sexual Health, Dental National Partnership Agreement and Ear Nose and Throat Outpatients.
5. The 2016-17 Budget reflects a stabilising of the increased workforce from 2015-16, subject to future funding flows to the HHS.

Income statement

Metro North Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,10	2,142,161	2,312,125	2,357,686
Grants and other contributions	2,11	15,215	19,235	19,451
Interest		634	650	667
Other revenue	3,12	15,284	7,549	7,737
Gains on sale/revaluation of assets		..	811	832
Total income		**2,173,294**	**2,340,370**	**2,386,373**
EXPENSES				
Employee expenses	4,13,18	1,521,139	1,669,430	1,762,910
Supplies and Services:				
Other supplies and services	5,14,19	550,194	572,735	523,820
Department of Health contract staff		..	..	..
Grants and subsidies		1,147	1,742	1,786
Depreciation and amortisation	6,15,20	83,940	92,915	89,928
Finance/borrowing costs		..	..	..
Other expenses	7,16	8,945	4,231	4,337
Losses on sale/revaluation of assets	8,17	7,929	3,504	3,592
Total expenses		**2,173,294**	**2,344,557**	**2,386,373**
OPERATING SURPLUS/(DEFICIT)	**9**	**..**	**(4,187)**	**..**

Balance sheet

Metro North Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	21,26,31	135,729	126,000	90,445
Receivables	22,27	51,584	40,970	42,406
Other financial assets		..	..	..
Inventories	23,28	14,741	19,786	19,991
Other		3,595	4,390	4,676
Non-financial assets held for sale		..	..	..
Total current assets		**205,649**	**191,146**	**157,518**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	24,29	1,358,631	1,211,957	1,201,905
Intangibles		295	2,425	1,703
Other		90	172	172
Total non-current assets		**1,359,016**	**1,214,554**	**1,203,780**
TOTAL ASSETS		**1,564,665**	**1,405,700**	**1,361,298**
CURRENT LIABILITIES				
Payables		79,659	70,091	69,550
Accrued employee benefits		54,020	60,079	65,321
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		1,866	1,209	1,209
Total current liabilities		**135,545**	**131,379**	**136,080**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**135,545**	**131,379**	**136,080**
NET ASSETS/(LIABILITIES)		**1,429,120**	**1,274,321**	**1,225,218**
EQUITY				
TOTAL EQUITY	**25,30,32**	**1,429,120**	**1,274,321**	**1,225,218**

Cash flow statement

Metro North Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	33,39	2,133,907	2,328,372	2,352,684
Grants and other contributions	34,40	15,215	19,235	19,451
Interest received		634	650	667
Other		55,007	47,272	47,460
Outflows:				
Employee costs	35,41,45	(1,512,257)	(1,655,548)	(1,757,668)
Supplies and services	36,42,46	(591,054)	(621,595)	(564,601)
Grants and subsidies		(1,147)	(1,742)	(1,786)
Borrowing costs		..	..	..
Other		(8,945)	(4,231)	(4,337)
Net cash provided by or used in operating activities		**91,360**	**112,413**	**91,870**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		(924)	811	832
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	37,43	(40,364)	(72,640)	(68,989)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(41,288)**	**(71,829)**	**(68,157)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	44,47	40,364	47,964	23,144
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	38,48	(83,940)	(92,915)	(82,412)
Net cash provided by or used in financing activities		**(43,576)**	**(44,951)**	**(59,268)**
Net increase/(decrease) in cash held		**6,496**	**(4,367)**	**(35,555)**
Cash at the beginning of financial year		**129,233**	**130,367**	**126,000**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**135,729**	**126,000**	**90,445**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Increase is due to a number of funding adjustments through the Service Agreement Amendment Windows. The main items funded are enterprise bargaining of 2.5 per cent as part of the Government's State wage policy, growth funding for additional public clinical activity, funding to reinvigorate Biala Sexual Health Clinic, Ear Nose Throat (ENT) Long Wait Outpatient reduction, additional graduate nursing positions and Comprehensive Epilepsy Program.
2. Increase due to higher than expected Nursing Home occupancy and increased Transition Care placements due to increased clinical activity for the Hospital and Health Service (HHS).
3. Decreased revenue as recovery of salaries for seconded employees is now treated as a credit to employee expenses.
4. Increase is due to enterprise bargaining of 2.5 per cent as part of the Government's State wage policy and additional front line staff which has increased clinical throughput and enabled access to growth funding; as well as increased employees to reinvigorate Biala Sexual Health Clinic, ENT Long Wait Outpatient reduction, additional graduate nursing positions, and the Comprehensive Epilepsy Program.
5. Increased supplies and services due to increased clinical consumables as a result of additional activity.
6. Depreciation increase relates primarily to accelerated depreciation on the Herston Quarter resulting from the transfer of the former Royal Children's Hospital site to the HHS.
7. Decrease due to accounting reclassification of expenses to other supplies and services.
8. Reduction in bad debts due to improved debtor control practices.
9. The estimated deficit in 2015-16 is due to expenses associated with the implementation of a joint initiative with the department to reduce the outpatient waiting list, which requires utilisation of retained surpluses.

Major variations between 2015-16 Budget and 2016-17 Budget include:

10. The increase is due to a number of funding adjustments through the Service Agreement Amendment Windows. The main items funded are enterprise bargaining of 2.5 per cent as part of the Government's State wage policy, funding to reinvigorate Biala Sexual Health Clinic, ENT Long Wait Outpatient reduction, additional graduate nursing positions, Comprehensive Epilepsy Program, UQ Dental and implementation of the Mental Health Bill.
11. Increase due to higher than expected nursing home occupancy and increased Transition Care placements due to increased clinical activity for the HHS.
12. Decreased revenue as recovery of salaries for seconded employees is now treated as a credit to employee expenses.
13. The increase from 2015-16 Budget is due to enterprise bargaining of 2.5 per cent as part of the Government's State wage policy, additional front line staff which has increased clinical throughput and enabled access to growth funding as well as an increase in employees to reinvigorate Biala Sexual Health Clinic, ENT Long Wait Outpatient reduction, additional graduate nursing positions and Comprehensive Epilepsy Program.
14. The decrease is due to a reduction in non-recurrent funding. It is expected that the majority of this funding will be re-provided through Service Agreement Amendment Window adjustments during 2016-17.
15. Depreciation increase relates primarily to increased depreciation relating to HHS Infrastructure investments including 32 bed expansion at Caboolture Hospital, Mental Health Step up Step Down Facility and Redcliffe acute inpatient additional capacity.
16. Decrease due to accounting re-alignment reclassification of expenses to other supplies and services.
17. Reduction in bad debts due to improved debtor control practices.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

18. The increase is for enterprise bargaining of 2.5 per cent as part of the Government's State wage policy.
19. The decrease is due to a reduction in non-recurrent funding. It is expected that the majority of this funding will be re-provided through Service Agreement Amendment Window adjustments during 2016-17.

20. Depreciation decrease primarily due to accelerated depreciation expenses incurred in 2015-16 which relate to the Herston Quarter following the transfer of the former Royal Children's Hospital site to the HHS, partially offset by depreciation on new infrastructure investment in 2016-17.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

21. Decrease in cash due primarily to HHS-funded infrastructure investments including 32 bed expansion at Caboolture Hospital and Redcliffe acute inpatient additional capacity.
22. Reduction in receivables due to improved debtor control practices.
23. Increase in inventories due primarily to new high cost drugs for hepatitis C.
24. Decrease in property, plant and equipment is a combination of accelerated depreciation of assets impacted by the vacation of the Children's Health Service and the proposed Herston Quarter redevelopment, and a reduction in the asset revaluation reserve as a consequence of third party valuation; partially offset by HHS-funded infrastructure investments including 32 bed expansion at Caboolture Hospital, Mental Health Step Up Step Down Facility and Redcliffe acute inpatient additional capacity.
25. The decrease in equity is due to accelerated depreciation of assets impacted by the vacation of the Children's Health Service and the proposed Herston Quarter redevelopment, a reduction in the asset revaluation reserve as advised by third party valuers, to move to a multi-year revaluation program rather than a full revaluation every three to five years, and an estimated deficit in 2015-16 due to a decrease in retained earnings, as a result of a joint contribution with the department to reduce the outpatient waiting list.

Major variations between 2015-16 Budget and 2016-17 Budget include:

26. The decrease in cash is due primarily to HHS-funded infrastructure investments including 32 bed expansion at Caboolture Hospital, Mental Health Step Up Step Down Facility and Redcliffe acute inpatient additional capacity.
27. Reduction in receivables due to improved debtor control practices.
28. Increase in inventories due primarily to new high cost drugs for hepatitis C.
29. The decrease in property, plant and equipment is a combination of HHS infrastructure investments and a decrease in the asset revaluation reserve as advised by third party valuers.
30. The decrease in equity is due primarily to a change in the asset revaluation reserve as advised by third party valuers, to move to a multi-year revaluation program rather than a full revaluation every three to five years.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

31. The decrease in cash is due primarily to HHS infrastructure investments.
32. The decrease in equity relates to, equity withdrawal of depreciation funding to the department exceeding the value of investment funding provided by the department, and an estimated deficit in 2015-16 due to a decrease in retained earnings, as a result of a joint contribution with the department to reduce the outpatient waiting list.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

33. Increase due to a number of funding adjustments through the Service Agreement Amendment Windows. The main items funded are enterprise bargaining of 2.5 per cent for all pay streams as part of the Government's State wage policy, growth funding for Metro North exceeding its public clinical activity targets, funding to reinvigorate Biala Sexual Health Clinic, ENT Long Wait Outpatient reduction, additional graduate nursing positions, Comprehensive Epilepsy Program.
34. Increase due to higher than expected nursing home occupancy and increased Transition Care placements due to increased clinical activity for the HHS.
35. Increase due to enterprise bargaining of 2.5 per cent as part of the Government's State wage policy, additional front line staff which has increased the HHS clinical throughput and enabled access to growth funding as well as an. increase in employees to reinvigorate Biala Sexual Health Clinic, ENT Long Wait Outpatient reduction, additional graduate nursing positions and Comprehensive Epilepsy Program.
36. Increase in supplies and services due to increased clinical consumables as a result of additional activity.
37. Increase due to HHS-funded infrastructure investments including 32 bed expansion at Caboolture Hospital.

38. Increase in equity withdrawal is due to accelerated depreciation resulting from the transfer of the former Royal Children's Hospital site to the HHS. Equity withdrawals are returned to Queensland Treasury.

Major variations between 2015-16 Budget and 2016-17 Budget include:

39. Increase due to a number of funding adjustments through the Service Agreement Amendment Windows. The main items funded are enterprise bargaining of 2.5 per cent for all pay streams as part of the Government's State wage policy, funding to reinvigorate Biala Sexual Health Clinic, ENT Long Wait Outpatient reduction, additional graduate nursing positions, Comprehensive Epilepsy Program, UQ Dental and implementation of the Mental Health Bill.
40. Increase due to higher than expected Nursing Home occupancy and increased Transition Care placements due to increased clinical activity for the HHS.
41. Increase due to enterprise bargaining of 2.5 per cent for all pay streams as part of the Government's State wage policy, additional front line staff which has increased the HHS clinical throughput and enabled access to growth funding as well as an increase in employees to reinvigorate Biala Sexual Health Clinic, ENT Long Wait Outpatient reduction, additional graduate nursing positions and Comprehensive Epilepsy Program.
42. Decrease is due to a reduction in non-recurrent funding. It is expected that the majority of this funding will be re-provided through Service Agreement Amendment Window adjustments during 2016-17.
43. Increase is due to HHS-funded infrastructure investments including 32 bed expansion at Caboolture Hospital, Mental Health Step Up Step Down Facility and Redcliffe acute inpatient additional capacity.
44. Decrease in equity injections in 2016-17 is due to reduced funding of carry-over expenditure against department-funded minor capital and the Health Technology Equipment Replacement program.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

45. Increase is for enterprise bargaining of 2.5 per cent as part of the Government's State wage policy.
46. Decrease is due to a reduction in non-recurrent funding. It is expected that the majority of this funding will be re-provided through Service Agreement Amendment Window adjustments during 2016-17.
47. Decrease in equity injections in 2016-17 is due to reduced funding of carry-over expenditure against department-funded minor capital and the Health Technology Equipment Replacement program.
48. Equity withdrawal decrease relates primarily to accelerated depreciation resulting from the transfer of the former Royal Children's Hospital to the HHS in 2015-16 offset by depreciation on HHS-funded infrastructure investment in 2016-17. Equity withdrawals are returned to Queensland Treasury.

Metro South Hospital and Health Service

Overview

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 one 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.

The Metro South HHS operates five hospitals (Princess Alexandra, Logan, Redland, Queen Elizabeth II Jubilee (QEII) and 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, the Metro South HHS delivers a full suite of specialities from eight clinical and five non-clinical streams.

The clinical streams are: Aged Care and Rehabilitation Services; Emergency and Clinical Support Services; Addiction and Mental Health Services; Metro South Health Patient Flow Program; Cancer Services; Medicine and Chronic Disease Services; Surgical Services and Women's and Children's Services.

The non-clinical streams are: Clinical Governance; Finance; Planning, Engagement and Reform; Corporate Services and Information Technology.

Metro South HHS's vision is to be renowned worldwide for excellence in health care, teaching and research. Our purpose is to deliver high quality health care through innovation and evidence-based strategies, enabled by the efficient use of available resources, robust planning processes and stakeholder collaboration.

The Metro South HHS is committed to working closely across the Queensland Government to implement its objectives for the community and advance its priorities for health and ambulance delivery. This will be achieved by our three focus areas:

- clinical excellence and better health care solutions for patients through redesign and innovation, efficiency and quality
- technology that supports best practice, next generation clinical care
- health system integration.

These focus areas are supported by:

- resource management that supports health service delivery needs
- enabling and empowering our people
- ensuring the needs of our stakeholders influence our efforts.

Service summary

The Metro South HHS has an operating budget of $2.194 billion for 2016-17 which is an increase of $176 million (8.7 per cent) from the published 2015-16 operating budget of $2.018 billion.

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

The Metro South HHS's achievements in 2015-16 included: successful launch of the Digital Hospital Program (Phase 1); commencement of the Gamma Knife Centre of Queensland in November 2015, providing a Queensland first service for non-invasive alternative to neurosurgery; and completion of Logan Hospital's new Cardiac Catheter laboratory and day procedure unit.

Key deliverables for Metro South HHS in 2016-17 include:

- Digital Hospital Phase 2 launch including medication management, anaesthesia and research support
- commencement of the Wynnum Integrated Health Community Centre development
- implementation of nursing ratios across Metro South HHS
- optimisation of the Mater Health Services contract to improve patient flow and capacity management
- delivery of Stage 2 of the Southern Queensland Centre of Excellence.

Service performance

Performance statement

Metro South Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Metro South community.

Service area description

The Metro South 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.

Metro South Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	65%	80%
• Category 3 (within 30 minutes)		75%	57%	75%
• Category 4 (within 60 minutes)		70%	73%	70%
• Category 5 (within 120 minutes)		70%	91%	70%
• All categories		..	66%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	71%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	99%	>98%
• Category 2 (90 days)		>95%	91%	>95%
• Category 3 (365 days)		>95%	97%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.6	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	60%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	14.9%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			

Metro South Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Category 1 (30 days)		..	41%	45%
• Category 2 (90 days)		..	35%	35%
• Category 3 (365 days)		..	56%	60%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	21	20
Median wait time for elective surgery (days)	4	25	28	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,972	$5,101	$4,912
Other measures Total weighted activity units:	10			
• Acute Inpatient		175,162	175,054	181,148
• Outpatients		38,918	39,172	40,827
• Sub-acute		21,749	20,897	22,011
• Emergency Department		36,091	37,952	37,994
• Mental Health		18,925	20,402	19,491
• Interventions and Procedures		27,972	27,735	29,133
Ambulatory mental health service contact duration (hours)	11	>170,500	170,725	>191,027

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection (EDC). The EDC does not include attendances at the Princess Alexandra Hospital between December 2015 and March 2016 due to a temporary inability to report during the transition to a new electronic information system. Reporting functions for this facility will commence once the transition to the new electronic system is complete.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target Estimates are based on the Australasian Triage Scale.
4. 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Whilst overall Queensland has made significant progress in improving the rate of community follow up over the past five years, the department continues to work with HHSs regarding improvements in this area.
7. Whilst overall Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target, the department continues to work with HHSs regarding improvements in this area. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016 with the following exceptions due to a temporary inability to report for some facilities during the transition to a new electronic information system - no data has been included for the Princess Alexandra Hospital for the period January to April 2016. Reporting functions for this facility will commence once the transition to the new electronic system is complete. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.

10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Metro South Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Metro South Hospital and Health Service	3, 4, 5, 6, 7, 8	11,852	12,264	12,021

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect commissioning of new services and additional activity purchased from the HHS through amendments to the 2015-16 Service Agreements throughout the year.
5. The 2015-16 Budget was prepared while the funding agreement between the department and Metro South was under negotiation and subject to movement.
6. There were a number of funding adjustments provided throughout the year which contributed to the increased FTEs, including new services at Logan, Outpatient Activity and additional services.
7. The Digital Hospital implementation at the Princess Alexandra Hospital was a considerable factor in the increase of the Estimated Actual FTEs in 2015-16.
8. The 2016-17 Estimated Actual has been based on funded activity for 2016-17 less non-recurrent services during in 2015-16 including extra staff for the Digital Hospital implementation at the Princess Alexandra Hospital.

Income statement

Metro South Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,7,12	1,971,478	2,096,314	2,166,456
Grants and other contributions	2,8	27,700	25,045	25,204
Interest		1,054	914	716
Other revenue		1,289	1,720	1,762
Gains on sale/revaluation of assets		826	..	..
Total income		**2,002,347**	**2,123,993**	**2,194,138**
EXPENSES				
Employee expenses	3,9,13	1,385,272	1,453,267	1,498,309
Supplies and Services:				
Other supplies and services	4,10,14	554,208	608,414	610,118
Department of Health contract staff		..	..	..
Grants and subsidies		3,808	3,926	2,822
Depreciation and amortisation	5,11,15	67,171	71,917	74,332
Finance/borrowing costs		..	..	..
Other expenses		6,294	6,571	6,641
Losses on sale/revaluation of assets		1,594	1,898	1,916
Total expenses		**2,018,347**	**2,145,993**	**2,194,138**
OPERATING SURPLUS/(DEFICIT)	**6**	**(16,000)**	**(22,000)**	**..**

Balance sheet

Metro South Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	16,18,20	136,548	112,573	93,339
Receivables	17	28,886	50,206	51,072
Other financial assets		..	..	..
Inventories		14,063	15,320	15,465
Other		1,860	2,106	2,246
Non-financial assets held for sale		..	..	..
Total current assets		**181,357**	**180,205**	**162,122**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		1,218,105	1,209,759	1,191,660
Intangibles		376	305	124
Other		..	..	..
Total non-current assets		**1,218,481**	**1,210,064**	**1,191,784**
TOTAL ASSETS		**1,399,838**	**1,390,269**	**1,353,906**
CURRENT LIABILITIES				
Payables	21	77,765	82,667	71,101
Accrued employee benefits	19,22	47,208	51,719	57,868
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**124,973**	**134,386**	**128,969**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**124,973**	**134,386**	**128,969**
NET ASSETS/(LIABILITIES)		**1,274,865**	**1,255,883**	**1,224,937**
EQUITY				
TOTAL EQUITY		**1,274,865**	**1,255,883**	**1,224,937**

Cash flow statement

Metro South Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	23,29,34	1,969,693	2,108,028	2,169,238
Grants and other contributions		27,700	25,045	25,204
Interest received		1,054	914	716
Other		34,201	31,534	31,576
Outflows:				
Employee costs	24,30	(1,375,564)	(1,443,763)	(1,492,160)
Supplies and services	25,31,35	(574,422)	(639,700)	(652,072)
Grants and subsidies		(3,808)	(3,919)	(2,822)
Borrowing costs		..	..	..
Other	26,32	(6,294)	(11,267)	(11,337)
Net cash provided by or used in operating activities		**72,560**	**66,872**	**68,343**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	27,33,36	(39,742)	(49,470)	(30,527)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(39,742)**	**(49,470)**	**(30,527)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	28,37	39,742	34,787	17,282
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(67,171)	(71,917)	(74,332)
Net cash provided by or used in financing activities		**(27,429)**	**(37,130)**	**(57,050)**
Net increase/(decrease) in cash held		**5,389**	**(19,728)**	**(19,234)**
Cash at the beginning of financial year		**131,159**	**132,301**	**112,573**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**136,548**	**112,573**	**93,339**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The 2015-16 Budget for 2015-16 was prepared while the funding agreement negotiations between the department and Metro South Health and Hospital Service were ongoing. Consequently, there were a number of funding adjustments provided that contributed to a $69 million increase in estimated actuals covering employee wage settlement funding, the devolvement of a sub-acute non-governmental organisation (NGO) contract and depreciation funding. Through contract adjustments made later in the year, further funding increases of $56 million were received for additional activity, new services at Logan Hospital, employee wage settlement funding, Digital Hospital ICT project funding and outpatients funding to reduce waiting times.
2. The decrease is attributable to lower nursing home benefit receipts for the Aged Residential Care unit at Redlands Hospital.
3. Employee wage settlement funding of $57 million was provided in year with a further increase in estimated actuals occurring from additional staff to meet increased activity and extra staff required for the Digital Hospital Systems implementation at Princess Alexandra (PA) Hospital.
4. The increase in the estimated actuals of supplies and services against budget includes expenditure to deliver those services and activities outlined in Note 1 along with increases in high cost drugs added to the pharmaceutical benefits schedule.
5. The increase is the result from building revaluations in addition to asset acquisitions.
6. The 2015-16 deficit is primarily due to additional expenses associated with the Digital Hospital ICT project and increased acute service demand which will be funded from prior year surpluses.

Major variations between 2015-16 Budget and 2016-17 Budget include:

7. The increase in includes the bulk of the $125 million increases identified in Note 1, less $22 million of non-recurrent funding for backlog maintenance and $9 million of Adult Public Dental Services National Partnership Agreement (APDS NPA) funding removed pending further agreement. The 2016-17 funding agreement then contains a further $32 million of employee wage settlement funding and $14 million of non-labour inflationary funding along with $14 million of other minor increase. The other major component in the 2016-17 Budget is then $41 million of Pharmaceutical Benefits Scheme (PBS) claims for hepatitis C drugs.
8. The decrease is attributable to lower nursing home benefit receipts for the Aged Residential Care unit at Redlands Hospital.
9. The $113 million increase for employee expenses includes $69 million of employee wage settlement increases during 2015-16 plus additional wage settlement funding of $32 million for 2016-17 with other increases from increased services funding received in 2015-16 less any non-recurrent staffing costs.
10. The $56 million budget to budget increases includes $41 million of hepatitis C drug expenditure, $14 million of inflationary allowance for 2016-17, $18 million of expenditure for NGO contracts less non-recurrent expenditure that ended at June 2015.
11. The increase is the result from building revaluations in addition to asset acquisitions.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. The $70 million increase reflects the funding agreement which contains a further $32 million of employee wage settlement funding and $14 million of non-labour inflationary funding along with $14m of other minor increases. The other major component in the 2016-17 Budget is the $41 million of PBS claims for hepatitis C drugs less the removal of $31 million of non-recurrent funding (backlog maintenance and APDS NPA).
13. The $45 million increase includes the $32 million of additional employee wage settlement expenditure plus increases from the full year effect of new services funding received in 2015-16 less the removal of non-recurrent staffing costs.
14. The small increase includes $41 million of hepatitis C drug expenditure, $14 million of inflationary allowance and $6 million of increase in budgeted NGO contract expenditure less $43 million of non recurrently funded expenditure less a further $16 million of non-recurrent expenditure relating to the Digital Hospital implementation at Princess Alexandra Hospital during 2015-16.
15. The increase is the result from an estimated impact of future building revaluations in addition to planned asset acquisitions.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

16. The decrease relates to an additional pay period in 2015-16 and the estimated deficit. The deficit is largely caused by additional Digital Hospital ICT project expenditure and from increased acute service demand to be funded from prior year surpluses.
17. The increase is from higher levels of department funding accrued in year relating to additional activity funding.

Major variations between 2015-16 Budget and 2016-17 Budget include:

18. The decrease relates to the additional payroll payment and the 2015-16 estimated deficit.
19. The increases in employee wage settlements has a flow on impact to accrued employee entitlements.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

20. The decrease is attributable to planned use of accumulated Study, Education and Research Trust Account Private Practice Arrangements Trust Funds balances for capital expenditure and a decrease in payables from timing of vendor payments.
21. The decrease is from working capital timing issues and payments between periods (receivables and payables timing issues).
22. The increase is due to an additional end of year accrual day for salaries and wages.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

23. The increase is the cash impact of the funding adjustments outlined in Note 1.
24. The increase is the cash impact of additional wage settlements and the additional pay period in 2015-16.
25. The increase is the cash impact on supplies and services from the funding adjustments outlined in Note 1.
26. The increase relates to goods and services tax (GST) paid to the Australian Taxation Office (ATO) previously included in the supplies budget.
27. The increase in payments is predominantly due to minor capital acquisitions deferred from prior years and from Trust funded asset acquisitions, offset by lower than planned equity funded asset acquisitions.
28. The decrease is from lower equity funded asset acquisitions which has an offset in payments for non-financial assets.

Major variations between 2015-16 Budget and 2016-17 Budget include:

29. The increase is the cash impact of the variations outlined in Note 6.
30. The budget to budget increase is the cash impact for employee expenses includes $69 million of employee wage settlement increases during 2015-16 plus additional wage settlement funding of $32 million for 2016-17 with other increases from increased services funding received in 2015-16 less any non-recurrent staffing costs.
31. The increase is the cash impact of the variations outlined in Note 9.
32. The increase relates to GST paid to ATO previously included in the supplies budget.
33. The decrease is mainly due to the Health Technology Program budget allocation over two years where the funding portion for 2016-17 is less by $14 million compared to 2015-16.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

34. The increase is the cash impact of the funding adjustments outlined in Note 6.
35. The increase is the cash impact of the variations outlined in note 13 and the $10 million reduction in payables.
36. The decrease is due to the Health Technology Program budget apportionment over two years as outlined in Note 32 and completion of equity funded projects in 2015-16.
37. The decrease is due to the Health Technology Program budget apportionment over two years as outlined in Note 32 and completion of equity funded projects in 2015-16.

North West Hospital and Health Service

Overview

The 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 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:

- Burketown Health Centre
- Camooweal Health Centre
- Cloncurry Hospital
- Dajarra Hospital
- Doomadgee Hospital
- Julia Creek Hospital
- Karumba Hospital
- Mornington Island Primary Health Care Centre
- McKinlay Shire Multi Purpose Health Service
- Mount Isa Hospital
- Normanton Hospital

Due to the distances between North West HHS facilities and some communities within the area of responsibility, a number of service agreements exist with adjoining HHSs to provide services to 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.

North West HHS has five strategic priorities, each mapped to service objectives, as outlined below:

Strategic Priority	Objective
• Safe, quality service delivery through continuous improvement	• We will provide excellent quality, evidence-based and safe services that are well coordinated, efficient and sustainable
• A highly skilled, motivated and engaged workforce which continually strives to improve patient care and HHS performance	• We will support and develop our people to perform at their best
• Strong partnerships which build better integrated and streamlined services	• We will work with our service partners and local communities to ensure access to health services across the spectrum with a focus on identified regional priorities
• An environment that supports innovation, technology and research	• We will support innovative thinking and ideas that support us to achieve our vision
• An accountable, responsible and stable HHS	• We will effectively meet our statutory requirements through good governance principles.

Service summary

The North West HHS has an operating budget of $156.3 million for 2016-17 which is an increase of $7.5 million (five per cent) from the published 2015-16 operating budget of $148.8 million.

The Service Agreement between the North West HHS and the department 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.

North West HHS made considerable achievements against its strategic objectives in 2015-16 including:

- achieving the Queensland Emergency Access Target with 90 per cent of patients treated and discharged within four hours

- successful roll out of community mental healthcare packages
- employment of the highest number of nurse practitioners in Queensland across a variety of clinical specialty areas, including renal, heart failure, cardiac, emergency department, maternal and child health, as well as five rural and remote nurse practitioners.

North West HHS has identified key initiatives to support its strategic objectives. The following key initiatives will be a focus for 2016-17:

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

Service performance

Performance statement

North West Hospital and Health Service

Service area objective

To deliver public hospital and health services for the North West Queensland community.

Service area description

The North West 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.

North West Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	98%	80%
• Category 3 (within 30 minutes)		75%	90%	75%
• Category 4 (within 60 minutes)		70%	83%	70%
• Category 5 (within 120 minutes)		70%	93%	70%
• All categories		..	87%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	90%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	90%	>98%
• Category 2 (90 days)		>95%	84%	>95%
• Category 3 (365 days)		>95%	95%	>95%

North West Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	2	<2
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		..	36%	40%
• Category 2 (90 days)		..	70%	70%
• Category 3 (365 days)		..	90%	90%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	15	20
Median wait time for elective surgery (days)	4	25	54	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	7	$5,306	$6,556	$5,707
Other measures Total weighted activity units:	8, 9			
• Acute Inpatient		6,862	7,335	..
• Outpatients		4,571	2,436	..
• Sub-acute		318	394	..
• Emergency Department		4,796	4,479	..
• Mental Health		94	30	..
• Interventions and Procedures		479	344	..
Ambulatory mental health service contact duration (hours)	10	>7,223	5,507	>8,133

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
7. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.

8. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
9. The North West HHS is progressing a strategic initiative to increase focus on outcomes, as opposed to the achievement of outputs as measured by QWAU. The region of North West Queensland has high instance of burden of disease associated with chronic illness, and other social determinants of health. This change management has progressed with the establishment of the Western Queensland Primary Health Network in 2015-16, and the increased engagement with all service providers in North West Queensland will result in an improvement in effectiveness, demonstrated by improvements in outcome indicators for health. These indicators have not been finalised at the time of writing of this report.
10. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target is considered aspirational for some HHSs due to a range of issues including the presence of tertiary and support services and under-reporting due to the heavy reliance upon clinician documentation and direct entry into the clinical information system. Significant investment has been made to address the under-reporting and improve functionality and work flow to facilitate entry and use of the system. This investment is complemented by accessibility of resources and the Clinical Improvement Team who support services to value and utilise the information at multiple levels within their service.

Staffing[1, 2]

North West Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
North West Hospital and Health Service	3, 4, 5	651	660	669

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect new positions for programs including Nurse Navigators and Mental Health.
5. Increases in FTEs for the 2016-17 Budget reflects positions that are currently vacant and have locum cover, however, it is anticipated they will be permanently recruited in the new year.

Income statement

North West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees		145,211	149,206	152,483
Grants and other contributions	1,5	3,367	2,726	2,726
Interest		16	21	21
Other revenue		207	1,046	1,046
Gains on sale/revaluation of assets		..	1	1
Total income		**148,801**	**153,000**	**156,277**
EXPENSES				
Employee expenses	2	74,624	83,130	80,992
Supplies and Services:	3,6			
Other supplies and services		64,953	68,661	66,730
Department of Health contract staff		..	..	..
Grants and subsidies		..	..	..
Depreciation and amortisation		8,498	7,956	8,152
Finance/borrowing costs		..	..	..
Other expenses	7	622	701	150
Losses on sale/revaluation of assets		104	334	253
Total expenses		**148,801**	**160,782**	**156,277**
OPERATING SURPLUS/(DEFICIT)	**4**	**..**	**(7,782)**	**..**

Balance sheet

North West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	8,13	7,260	(1,163)	(868)
Receivables	9,14	4,264	841	855
Other financial assets		..	..	..
Inventories	10,15	526	1,014	1,025
Other		26	(1)	(2)
Non-financial assets held for sale		..	..	..
Total current assets		**12,076**	**691**	**1,010**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	11,16	142,818	114,426	119,556
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**142,818**	**114,426**	**119,556**
TOTAL ASSETS		**154,894**	**115,117**	**120,566**
CURRENT LIABILITIES				
Payables		9,418	8,309	8,628
Accrued employee benefits		50	51	51
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	559	559
Total current liabilities		**9,468**	**8,919**	**9,238**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**9,468**	**8,919**	**9,238**
NET ASSETS/(LIABILITIES)		**145,426**	**106,198**	**111,328**
EQUITY				
TOTAL EQUITY	12,17	**145,426**	**106,198**	**111,328**

Cash flow statement

North West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		145,160	150,086	152,284
Grants and other contributions	18,22	3,367	2,726	2,726
Interest received		16	21	21
Other		4,438	5,277	5,277
Outflows:				
Employee costs	19	(74,624)	(85,598)	(80,992)
Supplies and services		(71,998)	(71,931)	(70,720)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	23,24	(622)	(701)	(150)
Net cash provided by or used in operating activities		**5,737**	**(120)**	**8,446**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	1	1
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	20	(1,498)	(14,524)	(1,218)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(1,498)**	**(14,523)**	**(1,217)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	21,25	1,498	13,589	1,218
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(8,498)	(7,956)	(8,152)
Net cash provided by or used in financing activities		**(7,000)**	**5,633**	**(6,934)**
Net increase/(decrease) in cash held		**(2,761)**	**(9,010)**	**295**
Cash at the beginning of financial year		**10,021**	**7,847**	**(1,163)**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**7,260**	**(1,163)**	**(868)**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The decrease is due to the reclassification of funding for the Multi-purpose health service.
2. The increase is due to enterprise bargaining agreements including the major additional cost of the translation to the Medical Officer Certified Agreement 4 contracts for Medical Professionals.
3. The increase relates to the increased cost of services to North West Hospital and Health Service. Mainly, this increase is due to the external radiology services provided to North West Hospital and Health Service.
4. The 2015-16 deficit is primarily due to funding reduction due to inability to meet purchased activity due to decreased demand to meet activity targets and increased costs relating to changes in Medical Contracts and Certified Agreements.

Major variations between 2015-16 Budget and 2016-17 Budget include:

5. The decrease is due to the reclassification of funding for the Multi-purpose health service.
6. The increase relates to the increased cost of services to North West Hospital and Health Service. Mainly, this increase is due to the external radiology services provided to North West Hospital and Health Service.
7. The decrease is due to anticipated cost savings as a result of efficiency strategies implemented late in 2015-16.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

8. The decrease is caused by the forecast deficit for North West Hospital and Health Service, unpredicted at the onset of the financial year. Drivers of the deficit include funding reduction due to inability to meet purchased activity due to decreased demand to meet activity targets and increased costs relating to changes in Medical Contracts and Certified agreements.
9. The decrease relates to increased efficiency in receivables collection.
10. The increase relates to the impact of improved stocktake measures and revised treatment of stock on hand treatment in accordance with accounting standards.
11. The decrease relates to revised scheduling of the transfer of property, plant and equipment by the department in line with the Capital Acquisition Plan.
12. The decrease is caused by the forecast deficit for North West Hospital and Health Service, unpredicted at the start of the financial year.

Major variations between 2015-16 Budget and 2016-17 Budget include:

13. The decrease relates to the forecast deficit for 2015-16, in comparison to the balanced budget predicted for 2016-17.
14. The decrease relates to increased efficiency in receivables collection.
15. The decrease relates to the impact of improved stocktake measures and revised treatment of stock on hand treatment in accordance with accounting standards.
16. Movement relates to opening balances following the finalisation of the 2014-15 financial statements.
17. The decrease relates to the forecast deficit for 2015-16, in comparison to the balanced budget predicted for 2016-17.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

18. The decrease is due to the reclassification of funding for the Multi-purpose health service provided by North West Hospital and Health Service.

19. The increase is due to enterprise bargaining agreements including the major additional cost of the translation to the Medical Officer Certified Agreement 4 contracts for Medical Professionals.
20. The increase is caused by the investment in the Mount Isa Campus Redevelopment.
21. The increase is caused by funding received for the Mount Isa Campus Redevelopment.

Major variations between 2015-16 Budget and 2016-17 Budget include:

22. The decrease is due to the reclassification of funding for the Multi purpose health service.

23. The decrease is due to anticipated cost savings as a result of efficiency strategies implemented late in 2015-16.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

24. The decrease is due to anticipated cost savings as a result of efficiency strategies implemented late in 2015-16.
25. The decrease is due to non-current capital funding received in 2015-16 for the for the Mount Isa Campus Redevelopment capital project.

South West Hospital and Health Service

Overview

The 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 approximately 26,000 residing over 319,000 square kilometres including the three main centres, Roma, Charleville and St George, and the surrounding areas of Augathella, Bollon, 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 (MPHSs), two aged care facilities and other health facilities including:

- Augathella MPHS
- Bollon Community Clinic
- 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

Service summary

The South West HHS has an operating budget of $135.8 million for 2016-17 which is an increase of $8.9 million (7 per cent) from the published 2015-16 operating budget of $126.9 million.

The South West HHS contributes to the Queensland Government's objectives for the community to deliver quality frontline services including strengthening the public health system and building safe, caring and connected communities.

Key strategic directions for South West HHS include:

Strengthening the workforce through implementing:

- Nursing Recognition Program
- nurse navigator roles across the HHS
- participation in the Queensland Health Emerging Clinical Leaders Course
- Aboriginal and Torres Strait Islander Liaison Roles for Roma, Charleville and St George
- Learning on Line Program.

Greater investment in Preventative Health through implementing:

- an Integrated Health System via strategic partnerships with the primary health care sector
- HOPE (Harmony Opportunity Potential and Empowerment) Projects for Cunnamulla and Charleville
- integrated primary care centre services in Cunnamulla between South West HHS and Cunnamulla Aboriginal Corporation for health
- Tele-Stroke model of care at Roma Hospital
- a Paediatric Development model of care in partnership with the Lady Cilento Children's Hospital.

Improving Patient Safety through progressing:

- planning works for essential upgrades to Roma Hospital
- new public surgical services of ophthalmology, urology and orthopaedics.

Service performance

Performance statement

South West Hospital and Health Service

Service area objective

To deliver public hospital and health services for the South West Queensland community.

Service area description

The South West 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.

South West Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		New measure	94%	100%
• Category 2 (within 10 minutes)		New measure	92%	80%
• Category 3 (within 30 minutes)		New measure	92%	75%
• Category 4 (within 60 minutes)		New measure	94%	70%
• Category 5 (within 120 minutes)		New measure	99%	70%
• All categories		New measure	95%	..
Median wait time for treatment in emergency departments (minutes)	1, 2	New measure	5	20
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		New measure	85%	>98%
• Category 2 (90 days)		New measure	93%	>95%
• Category 3 (365 days)		New measure	99%	>95%
Median wait time for elective surgery (days)	4	New measure	55	25
Percentage or emergency department attendances who depart within 4 hours of their arrival in the department	1, 2	New measure	97%	>80%
Other measures Total weighted activity units:	5			
• Acute Inpatient		5,017	6,563	4,676
• Outpatients		1,240	1,503	1,487
• Sub-acute		457	2,179	618
• Emergency Department		2,630	3,123	2,730

South West Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Mental Health		127	133	131
• Interventions and Procedures		141	172	137
Ambulatory mental health service contact duration (hours)	6	>4,842	5,356	>5,410

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. South West Hospital and Health Service (Charleville, Roma & St George Hospitals) is now in scope for elective surgery reporting from 2015-16.
5. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
6. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

South West Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
South West Hospital and Health Service	3, 4, 5	689	693	722

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. The 2016-17 Budget reflects the first stage of the internal budget process for FTEs at this point in the HHS budget cycle. This will be reviewed internally and may change due to updates with the 2016-17 Service Agreement with the department throughout the financial year.
5. The increase of four FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual was made in the Window adjustment process during the 2015-16 financial year.

Income statement

South West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,6,11	114,797	123,205	127,952
Grants and other contributions	2,7	11,710	7,972	7,532
Interest		19	16	16
Other revenue		358	274	277
Gains on sale/revaluation of assets		..	..	..
Total income		**126,884**	**131,467**	**135,777**
EXPENSES				
Employee expenses		7,388	7,931	8,118
Supplies and Services:				
Other supplies and services	3,8,12	45,883	48,106	49,632
Department of Health contract staff	4,9,13	66,930	67,572	70,544
Grants and subsidies		..	49	..
Depreciation and amortisation	5,10	5,595	6,536	6,319
Finance/borrowing costs		..	..	..
Other expenses		1,045	1,095	1,094
Losses on sale/revaluation of assets		43	178	70
Total expenses		**126,884**	**131,467**	**135,777**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

South West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets		13,202	15,864	16,076
Receivables		1,027	1,079	1,109
Other financial assets		..	..	..
Inventories		637	689	693
Other		183	8	10
Non-financial assets held for sale		..	..	..
Total current assets		**15,049**	**17,640**	**17,888**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14,15,16	88,658	103,171	101,712
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**88,658**	**103,171**	**101,712**
TOTAL ASSETS		**103,707**	**120,811**	**119,600**
CURRENT LIABILITIES				
Payables		8,991	9,391	9,691
Accrued employee benefits		13	211	211
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		51	46	46
Total current liabilities		**9,055**	**9,648**	**9,948**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**9,055**	**9,648**	**9,948**
NET ASSETS/(LIABILITIES)		**94,652**	**111,163**	**109,652**
EQUITY				
TOTAL EQUITY		**94,652**	**111,163**	**109,652**

Cash flow statement

South West Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	17,23,27	114,761	123,920	127,898
Grants and other contributions	18,24	11,658	7,959	7,532
Interest received		19	16	16
Other		5,053	4,969	4,972
Outflows:				
Employee costs		(7,388)	(7,881)	(8,118)
Supplies and services	19,25,28	(120,358)	(120,976)	(124,675)
Grants and subsidies		..	(49)	..
Borrowing costs		..	..	..
Other		(1,045)	(1,095)	(1,094)
Net cash provided by or used in operating activities		**2,700**	**6,863**	**6,531**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	(55)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	20,29	(1,586)	(4,175)	(1,465)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(1,586)**	**(4,230)**	**(1,465)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	21,30	1,586	4,175	1,465
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	22,26	(5,595)	(6,536)	(6,319)
Net cash provided by or used in financing activities		**(4,009)**	**(2,361)**	**(4,854)**
Net increase/(decrease) in cash held		**(2,895)**	**272**	**212**
Cash at the beginning of financial year		**16,097**	**15,592**	**15,864**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**13,202**	**15,864**	**16,076**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase is due to the reclassification of Multi-purpose Health Service funding from grants, amendments to the Service Agreement between South West Hospital and Health Service and the department and depreciation funding.
2. The decrease is due to the reclassification of Multi-purpose Health Service funding to user charges.
3. The increase is due to higher payments for locum doctors and supplies and services, partly offset by lower building lease rentals and capitalisation of Charleville nurses quarters and Cunnamulla laundry under the backlog maintenance program.
4. The increase is due to enterprise bargaining agreements, Graduate Nurse and Midwifery Initiative and the Hope Initiative.
5. The increase in depreciation is due to adjustments for changes in asset valuations and additional assets capitalised in 2015-16.

Major variations between 2015-16 Budget and 2016-17 Budget include:

6. The increase is due to the reclassification of Multi-purpose Health Service funding from grants, amendments to the Service Agreement between South West Hospital and Health Service and the department and depreciation funding.
7. The decrease is due to the reclassification of Multi-purpose Health Service funding to user charges.
8. The increase is due to higher payments for locum doctors and supplies and services, partly offset by lower building lease rentals and capitalisation of Charleville nurses quarters and Cunnamulla laundry under the backlog maintenance program.
9. The increase is due to enterprise bargaining agreements, Graduate Nurse and Midwifery Initiative and the Hope Initiative.
10. The increase in depreciation is due to adjustments for changes in asset valuations and additional assets capitalised in 2015-16.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

11. The increase is mainly due to amendments to the Service Agreement between South West Hospital and Health Service and the department.
12. The increase is due to higher payments for locum doctors and supplies and services, partly offset by lower building lease rentals.
13. The increase is due to enterprise bargaining agreements, Graduate Nurse and Midwifery Initiative and the Hope Initiative.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

14. This increase reflects the impact of 2014-15 revaluations on building asset values, commissioning of assets under the Priority Capital Program and Rural and Remote Infrastructure Rectification Works and construction of new nurses quarters in Charleville and a new laundry in Cunnamulla under the backlog maintenance program.

Major variations between 2015-16 Budget and 2016-17 Budget include:

15. This increase reflects the impact of 2014-15 revaluations on building asset values, commissioning of assets under the Priority Capital Program, Rural and Remote Infrastructure Rectification Works, Roma medical block structural repairs and construction of new nurses quarters in Charleville and a new laundry in Cunnamulla under the backlog maintenance program.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

16. The decrease reflects depreciation of assets offset by commissioning of assets under Priority Capital Program and Roma medical block structural repairs and purchase of assets under the minor capital works program.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

17. The increase is due to the reclassification of Multi-purpose Health Service funding from grants in 2015-16, amendments to the Service Agreement between South West Hospital and Health Service and the department and depreciation funding.
18. This decrease is due to the reclassification of Multi-purpose Health Service funding to user charges in 2015-16.
19. The increase is due to enterprise bargaining agreements, Graduate Nurse and Midwifery Initiative and the Hope Initiative as well as increased payments to locum doctors.
20. The increase is due to construction of new nurse's quarters in Charleville and a new laundry in Cunnamulla under the backlog maintenance program.
21. This increase reflects equity funding of capital acquisitions outlined above.
22. This increased equity withdrawal represents the return of additional deprecation funding (as detailed in the Income Statement).

Major variations between 2015-16 Budget and 2016-17 Budget include:

23. The increase is due to the reclassification of Multi-purpose Health Service funding from grants in 2015-16, amendments to the Service Agreement between South West Hospital and Health Service and the department and depreciation funding.
24. This decrease is due to the reclassification of Multi-purpose Health Service funding to user charges in 2015-16.
25. The increase is due to enterprise bargaining agreements, Graduate Nurse and Midwifery Initiative and the Hope Initiative as well as increased payments to locum doctors.
26. This increased equity withdrawal represents the return of additional deprecation funding (as detailed in the Income Statement).

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

27. The increase is mainly due to amendments to the Service Agreement between South West Hospital and Health Service and the department.
28. The increase is due to enterprise bargaining agreements, Graduate Nurse and Midwifery Initiative and the Hope Initiative as well as increased payments to locum doctors.
29. The decrease is due to no capitalised backlog maintenance being budgeted for 2016-17, therefore this reflects only the regular minor capital works program.
30. The decrease is due to no capitalised backlog maintenance being budgeted for 2016-17, therefore this reflects only the regular minor capital works program.

Sunshine Coast Hospital and Health Service

Overview

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

Public patients also have access to care at Noosa Hospital and the Sunshine Coast University Private Hospital under contractual arrangements.

The commissioning of the new Sunshine Coast University Hospital (SCUH) in 2017 will be the catalyst for the introduction of not only new services but innovation within our current services. The Sunshine Coast Hospital and Health Board is determined that the successful opening of the SCUH will occur in the context of integrated provision of health services across the Sunshine Coast HHS.

The Sunshine Coast HHS is committed to delivering the highest standards of safe, accessible, evidenced based healthcare with a highly skilled and valued workforce that optimises the wellbeing of our community.

The health status of the population within the Sunshine Coast HHS geographic area is influenced by diverse factors including the socio-demographic characteristics of our population, for example, rapid population growth and a high proportion of older people, greater burden of disease, in particular an increase in chronic diseases across all ages, which all require suitable models of care to effectively manage.

The Sunshine Coast HHS has aligned its future planning to the four objectives the Queensland Government has for the community: creating jobs and a diverse economy; delivering quality frontline services; protecting the environment; and building safe, caring and connected communities.

This will be achieved through:

- realising the benefits of building and commissioning of the $1.872 billion SCUH
- enhancing research and academic initiatives including the establishment of the Sunshine Coast Health Institute, a skills, academic and research centre in partnership with two universities and TAFE Queensland
- developing and implementing models of care/service models that include workforce innovation, service redesign and new technologies to improve access, safety and consistent care across all Sunshine Coast HHS services and locations
- engaging and involving staff and the community in the planning and preparing for the expanded range of services that will be provided following the opening of the SCUH.

Service summary

The Sunshine Coast HHS has an operating budget of $996.8 million for 2016-17 which is an increase of $244.1 million (32.4 per cent) from the published 2015-16 operating budget of $752.7 million.

Construction of the SCUH is well advanced with the hospital scheduled to open in April 2017, with approximately 450 beds, and increasing to its built capacity of 738 beds by 2021. The hospital will offer a range of new and expanded health services. When fully commissioned, this will mean an estimated 10,000 patients who currently have to access services in Brisbane will receive their care locally.

Caloundra Health Service and Nambour General Hospital will undergo redevelopments after the opening of the SCUH in order to make them fit for purpose for their future roles. The Gympie Hospital will continue to provide services to its local community and has been at the forefront of the expanded use of telehealth within the Sunshine Coast HHS.

Service performance

Performance statement

Sunshine Coast Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Sunshine Coast community.

Service area description

The Sunshine Coast 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.

Sunshine Coast Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	80%	80%
• Category 3 (within 30 minutes)		75%	63%	75%
• Category 4 (within 60 minutes)		70%	66%	70%
• Category 5 (within 120 minutes)		70%	86%	70%
• All categories		..	68%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	77%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	95%	>98%
• Category 2 (90 days)		>95%	96%	>95%
• Category 3 (365 days)		>95%	99%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.4	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	62.9%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	9%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			

Sunshine Coast Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• Category 1 (30 days)		..	80%	80%
• Category 2 (90 days)		..	55%	55%
• Category 3 (365 days)		..	71%	70%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	21	20
Median wait time for elective surgery (days)	4	25	28	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,689	$4,838	$5,231
Other measures Total weighted activity units:	10			
• Acute Inpatient		69,630	72,797	73,926
• Outpatients		12,888	13,040	14,499
• Sub-acute		5,471	4,381	7,411
• Emergency Department		15,304	14,908	17,401
• Mental Health		8,403	7,376	8,511
• Interventions and Procedures		11,380	11,170	12,836
Ambulatory mental health service contact duration (hours)	11	>64,500	67,109	>67,780

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category targets 2015-16 are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Whilst overall Queensland has made significant progress in improving the rate of community follow up over the past five years, the department continues to work with HHSs regarding improvements in this area.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Sunshine Coast Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Sunshine Coast Hospital and Health Service	3, 4, 5	3,868	4,346	5,700

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect additional employees funded under amendments to the 2015-16 Service Agreement between the HHS and the department in addition with higher than expected demand including growth in sub specialty services.
5. Increases in FTEs from the 2015-16 Estimated Actual to the 2016-17 Budget reflect additional employees required for the start-up of the new SCUH in April 2017.

Income statement

Sunshine Coast Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,5,12	733,718	768,374	976,283
Grants and other contributions		14,205	12,748	12,966
Interest		135	99	102
Other revenue	2,6	4,640	1,360	1,407
Gains on sale/revaluation of assets		..	..	..
Total income		**752,698**	**782,581**	**990,758**
EXPENSES				
Employee expenses	3,7,13	468,478	503,439	637,185
Supplies and Services:				
Other supplies and services	8,14	260,844	261,844	294,980
Department of Health contract staff		..	..	..
Grants and subsidies		..	107	120
Depreciation and amortisation	9,15	21,652	21,907	46,534
Finance/borrowing costs	10,16	..	..	13,091
Other expenses		1,394	1,399	3,718
Losses on sale/revaluation of assets		330	985	1,130
Total expenses		**752,698**	**789,681**	**996,758**
OPERATING SURPLUS/(DEFICIT)	**4,11**	**..**	**(7,100)**	**(6,000)**

Balance sheet

Sunshine Coast Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	17,22,28	40,489	87,306	60,078
Receivables		14,358	12,466	12,831
Other financial assets		..	..	..
Inventories		4,229	4,229	4,335
Other		465	464	504
Non-financial assets held for sale		..	..	..
Total current assets		**59,541**	**104,465**	**77,748**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	23,29	285,598	284,748	1,493,647
Intangibles	18,24,30	..	21,838	44,512
Other		..	..	..
Total non-current assets		**285,598**	**306,586**	**1,538,159**
TOTAL ASSETS		**345,139**	**411,051**	**1,615,907**
CURRENT LIABILITIES				
Payables	19,25,31	33,991	41,356	37,884
Accrued employee benefits	20,26,32	15,933	19,160	23,709
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**49,924**	**60,516**	**61,593**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**49,924**	**60,516**	**61,593**
NET ASSETS/(LIABILITIES)		**295,215**	**350,535**	**1,554,314**
EQUITY				
TOTAL EQUITY	**21,27,33**	**295,215**	**350,535**	**1,554,314**

Cash flow statement

Sunshine Coast Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	34,38,44	733,199	780,689	975,004
Grants and other contributions		14,205	12,683	12,898
Interest received		135	99	102
Other		22,920	19,136	19,805
Outflows:				
Employee costs	35,39,45	(465,962)	(497,490)	(632,636)
Supplies and services	40,46	(278,416)	(280,309)	(316,895)
Grants and subsidies		..	(107)	(120)
Borrowing costs	41,47	..	..	(13,091)
Other		(1,394)	(1,821)	(3,828)
Net cash provided by or used in operating activities		**24,687**	**32,880**	**41,239**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		(80)	(136)	(139)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	36,42,48	(8,197)	(30,176)	(27,939)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(8,277)**	**(30,312)**	**(28,078)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	37,49	8,197	64,208	6,145
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	43,50	(21,652)	(21,907)	(46,534)
Net cash provided by or used in financing activities		**(13,455)**	**42,301**	**(40,389)**
Net increase/(decrease) in cash held		**2,955**	**44,869**	**(27,228)**
Cash at the beginning of financial year		**37,534**	**42,437**	**87,306**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**40,489**	**87,306**	**60,078**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase in user charges and fees relates to additional funding provided under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital, increases in service activity and enterprise bargaining agreements, and programs such as adult public dental services, the graduate nursing and midwifery initiative and the specialist outpatient department reduction strategy.
2. The decrease in other revenue relates to a reduction in expenditure reimbursements from the department under the Sunshine Coast University Hospital project.
3. The increase in employee expenses relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the transition to the new Sunshine Coast University Hospital, increased service activity, enterprise bargaining agreements, and programs such as the graduate nursing and midwifery initiative and the specialist outpatient department reduction strategy. The Sunshine Coast Hospital and Health Service is also forecasting higher than expected demand, including growth in sub speciality services, which has resulted in the appointment of a higher number of employees than originally budgeted. This additional expenditure will be funded from prior year surpluses.
4. An operating deficit is forecast in 2015-16 due to higher than expected demand for hospital services, including growth in sub specialty services, which has resulted in the appointment of a higher number of employees than originally budgeted. The deficit will be funded from cash reserves accumulated from operating surpluses in previous years.

Major variations between 2015-16 Budget and 2016-17 Budget include:

5. The increase in user charges and fees relates to additional funding provided under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.
6. The decrease in other revenue relates to a reduction in expenditure reimbursements from the department under the Sunshine Coast University Hospital project.
7. The increase in employee expenses relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.
8. The increase in other supplies and services relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017.
9. The increase in depreciation and amortisation represents the additional expense to be incurred following the completion of the construction of the Sunshine Coast University Hospital during 2016-17.
10. The increase in finance/borrowing costs relates to interest expense for Sunshine Coast University Hospital assets which are partially funded under a finance lease. The underlying finance lease liability is held by the department.
11. A deficit is forecast in 2016-17 as part of the service agreement between the Sunshine Coast Hospital and Health Service and the department to fund non-recurrent expenditure associated with the start-up of the new Sunshine Coast University Hospital. Similarly to the deficit reported in 2015-16, the deficit in 2016-17 will be funded from cash reserves accumulated from operating surpluses in previous years.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. The increase in user charges and fees relates to additional funding provided under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.
13. The increase in employee expenses relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.

14. The increase in other supplies and services relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017.

15. The increase in depreciation and amortisation represents the additional expense to be incurred following the completion of the construction of the Sunshine Coast University Hospital during 2016-17.

16. The increase in finance/borrowing costs relates to interest expense for Sunshine Coast University Hospital assets which are partially funded under a finance lease. The underlying finance lease liability is held by the department.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

17. The increase in cash assets relates to the unspent portion of capital funding (equity) received during 2015-16 for information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital. This funding was not forecast by the Sunshine Coast Hospital and Health Service at the time the 2015-16 Budget was set.

18. The increase in intangibles relates to capital expenditure on information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital. This expenditure was not forecast by the Sunshine Coast Hospital and Health Service at the time the 2015-16 Budget was set.

19. The increase in payables relates to the movement in the forecast timing of payment of expenditure at year end.

20. The increase in accrued employee benefits relates to the movement in the forecast timing of payment of expenditure at year end.

21. The increase in total equity relates to capital funding received during 2015-16 for information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital. This funding was not forecast by the Sunshine Coast Hospital and Health Service at the time the 2015-16 Budget was set.

Major variations between 2015-16 Budget and 2016-17 Budget include:

22. The increase in cash assets relates to the unspent portion of capital funding (equity) received during 2015-16 for information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital.

23. The increase in property, plant and equipment relates to the transfer of the Sunshine Coast University Hospital property, plant and equipment from the department to the Sunshine Coast Hospital and Health Service during 2016-17.

24. The increase in intangibles relates to capital expenditure on information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital.

25. The increase in payables relates to the movement in the forecast timing of payment of expenditure at year end.

26. The increase in accrued employee benefits relates to the movement in the forecast timing of payment of expenditure at year end.

27. The increase in total equity relates to capital funding allocated during 2015-16 for information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital and for the transfer of Sunshine Coast University Hospital property, plant and equipment from the departmentto the Sunshine Coast Hospital and Health Service during 2016-17.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

28. The decrease in cash assets relates to the spending of capital funding (equity) received during 2015-16 for information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital.

29. The increase in property, plant and equipment relates to the transfer of the Sunshine Coast University Hospital property, plant and equipment from the department to the Sunshine Coast Hospital and Health Service during 2016-17.

30. The increase in intangibles relates to capital expenditure on information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital.

31. The decrease in payables relates to the movement in the forecast timing of payment of expenditure at year end.

32. The increase in accrued employee benefits relates to the movement in the forecast timing of payment of expenditure at year end.

33. The increase in total equity relates to the transfer of Sunshine Coast University Hospital property, plant and equipment from the department to the Sunshine Coast Hospital and Health Service during 2016-17.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

34. The increase in user charges and fees relates to additional funding provided under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the transition to the Sunshine Coast University Hospital, increases in service activity and enterprise bargaining agreements, and programs such as adult public dental services, the graduate nursing and midwifery initiative and the specialist outpatient department reduction strategy. Also contributing to the increase was the receipt of 2014-15 funding from the department during 2015-16.

35. The increase in employee costs relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital, increased service activity, enterprise bargaining agreements, and programs such as the graduate nursing and midwifery initiative and the specialist outpatient department reduction strategy. The Sunshine Coast Hospital and Health Service is also forecasting higher than expected demand, including growth in sub speciality services, which has resulted in the appointment of a higher number of employees than originally budgeted. This additional expenditure will be funded from prior year surpluses.

36. The increase in payments for non-financial assets relates to capital expenditure on information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital. This expenditure was not forecast by the Sunshine Coast Hospital and Health Service at the time the 2015-16 Budget was set.

37. The increase in equity injections relates to capital funding received during 2015-16 for information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital. This funding was not forecast by the Sunshine Coast Hospital and Health Service at the time the 2015-16 Budget was set.

Major variations between 2015-16 Budget and 2016-17 Budget include:

38. The increase in user charges and fees relates to additional funding provided under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.

39. The increase in employee costs relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.

40. The increase in supplies and services relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017.

41. The increase in borrowing costs relates to interest expense for Sunshine Coast University Hospital assets which are partially funded under a finance lease. The underlying finance lease liability is held by the department.

42. The increase in payments for non-financial assets relates to capital expenditure on information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital.

43. The increase in equity withdrawals relates to a corresponding increase in depreciation expense due to completion of the construction of the Sunshine Coast University Hospital. Under current arrangements the funding received for depreciation expense is returned to the department as an equity withdrawal.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

44. The increase in user charges and fees relates to additional funding provided under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.

45. The increase in employee costs relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the departmentfor the start-up of the new Sunshine Coast University Hospital in April 2017 and the impact of enterprise bargaining agreements.

46. The increase in supplies and services relates to additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the department for the start-up of the new Sunshine Coast University Hospital in April 2017.

47. The increase in borrowing costs relates to interest expense for Sunshine Coast University Hospital assets which are partially funded under a finance lease. The underlying finance lease liability is held by the department.

48. The decrease in payments for non-financial assets relates to lower relative capital expenditure in 2016-17 compared to 2015-16 under the Health Technology Equipment Replacement program.

49. The decrease in equity injections is due to the receipt of lower relative funding in 2016-17 compared to 2015-16 for expenditure on non-financial assets. This is due to the receipt of a one-off injection of funding in 2015-16 for information and communications technology assets as part of the start-up of the new Sunshine Coast University Hospital which is forecast to be spent progressively over the 2015-16 to 2018-19 years.

50. The increase in equity withdrawals relates to a corresponding increase in depreciation expense due to completion of the construction of the Sunshine Coast University Hospital. Under current arrangements the funding received for depreciation expense is returned to the department as an equity withdrawal.

Torres and Cape Hospital and Health Service

Overview

The Torres and Cape Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The Torres and Cape HHS delivers health services to approximately 25,500 people across an area of close to 180,000 square kilometres, which includes 18 populated Torres Strait islands. Torres and Cape HHS is responsible for the direct management of the facilities and services within the HHS' geographical boundaries including:

- Aurukun Primary Health Care Centre
- Badu Island Primary Health Care Centre
- Bamaga Hospital
- Bamaga Primary Health Care Centre
- Coen Primary Health Care Centre
- Cooktown Multipurpose Health Service
- Hopevale Primary Health Care Centre
- Kowanyama Primary Health Care Centre
- Laura Primary Health Care Centre
- Lockhart River Primary Health Care Centre
- Mapoon Primary Health Care Centre
- Napranum Primary Health Care Centre
- Pormpuraaw Primary Health Care Centre
- Saibai Primary Health Care Centre
- Thursday Island Hospital
- Thursday Island Community Wellness Centre
- Thursday Island Primary Health Care Centre
- Weipa Integrated Health Service
- Wujal Wujal Primary Health Centre
- Yorke Island Primary Health Care Centre

Sixty-six per cent of the population in the region identify as Aboriginal and/or Torres Strait Islander. The health status of Aboriginal and Torres Strait Islander people is significantly poorer than that of other Queenslanders, and 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.

Torres and Cape HHS's overall strategic direction is to provide high quality health care delivering measurable improvements in the health of people in the communities of Torres Strait and Cape York. The Torres and Cape HHS continues to build organisational strength into the future with plans to improve performance on key issues such as service access and volumes, redevelopment and delivery of effective, culturally-appropriate models of care, workforce sustainability and financial management. In particular, Torres and Cape HHS is strengthening its nursing workforce through nurse navigator and graduate programs. Torres and Cape HHS also continues to work collaboratively with community representatives and groups, funders and other service providers to improve patient safety and build on current health services such as chronic disease prevention programs.

The strategic objectives of Torres and Cape HHS are to:

- consistently deliver safe, patient centred, culturally appropriate, responsive and innovative health care in partnership with Torres Strait, Northern Peninsula Area and Cape York communities
- grow partner relationships to enable integrated health service delivery
- maintain and develop a capable and competent workforce to meet current and future requirements
- deliver safe and accountable services through efficient, effective, responsible and innovative use of resources.

Service summary

The Torres and Cape HHS has an operating budget of $201.2 million for 2016-17 which is an increase of $21.6 million (12.1 per cent) from the published 2015-16 operating budget of $179.5 million.

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

Torres and Cape HHS's focus in 2015-16 was to pursue significant initiatives to expand on the strong foundation from its first year of operations. Priorities undertaken in 2015-16 include:

- birthing service re-established at the Cooktown Multipurpose Health Service after an absence of more than 11 years
- revitalisation and expansion of dental services in the Torres Strait Islands and Northern Peninsula Area

- commencing a renal dialysis service on Thursday Island
- commencing tele-chemotherapy programs at Cooktown, Weipa and Thursday Island
- transferring tuberculosis (TB) services for the Torres Strait and Cape York regions from Cairns and Hinterland HHS to local health service control from 1 January 2016
- additional planning to inform the future development of birthing and maternity services across the health service following the reintroduction of services in Cooktown.

Major projects for the Torres and Cape HHS in 2016-17 are delineated in the Service Agreement with the department. These include standards for safety and quality, access, efficiency and financial performance, and patient experience indicators. Other deliverables linked to specific funding commitments include:

- continuation of the Aboriginal and Torres Strait Islander Health Worker Training Project to enable health workers to register as Indigenous Health Practitioners
- implementation of an administration officer training program for the Southern Sector
- progression of the Thursday Island Master Planning Project
- continuation of the Integrated Electronic Health Project (Regional eHealth Project) in conjunction with Cairns and Hinterland HHS
- continuation of the four-year, $36.3 million Building Maintenance Remediation Program infrastructure works program already under way throughout the Torres and Cape HHS
- continued planning for the $6.3 million new primary health care facility at Aurukun
- commencement of an $11.3 million infrastructure upgrade program.

Service performance

Performance statement

Torres and Cape Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Torres and Cape community.

Service area description

The Torres and Cape HHS is responsible for providing a wide range of health services, including emergency care, general surgery, medical imaging, primary healthcare, chronic disease management, obstetric and birthing services, 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.

Torres and Cape Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		New measure	94%	100%
• Category 2 (within 10 minutes)		New measure	86%	80%
• Category 3 (within 30 minutes)		New measure	92%	75%
• Category 4 (within 60 minutes)		New measure	93%	70%
• Category 5 (within 120 minutes)		New measure	98%	70%

Torres and Cape Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
• All categories		New measure	95%	..
Median wait time for treatment in emergency departments (minutes)	1, 2	New measure	2	20
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		New measure	73%	>98%
• Category 2 (90 days)		New measure	95%	>95%
• Category 3 (365 days)		New measure	97%	>95%
Median wait time for elective surgery (days)	4	New measure	6	25
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	New measure	92%	>80%
Efficiency measures				
Other measures Total weighted activity units:	5			
• Acute Inpatient		4,020	4,415	4,761
• Outpatients		1,752	1,054	1,107
• Sub-acute		669	487	432
• Emergency Department		1,400	1,572	1,974
• Mental Health		115	92	87
• Interventions and Procedures		52	160	94
Ambulatory mental health service contact duration (hours)	6	>8,000	8,036	>8,116

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. Torres and Cape Hospital and Health Service (Cooktown, Thursday Island & Weipa Hospitals) is now in scope for elective surgery reporting from 2015-16.
5. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
6. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Torres and Cape Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Torres and Cape Hospital and Health Service	3, 4, 5	822	855	899

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect additional funding that was received through the Service Agreement process over the course of the year.
5. Increases in FTEs for the 2016-17 Budget reflect the additional funding to be received through the Service Agreement process over the course of the year and internal positions budgeted for as at the reporting date.

Income statement

Torres and Cape Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,8,16	170,496	180,009	189,304
Grants and other contributions	2,9,17	8,048	11,364	11,136
Interest	3,10	38	24	24
Other revenue	4,11	923	689	689
Gains on sale/revaluation of assets		..	..	..
Total income		**179,505**	**192,086**	**201,153**
EXPENSES				
Employee expenses	5,12,18	8,086	9,180	9,200
Supplies and Services:				
Other supplies and services		70,432	72,778	71,170
Department of Health contract staff	6,13,19	89,226	98,529	108,952
Grants and subsidies		..	..	..
Depreciation and amortisation	7,14,20	11,230	11,068	11,326
Finance/borrowing costs		..	..	..
Other expenses	15,21	526	526	500
Losses on sale/revaluation of assets		5	5	5
Total expenses		**179,505**	**192,086**	**201,153**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Torres and Cape Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	22,31,40	13,928	15,679	16,423
Receivables	23,32,41	(4,430)	2,731	2,897
Other financial assets		..	..	..
Inventories	24,33,42	400	561	568
Other	25,34	43	96	96
Non-financial assets held for sale		..	..	..
Total current assets		**9,941**	**19,067**	**19,984**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	26,35,43	211,994	205,150	212,278
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**211,994**	**205,150**	**212,278**
TOTAL ASSETS		**221,935**	**224,217**	**232,262**
CURRENT LIABILITIES				
Payables	27,36,44	11,369	8,883	9,204
Accrued employee benefits	28,37,45	18	1,208	1,804
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	29,38	680	1,426	1,426
Total current liabilities		**12,067**	**11,517**	**12,434**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**12,067**	**11,517**	**12,434**
NET ASSETS/(LIABILITIES)		**209,868**	**212,700**	**219,828**
EQUITY				
TOTAL EQUITY	**30,39,46**	**209,868**	**212,700**	**219,828**

Cash flow statement

Torres and Cape Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	47,59,72	170,351	179,864	189,140
Grants and other contributions	48,60,73	8,048	11,364	11,136
Interest received	49,61	38	24	24
Other	50,62	4,826	4,592	4,592
Outflows:				
Employee costs	51,63,74	(8,096)	(8,595)	(8,604)
Supplies and services	52,64	(166,865)	(178,514)	(183,718)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	65,75	(526)	(526)	(500)
Net cash provided by or used in operating activities		**7,776**	**8,209**	**12,070**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	53,66,76	(2,351)	(5,687)	(1,969)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(2,351)**	**(5,687)**	**(1,969)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	54,67,77	2,351	3,176	1,969
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	55,68,78	(11,230)	(11,068)	(11,326)
Net cash provided by or used in financing activities		**(8,879)**	**(7,892)**	**(9,357)**
Net increase/(decrease) in cash held	**56,69,79**	**(3,454)**	**(5,370)**	**744**
Cash at the beginning of financial year	**57,70,80**	**17,382**	**21,049**	**15,679**
Cash transfers from restructure		..	..	..
Cash at the end of financial year	**58,71,81**	**13,928**	**15,679**	**16,423**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Increase relates to increase in own source revenue and increased State funding through window adjustments relating to enterprise bargaining arrangements and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
2. Increase relates to increase in own source revenue targets.
3. Decrease relates to reduction of the account balance for general trust resulting in a reduction in interest income.
4. Decrease relates to reduction in revenue recovery associated with the rural generalist program.
5. Increase relates to permanent recruitment of vacant medical officer roles.
6. Increase relates to increase in own source revenue and increased State funding relating to enterprise bargaining arrangements and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
7. Decrease relates to retirement and relifing of assets based on revaluation reports.

Major variations between 2015-16 Budget and 2016-17 Budget include:

8. Increase relates to increase in own source revenue and increased state funding relating to enterprise bargaining arrangements and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
9. Increase relates to increase in own source revenue targets.
10. Decrease relates to reduction of the account balance for general trust resulting in a reduction in interest income.
11. Decrease relates to reduction in revenue recovery associated with the rural generalist program.
12. Increase relates to permanent recruitment of vacant medical officer roles.
13. Increase relates to increase in own source revenue and increased State funding relating to enterprise bargaining arrangements and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
14. Increase relates to capitalisation of additional asset items.
15. Decrease relates to expected reduction in consultancy expenses.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

16. Increase relates to increase in own source revenue and increased State funding through window adjustments relating to enterprise bargaining arrangements and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
17. Decrease relates to reduction of grants adjustment for one off items.
18. Increase relates to enterprise bargaining increases associated with employee expenses.
19. Increase relates to increase in own source revenue and increased State funding relating to enterprise bargaining arrangements and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
20. Increase relates to capitalisation of additional asset items.
21. Decrease relates to expected reduction in consultancy expenses.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

22. Increase relates to cash surpluses from new and rollover programs such as Backlog Maintenance Program and Tuberculosis Clinic.
23. Increase relates to a change in classification of revenue in advance.
24. Increase relates to additional inventory for new chemotherapy and maternity services.

25. Increase relates to additional prepayments, eg. leases and rates.
26. Decrease relates to adjustment for transfer of housing to Department of Housing and Public Works.
27. Decrease relates to settlement of payables and change in payable class due to a reclassification of Queensland Health employees as Torres and Cape Hospital and Health Service employees.
28. Increase relates to change in payable class due to a reclassification of Queensland Health employees as Torres and Cape Hospital and Health Service employees.
29. Increase relates to an expected increase in unearned revenue.
30. Increase relates to accumulated surpluses from 2014-15 financial performance.

Major variations between 2015-16 Budget and 2016-17 Budget include:

31. Increase relates to expected cash reserves from retained surplus position.
32. Increase relates to a change in classification of revenue in advance.
33. Increase relates to additional inventory for new chemotherapy and maternity services.
34. Increase relates to additional prepayments.
35. Increase relates to capitalisation of additional asset items.
36. Decrease relates to settlement of payables and change in payable class due to a reclassification of Queensland Health employees as Torres and Cape Hospital and Health Service employees.
37. Increase relates to change in payable class due to a reclassification of Queensland Health employees as Torres and Cape Hospital and Health Service employees.
38. Increase relates to an expected increase in unearned revenue.
39. Increase relates to asset revaluation surplus expected increase in value on conclusion of the Backlog Maintenance Program.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

40. Increase relates to expected added cash from retained surplus position.
41. Increase relates to expected increased billings linked to increased own source revenue.
42. Increase relates to inventory price increases.
43. Increase relates to capitalisation of Backlog maintenance related items.
44. Increase relates to additional payables related to deferrals and new programs.
45. Increase relates to change in payable class due to a reclassification of Queensland Health employees as Torres and Cape Hospital and Health Service employees.
46. Increase relates to asset revaluation surplus expected increase in value on conclusion of the Backlog Maintenance Program.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

47. Increase relates to increase in own source revenue and increased State funding through window adjustments relating to enterprise bargaining arrangements and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
48. Increase relates to increase in own source revenue targets.
49. Decrease relates to reduction of the account balance for general trust resulting in a reduction in interest income.
50. Decrease relates to reduction in revenue recovery associated with the rural generalist program.
51. Increase relates to permanent recruitment of vacant medical officer roles.
52. Increase relates to deferral of programs such as the Backlog Maintenance Program and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
53. Increase relates to increased minor capital expenditure.
54. Increase relates to increased minor capital expenditure.

55. Decrease relates to decrease in Health Technology Equipment Replacement Program purchases in the last year of the old program.
56. Decrease relates to increase minor capital expenditure.
57. Increase relates to surplus financial performance of 2014-15.
58. Increase relates to expected surplus financial performance.

Major variations between 2015-16 Budget and 2016-17 Budget include:

59. Increase relates to rollover of State funding for State-funded programs such as the Backlog Maintenance Program.
60. Increase relates to increase in own source revenue targets.
61. Decrease relates to reduction of the account balance for general trust resulting in a reduction in interest income.
62. Decrease relates to reduction in revenue recovery associated with the rural generalist program.
63. Increase relates to enterprise bargaining increases associated with employee expenses.
64. Increase relates to deferral of programs such as the Backlog Maintenance Program and new service programs such as the Primary Health Care Information Systems and Support Unit, Ice initiative and Tuberculosis Clinic.
65. Decrease relates to expected reduction in consultancy expenses.
66. Decrease relates to expected reduction of minor capital projects due to one off funding received.
67. Decrease relates to expected reduction of minor capital projects due to one off funding received.
68. Increase relates to increase in Health Technology Equipment Replacement Program purchases in the first year of a two year program.
69. Increase relates to expected reduction of minor capital projects due to one off funding received.
70. Decrease relates to expected expenditure of cash reserves on relevant programs such as Backlog Maintenance Program.
71. Increase relates to retained cash surpluses and current year expected surplus.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

72. Increase relates to deferral of state funding for State-funded programs such as the Backlog Maintenance Program.
73. Decrease relates to reduction of own source revenue target adjusting for one off items.
74. Increase relates to enterprise bargaining increases associated with employee expenses.
75. Decrease relates to expected reduction in consultancy expenses.
76. Decrease to expected reduction of minor capital projects due to one off funding received.
77. Decrease relates to expected reduction of minor capital projects due to one off funding received.
78. Increase relates to increase in Health Technology Equipment Replacement Program purchases in the first year of a two year program.
79. Increase relates to expected reduction of minor capital projects due to one off funding received.
80. Decrease relates to expected expenditure of cash reserves on relevant programs such as Backlog Maintenance Program.
81. Increase relates to retained cash surpluses.

Townsville Hospital and Health Service

Overview

The Townsville Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. Townsville 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 of North and Far North Queensland providing tertiary services to a population of approximately 670,000.

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

- Townsville Hospital
- Charters Towers Health Service
- Charters Towers Rehabilitation Unit
- Home Hill Health Service
- Joyce Palmer Health Service
- Magnetic Island Community Clinic
- Eventide Residential Aged Care Facility
- Josephine Sailor Adolescent Inpatient Unit and Day Service
- Ingham Health Service
- Richmond Health Service
- Ayr Health Service
- Cardwell Community Clinic
- Hughenden Multi-Purpose Health Service
- Kirwan Mental Health Rehabilitation Unit
- Parklands Residential Aged Care Facility
- Kirwan Health Campus

The Townsville HHS also provides community health services, including aged care assessment, Aboriginal and Torres Strait Islander health programs, child and maternal health services, offender health, alcohol and other drug health services, home care services, community health nursing, sexual health services, oral health and public health services.

The Townsville HHS contributes to the delivery of the Queensland Government's objectives for the community, specifically through the delivery of quality frontline health care services and contributing towards strengthening our public health system as a whole. Our contribution will focus on continually building health capacity and capability in our communities and to undertake initiatives designed to continually raise the quality of our frontline services.

The Townsville HHS delivers services through six strategic pillars:

- maintaining and developing an exceptional workforce
- working collaboratively
- embracing excellence and innovation
- providing safe, efficient, effective and sustainable services
- focusing on individual health outcomes
- building healthier communities.

Service summary

The Townsville HHS has an operating budget of $864.3 million for 2016-17 which is an increase of $59.7 million (7.4 per cent) from the published 2015-16 operating budget of $804.6 million.

During 2015-16, the Townsville HHS:

- officially opened the $334 million redevelopment of Townsville Hospital including the Townsville Cancer Centre, Pathology Queensland, South Ward Block, Clinical Services Support and the Townsville Sub-Acute Care Unit
- completed new staff accommodation on Palm Island
- maintained a high Queensland Emergency Access Target
- increased mosquito control efforts and testing for Zika Virus
- ensured that patient information from Mosaiq (cancer care database) and MetaVision (ICU database) is available in the electronic medical record
- reviewed and improved processes around treatments for people suffering from a fractured femur
- reduced the rate of discharge against medical advice and fail to attend for indigenous patients

- commissioned a refurbished renal unit on Palm Island
- commenced development of 10 year strategic directions for the Service
- received accreditation against the 44 Aged Care Standards for the Eventide Residential Aged Care Facility at Charters Towers.

In 2016-17 the HHS will:

- implement additional functionality of the electronic medical record including community health, maternity and emergency
- plan to commence birthing services in Ingham
- complete capital works projects such as redevelopment of the Townsville Medium Secure Mental Health Facility.

Service performance

Performance statement

Townsville Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Townsville community.

Service area description

The Townsville 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.

Townsville Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	83%	80%
• Category 3 (within 30 minutes)		75%	77%	75%
• Category 4 (within 60 minutes)		70%	82%	70%
• Category 5 (within 120 minutes)		70%	98%	70%
• All categories		..	83%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	87%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	99%	>98%
• Category 2 (90 days)		>95%	91%	>95%
• Category 3 (365 days)		>95%	97%	>95%

Townsville Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	1.8	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	74.2%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	16.5%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			
• Category 1 (30 days)		..	98%	98%
• Category 2 (90 days)		..	64%	65%
• Category 3 (365 days)		..	84%	85%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	10	20
Median wait time for elective surgery (days)	4	25	37	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,788	$4,686	$4,685
Other measures Total weighted activity units:	10			
• Acute Inpatient		72,780	70,803	73,495
• Outpatients		15,338	17,092	15,868
• Sub-acute		9,608	8,236	9,084
• Emergency Department		13,750	13,538	13,989
• Mental Health		10,395	14,444	9,734
• Interventions and Procedures		11,835	10,978	11,977
Ambulatory mental health service contact duration (hours)	11	>68,165	56,132	>68,647

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Queensland has made significant progress in improving the rate of community follow up over the past five years.

7. Whilst overall Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target, the department continues to work with HHSs regarding improvements in this area. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.
10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target is considered aspirational for some HHSs due to a range of issues including the presence of tertiary and support services and under-reporting due to the heavy reliance upon clinician documentation and direct entry into the clinical information system. Significant investment has been made to address the under-reporting and improve functionality and work flow to facilitate entry and use of the system. This investment is complemented by accessibility of resources and the Clinical Improvement Team who support services to value and utilise the information at multiple levels within their service.

Staffing[1, 2]

Townsville Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Townsville Hospital and Health Service	3, 4, 5	5,200	5,200	5,073

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. No movement in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual as the Townsville HHS establishment is in line with original forecast.
5. Decreases in FTEs for the 2016-17 Budget reflects a reduction in temporary staff associated to the Digital Hospital Project - Post Implementation of Phase 1 and 2.

Income statement

Townsville Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,5,9	779,437	820,226	840,564
Grants and other contributions		20,687	22,329	22,172
Interest		358	302	270
Other revenue		4,112	1,311	1,235
Gains on sale/revaluation of assets		..	67	20
Total income		**804,594**	**844,235**	**864,261**
EXPENSES				
Employee expenses	2,6,10	551,331	605,901	617,161
Supplies and Services:				
Other supplies and services		187,119	188,126	195,254
Department of Health contract staff		..	..	..
Grants and subsidies	3,7	8,695	4,082	4,082
Depreciation and amortisation	4,8,11	53,707	41,985	43,623
Finance/borrowing costs		..	..	..
Other expenses		1,596	1,995	1,923
Losses on sale/revaluation of assets		2,146	2,146	2,218
Total expenses		**804,594**	**844,235**	**864,261**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Townsville Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	12,17,23	66,271	72,308	74,047
Receivables	13,18	13,270	17,408	17,725
Other financial assets		..	..	..
Inventories		6,174	6,204	6,290
Other		531	575	634
Non-financial assets held for sale		..	..	..
Total current assets		**86,246**	**96,495**	**98,696**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14,19,24	1,113,825	786,838	795,706
Intangibles		120	243	243
Other		..	..	..
Total non-current assets		**1,113,945**	**787,081**	**795,949**
TOTAL ASSETS		**1,200,191**	**883,576**	**894,645**
CURRENT LIABILITIES				
Payables	20	34,747	35,026	37,227
Accrued employee benefits	15,21	17	16,030	16,030
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		630	1,212	1,212
Total current liabilities		**35,394**	**52,268**	**54,469**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**35,394**	**52,268**	**54,469**
NET ASSETS/(LIABILITIES)		**1,164,797**	**831,308**	**840,176**
EQUITY				
TOTAL EQUITY	**16,22,25**	**1,164,797**	**831,308**	**840,176**

Cash flow statement

Townsville Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	26,30,33	777,130	817,919	838,150
Grants and other contributions		20,687	22,329	22,172
Interest received		358	302	270
Other		20,063	17,262	17,186
Outflows:				
Employee costs	27,31,34	(551,331)	(605,901)	(617,161)
Supplies and services		(223,283)	(199,290)	(209,270)
Grants and subsidies	28,32	(8,695)	(4,082)	(4,082)
Borrowing costs		..	..	..
Other		(1,596)	(1,995)	(1,923)
Net cash provided by or used in operating activities		**33,333**	**46,544**	**45,342**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	67	20
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	29	(11,886)	(17,086)	(8,270)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(11,886)**	**(17,019)**	**(8,250)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		11,886	12,990	8,270
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(53,707)	(41,985)	(43,623)
Net cash provided by or used in financing activities		**(41,821)**	**(28,995)**	**(35,353)**
Net increase/(decrease) in cash held		**(20,374)**	**530**	**1,739**
Cash at the beginning of financial year		**86,645**	**71,778**	**72,308**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**66,271**	**72,308**	**74,047**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity and enterprise bargaining agreements.
2. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department for increases in service activity and enterprise bargaining agreements.
3. The decrease relates to a reduction in volume of grants approved.
4. The decrease relates to an overstatement of the 2015-16 Budget.

Major variations between 2015-16 Budget and 2016-17 Budget include:

5. The increase relates to additional funding provided through the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
6. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department for increases in service activity and enterprise bargaining agreements.
7. The decrease relates to a reduction in volume of grants approved.
8. The decrease relates to an overstatement of the 2015-16 Budget.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

9. The increase relates to additional funding provided through the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
10. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department for increases in service activity and enterprise bargaining agreements.
11. The increase relates to additional funding provided for the planned commissioning of new infrastructure and planned replacement of major clinical assets.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

12. The increase relates to the provision and timing of funds from the department to the Townsville Hospital and Health Service combined with the timing around settlement of current payables.
13. The increase is due to additional funding payable from the department to the Townsville Hospital and Health Service as a result of Window 3 and of financial year technical adjustments.
14. The decrease relates to asset revaluations and level of asset acquisition did not materialise.
15. The increase relates to the Townsville Hospital and Health Service becoming a prescribed employer and an increase in accrued salaries and wages.
16. The decrease relates to asset revaluations and level of asset acquisition did not materialise.

Major variations between 2015-16 Budget and 2016-17 Budget include:

17. The increase relates predominantly to the surplus generated in the 2014-2015 financial year.
18. The increase is due to additional funding payable from the department to the Townsville Hospital and Health Service as a result of Window 3 and of financial year technical adjustments.
19. The decrease relates to asset revaluations and level of asset acquisition did not materialise.
20. The increase relates to an increase in other supplies and services expenditure in 2016-17.

21. The increase relates to the Townsville Hospital and Health Service becoming a prescribed employer and an increase in accrued salaries and wages.

22. The decrease relates to asset revaluations and level of asset acquisition did not materialise.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

23. The increase relates to the improved cash flow.

24. The increase relates to the commissioning of non-current assets as a result of the annual revaluation program.

25. The increase relates to increases in the asset revaluation reserve due to the annual revaluation program and increases to contributed equity for the transfer of commissioned assets from the department.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

26. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.

27. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity and enterprise bargaining agreements.

28. The decrease relates a reduction in the number of grants allocated.

29. The increase relates to additional Townsville Hospital and Health Service contribution to capital program and prior year unspent minor capital funding.

Major variations between 2015-16 Budget and 2016-17 Budget include:

30. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.

31. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity and enterprise bargaining agreements.

32. The decrease relates a reduction in the number of grants allocated.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

33. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.

34. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service and the department. Additional funding is provided for increases in service activity and enterprise bargaining agreements.

West Moreton Hospital and Health Service

Overview

The West Moreton Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. 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 over approximately 252,000 people residing in a geographical area covering 9,521km which extends from Ipswich in the east, to Boonah in the south, north to Esk and west to Gatton.

West Moreton HHS will experience significant growth in the region with the population expected to increase to approximately 637,000 people by 2036. This equates to an increase in excess of 150 per cent on the current population, making West Moreton the fastest growing population in the State.

West Moreton is responsible for the direct management of the facilities within the health service's geographical boundaries including:

- Ipswich Hospital
- Boonah Health Service
- Esk Health Service
- Gatton Health Service
- Laidley Health Service
- The Park – Centre for Mental Health
- Goodna Community Health
- Ipswich Community Health
- Gailes Community Care Unit

West Moreton HHS also provides school-based primary oral health care services, community mental health services for all age groups and services for alcohol and other drug illnesses. Additionally, West Moreton HHS has a large range of responsibilities for prison health services and statewide services including the Queensland Centre for Mental Health Learning, the Queensland Centre for Mental Health Research and the Queensland Mental Health Benchmarking Unit.

In 2016-17, the West Moreton HHS's strategic objectives are to:

- provide excellence in patient and family centred care
- enable staff to be their best and give their best
- provide an agile, resilient health service that anticipates and responds to need
- provide excellence in healthcare delivered through innovation, research and lifelong learning
- be commercially astute
- implement integrated systems to transform the delivery of healthcare now and into the future.

West Moreton HHS's strategic objectives are aligned to the Queensland Government's objectives of delivering quality frontline services, particularly strengthening our public health system and providing responsive and integrated government services.

Service summary

West Moreton HHS has an operating budget of $512.3 million for 2016-17 which is an increase of $42.5 million (9 per cent) from the published 2015-16 operating budget of $469.8 million.

West Moreton HHS has identified the following key initiatives for 2016-17 to support achievement of its strategic objectives:

- define and embed patient and family centred care principles
- increase awareness about healthcare services available to the community and how they can be accessed
- implement systems that ensure patients and their families are supported to engage in their healthcare and make informed decisions
- strengthen clinical governance
- develop patient and family co-design models
- increase self-sufficiency and service capability in line with the healthcare needs of our community
- invest in new physical infrastructure to meet future population growth
- develop robust financial management systems to meet current and future healthcare needs with agility

- develop robust reporting platforms for day-to-day reporting efficiency and continuous improvement that supports informed decision making.

Service performance

Performance statement

West Moreton Hospital and Health Service

Service area objective

To deliver public hospital and health services for the West Moreton community.

Service area description

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.

West Moreton Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	99%	100%
• Category 2 (within 10 minutes)		80%	79%	80%
• Category 3 (within 30 minutes)		75%	41%	75%
• Category 4 (within 60 minutes)		70%	55%	70%
• Category 5 (within 120 minutes)		70%	84%	70%
• All categories		..	53%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	74%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	99%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.6	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	58.9%	>65%

West Moreton Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	2.3%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			
• Category 1 (30 days)		..	97%	98%
• Category 2 (90 days)		..	85%	85%
• Category 3 (365 days)		..	96%	95%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	33	20
Median wait time for elective surgery (days)	4	25	24	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$4,963	$4,758	$4,711
Other measures Total weighted activity units:	10			
• Acute Inpatient		36,442	35,908	39,652
• Outpatients		7,290	8,238	7,704
• Sub-acute		4,383	3,569	4,489
• Emergency Department		9,732	9,746	9,810
• Mental Health		15,166	45,746	7,204
• Interventions and Procedures		3,674	2,534	4,167
Ambulatory mental health service contact duration (hours)	11	>48,551	40,421	>52,691

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Whilst overall Queensland has made significant progress in improving the rate of community follow up over the past five years, the department continues to work with HHSs regarding improvements in this area.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimated as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19

Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.

10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10). The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target is considered aspirational for some HHSs due to a range of issues including the presence of tertiary and support services and under-reporting due to the heavy reliance upon clinician documentation and direct entry into the clinical information system. Significant investment has been made to address the under-reporting and improve functionality and work flow to facilitate entry and use of the system. This investment is complemented by accessibility of resources and the Clinical Improvement Team who support services to value and utilise the information at multiple levels within their service.

Staffing[1, 2]

West Moreton Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
West Moreton Hospital and Health Service	3, 4, 5	2,859	2,953	3,037

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflect the commissioning of new services and additional activity purchased from West Moreton HHS through the Service Agreement Amendment Windows.
5. Increases in FTEs for the 2016-17 Budget reflect Increase in FTEs for the commissioning of new services and additional activity purchased from West Moreton HHS through the Service Agreement Amendment Windows. FTE numbers have increased for various reasons including: the introduction of Nurse Navigators; nursing ratio implementation; increase in the nursing graduate intake; establishment of a Community Care Unit and Prison Mental Health Services; the reopening of the Borallon Training and Correctional Centre; and the introduction of the Senior Early Assessment Team in the Emergency Department.

Income statement

West Moreton Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,7,12	463,310	480,793	508,097
Grants and other contributions	2,8	5,851	3,273	3,409
Interest		31	30	31
Other revenue		558	710	728
Gains on sale/revaluation of assets		..	26	28
Total income		**469,750**	**484,832**	**512,293**
EXPENSES				
Employee expenses	3,9,13	355,384	366,541	393,448
Supplies and Services:				
Other supplies and services	4,10,14	94,228	102,076	99,439
Department of Health contract staff		..	..	..
Grants and subsidies		430	438	473
Depreciation and amortisation	11,15	16,684	16,458	15,241
Finance/borrowing costs		..	..	..
Other expenses	5,16	1,737	5,765	1,906
Losses on sale/revaluation of assets		1,287	1,654	1,786
Total expenses		**469,750**	**492,932**	**512,293**
OPERATING SURPLUS/(DEFICIT)	**6**	**..**	**(8,100)**	**..**

Balance sheet

West Moreton Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	17,25,33	41,242	54,637	52,438
Receivables	18,34	6,889	4,852	7,866
Other financial assets		..	..	..
Inventories		2,434	2,460	2,534
Other		845	493	751
Non-financial assets held for sale		..	..	..
Total current assets		**51,410**	**62,442**	**63,589**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	19,26,35	285,214	266,550	273,763
Intangibles	20,27,36	11	2,097	3,674
Other		..	..	..
Total non-current assets		**285,225**	**268,647**	**277,437**
TOTAL ASSETS		**336,635**	**331,089**	**341,026**
CURRENT LIABILITIES				
Payables	21,28,37	11,428	31,302	33,358
Accrued employee benefits		9,508	9,197	10,062
Interest bearing liabilities and derivatives		..	..	..
Provisions	29	620	1,500	2,000
Other		41	41	41
Total current liabilities		**21,597**	**42,040**	**45,461**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**21,597**	**42,040**	**45,461**
NET ASSETS/(LIABILITIES)		**315,038**	**289,049**	**295,565**
EQUITY				
TOTAL EQUITY	**3,24,31,30,32,38**	**315,038**	**289,049**	**295,565**

Cash flow statement

West Moreton Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	39,47,54	462,063	486,280	504,617
Grants and other contributions	40,48	5,851	3,273	3,409
Interest received		31	30	31
Other	41,55	10,069	8,572	10,632
Outflows:				
Employee costs	42,49,56	(356,555)	(367,022)	(392,583)
Supplies and services		(101,595)	(101,148)	(107,445)
Grants and subsidies		(430)	(438)	(473)
Borrowing costs		..	..	..
Other	43,57	(1,737)	(4,305)	(826)
Net cash provided by or used in operating activities		**17,697**	**25,242**	**17,362**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	44,50	181	2,360	3,033
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	45,51	(4,857)	(11,196)	(11,043)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(4,676)**	**(8,836)**	**(8,010)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	46,52,58	4,857	10,051	3,690
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	53,59	(16,955)	(16,458)	(15,241)
Net cash provided by or used in financing activities		**(12,098)**	**(6,407)**	**(11,551)**
Net increase/(decrease) in cash held		**923**	**9,999**	**(2,199)**
Cash at the beginning of financial year		**40,319**	**44,638**	**54,637**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**41,242**	**54,637**	**52,438**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding provided through the amendments to the Service Agreement between West Moreton Hospital and Health Service (HHS) and the department. Additional funding was provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
2. The decrease relates to the cessation of the Home and Community Care Service.
3. The increase relates to the additional full-time equivalents (FTEs) tied to additional funding provided through the Service Agreement for provision of new or additional services, therefore resulting in an increase in the provision of employee expenses including enterprise bargaining agreements.
4. The increase relates to additional funding received through Service Agreement amendments for increased or new services, ICT projects and Building Engineering and Maintenance initiatives.
5. The increase relates to legal costs.
6. The deficit in 2015-16 predominantly relates to operating expenditure and legal costs which are being met from prior year surplus.

Major variations between 2015-16 Budget and 2016-17 Budget include:

7. The increase relates to additional funding provided through the Service Agreement between West Moreton HHS and the department. Additional funding is provided for increases in service activity and enterprise bargaining agreements.
8. The decrease relates to the cessation of the Home and Community Care Service.
9. The increase relates to additional FTEs tied to additional funding provided through Service Agreement for provision of new or additional services, therefore resulting in an increase in the provision of employee expenses including enterprise bargaining agreements.
10. The increase relates to additional funding received through the Service Agreement amendments for increased or new services and the one off establishment costs for: the Community Care Unit, Borallon Training and Correctional Centre, Prison Health Services and ICT projects and Building Engineering and Maintenance initiatives funded through retained surplus.
11. The decrease relates to lower depreciation funding due to the declining net book value of assets.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. The increase relates to additional funding provided through amendments to the Service Agreement between West Moreton HHS and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and decrease in depreciation expense.
13. The increase mainly relates to additional expenditure associated with the increase in FTE numbers within West Moreton HHS and the enterprise bargaining arrangements. FTE numbers have increased for various reasons including: the introduction of nurse navigators; increase in nursing graduate intake; establishment of a Community Care Unit and Prison Mental Health Services; the reopening of the Borallon Training and Correctional Centre; and the introduction of the Senior Early Assessment Team in the Emergency Department.
14. The decrease relates to the one off establishment costs of the new services introduced in the prior year that will not be incurred in future years.
15. The decrease relates to lower depreciation funding due to the declining net book value of assets.
16. The decrease relates to legal costs.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

17. The decrease relates to the net movement in debtors and creditors offset by the expected deficit in 2015-16. The deficit in 2015-16 predominantly relates to operating expenditure from prior year retained earnings.
18. The decrease relates to lower expected debtors.

19. The decrease relates the one-off transfer of land and buildings to the department in 2015-16 and transfer of assets from property, plant and equipment to intangibles.
20. The increase relates the transfer of assets from property plant and equipment to intangibles.
21. The increase relates to higher expected creditors.
22. The decrease relates to the one-off transfer of land and buildings to the department in 2015-16.
23. The decrease predominantly relates to the forecast deficit for the year.
24. The decrease relates to lower than expected increases in fair value of land and buildings.

Major variations between 2015-16 Budget and 2016-17 Budget include:

25. The increase relates to the net movement in debtors and creditors offset by the expected deficit in 2015-16.
26. The decrease relates the one-off transfer of land and buildings to the department in 2015-16.
27. The increase relates the transfer of assets from property plant and equipment to intangibles.
28. The increase relates to higher expected creditors.
29. The increase relates to higher expected provisions.
30. The decrease predominantly relates to the forecast deficit for the current year.
31. The decrease relates the one-off transfer of land and buildings to the department in 2015-16.
32. The increase relates to the expected increase in fair value of land and buildings.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

33. The increase relates to the net movement in debtors and creditors offset by the expected deficit in 2015-16.
34. The increase relates to higher expected debtors.
35. The increase predominantly relates to the ongoing capital building works program, lift refurbishment and Mental Health Unit ward modernisation.
36. The Increase relates to ICT projects.
37. The increase relates to higher expected creditors.
38. The increase relates to the expected increases in fair value of land and buildings.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

39. The increase relates to the additional funding provided through amendments to the Service Agreement between West Moreton HHS and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
40. The decrease relates to the cessation of the Home and Community Care Service
41. The decrease relates to a lower than expected goods and services tax (GST) payable on purchases.
42. The increase relates to the additional FTEs tied to additional funding provided through the Service Agreement for the provision of new or additional services, therefore results in an increase in the provision of employee expenses including enterprise bargaining agreements.
43. The increase relates to legal costs.
44. The increase relates to additional disposals.
45. The increase predominantly relates to the ongoing capital building works program and Information, Communication and Technology projects.
46. The increase predominantly relates to a revenue to equity swap in relation to the capital building works program and the prisoner health medical records project.

Major variations between 2015-16 Budget and 2016-17 Budget include:

47. The increase relates to additional funding provided through the Service Agreement between West Moreton HHS and the department. Additional funding is provided for increases in service activity and enterprise bargaining.
48. The decrease relates to the cessation of the Home and Community Care Service.
49. The increase relates to the additional FTEs tied to additional funding provided through the Service Agreement for the provision of new or additional services, therefore results in an increase in the provision of employee expenses including enterprise bargaining agreements.
50. The increase relates to additional disposals.
51. The increase predominantly relates to the ongoing capital building works program and ICT projects.
52. The decrease relates to the expected lower expenditure under the Health Technology Equipment Replacement program in 2016-17.
53. The decrease relates to lower depreciation funding due to the declining net book value of assets.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

54. The increase relates to additional funding provided through the Service Agreement between West Moreton HHS and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and decrease in depreciation expense.
55. This increase relates to incremental increases in payment of GST.
56. The increase mainly relates to additional expenditure associated with the increase in FTE numbers within West Moreton HHS and the enterprise bargaining arrangements. FTE numbers have increased for various reasons including: the introduction of nurse navigators; increase in nursing graduate intake; establishment of a Community Care Unit and Prison Mental Health Services; the reopening of the Borallon Training and Correctional Centre; and the introduction of the Senior Early Assessment Team in the Emergency Department.
57. The decrease relates to legal costs.
58. The decrease predominantly relates to a revenue to equity swap in 2015-16 plus lower Health Technology Equipment Replacement expenditure expected in 2016-17.
59. The decrease relates to lower depreciation funding due to the declining net book value of assets.

Wide Bay Hospital and Health Service

Overview

The Wide Bay Hospital and Health Service (HHS) is an independent statutory body overseen by a local Hospital and Health Board. The Wide Bay HHS delivers health services to more than 221,000 people across 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 which incorporates the North Burnett, Bundaberg and Fraser Coast local government areas and part of Gladstone Regional Council (Miriam Vale).

The Wide Bay HHS is responsible for the direct management of the facilities and community health services based within the HHS's geographical boundaries including:

- 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

Wide Bay HHS's vision of improving health together, is strongly supported by our aspiration to be a provider of patient centred, high quality, innovative and cost effective healthcare by engaging with our community and developing our highly skilled workforce.

The detection of Legionella in the water supply in the Hervey Bay Hospital building resulted in the development of a Wide Bay HHS Public Health Water Quality and Risk Management Plan. Authorisation was given by the Chief Executive to use the Plan as the basis for a legislation of water quality in other Queensland Health facilities. Implementation of the Plan resulted in early detection of Legionella in the Hervey Bay Cancer Care building.

Coinciding with the completion of new Cancer Care and Oral Health Buildings in Hervey Bay and Bundaberg, the Wide Bay HHS's Cancer Care Strategic Plan 2015-2018 was released.

Service summary

The Wide Bay HHS has an operating budget of $524.5 million for 2016-17 which is an increase of $35.6 million (7.3 per cent) from the published 2015-16 operating budget of $488.9 million.

The Wide Bay HHS has made considerable achievements against its strategic objectives in 2015-16, the highlights of which include:

- installation of two new CT (Computed Tomography) scanners in Hervey Bay and Bundaberg to improve diagnostic capability and capacity
- achievement of the National Elective Surgery Target in all parts, including non-reportable diagnostic categories
- expansion of cardiology, radiation oncology and ophthalmology through public/private partnerships
- enhanced model of care supporting rural communities: Rural Midwifery Model of Care implemented to provide rural women with more choice in ante and post natal care options; paediatric outreach services from Bundaberg Hospital to Monto Hospital; expansion of allied health services in North Burnett
- re-commencement of pathology services at Maryborough Hospital
- newly refurbished 24-bed medical and palliative care ward at Maryborough Hospital
- fully resourced graduate and undergraduate support structure in place as per Ministerial commitment
- major infrastructure upgrades at Hervey Bay Hospital (water) and Bundaberg Hospital (helipad)
- Oral/Cancer Centres - Hervey Bay and Bundaberg new builds commissioned; expansion of medical oncology public services increasing to four FTE medical officers.

As well as delivering core health services, major initiatives for 2016-17 include:

- finalisation of planning for new Emergency Department at Hervey Bay Hospital

- major infrastructure upgrade at Maryborough Hospital for air conditioning and electrical works
- commencement of a Research Support Unit, Leadership and Management Curriculum and Work Experience Program through the Education, Research and Training Centre.

Service performance

Performance statement

Wide Bay Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Wide Bay community.

Service area description

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.

Wide Bay Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1-3			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	82%	80%
• Category 3 (within 30 minutes)		75%	74%	75%
• Category 4 (within 60 minutes)		70%	71%	70%
• Category 5 (within 120 minutes)		70%	90%	70%
• All categories		..	74%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	1, 2	90%	78%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	4			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	100%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	5	<2	0.7	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	6	>65%	69.9%	>65%

Wide Bay Hospital and Health Service	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	<12%	8.1%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	8			
• Category 1 (30 days)		..	98%	98%
• Category 2 (90 days)		..	93%	95%
• Category 3 (365 days)		..	99%	95%
Median wait time for treatment in emergency departments (minutes)	1, 2	20	21	20
Median wait time for elective surgery (days)	4	25	22	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9	$5,424	$5,018	$4,926
Other measures Total weighted activity units:	10			
• Acute Inpatient		40,786	43,571	42,133
• Outpatients		9,471	9,005	9,781
• Sub-acute		5,369	5,437	5,542
• Emergency Department		11,965	13,248	12,164
• Mental Health		3,380	3,589	3,455
• Interventions and Procedures		7,205	6,764	7,407
Ambulatory mental health service contact duration (hours)	11	>31,785	34,181	>34,523

Notes:

1. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015-16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.
2. This information is sourced from the Queensland Health Emergency Data Collection.
3. A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015-16 Target/Estimates are based on the Australasian Triage Scale.
4. The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016.
5. Staphylococcus aureus are bacteria commonly found on around 30 per cent 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/Estimate for this measure aligns with the national benchmark of 2 cases per 10,000 acute public hospital patient days. The 2015-16 Estimated Actual figures are based on eight months of actual performance from 1 July 2015 to 29 February 2016.
6. Queensland has made significant progress in improving the rate of community follow up over the past five years.
7. Queensland has made significant progress in reducing readmission rates over the past five years, with continued incremental improvements towards the nationally recommended target. The 2016-17 Target/Estimate is the nationally recommended target.
8. The 2015-16 Estimated Actual figures are based on an average of ten months actual performance from 1 July 2015 to 30 April 2016. The 2015-16 *Service Delivery Statement* did not include a 2015-16 Target/Estimate as the target was under review. The review has been completed and has enabled HHS specific targets to be set for 2016-17.
9. The 2015-16 and 2016-17 Target/Estimate costs reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (V3.10). The 2015-16 Target/Estimate is recalculated based on the funding provided in the Hospital and Health Service Agreements as at the March 2016 Deed of Amendment and the activity recalculated based on the Activity Based Funding (ABF) model Q19 Round 2 2016-17 Contract Offers to enable comparison with 2016-17 Target/Estimate figures. An adjustment for the full year reconciliation of ABF cost by the Hospital and Health Services has been reflected in the 2016-17 figures.

10. The weighted activity units reflect the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) noting 2016-17 Round 2 Service Agreements Contract Offers include new Activity Funding item Prevention and Primary Care (2016-17 3,310 Q19 QWAU target) to equal total offer of 83,891 which is not represented in the standard data table above. The 2015-16 Target/Estimate and the 2015-16 Estimated Actual figures have been recalculated as per the finance and activity schedules of the 2016-17 Round 2 Service Agreements Contract Offers (v3.10) to enable comparison.
11. This measure counts the number of in-scope service contact hours attributable to each HHS, based on the national definition and calculation of service contacts and duration. The target for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance.

Staffing[1, 2]

Wide Bay Hospital and Health Service	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Wide Bay Hospital and Health Service	3, 4, 5, 6	2,979	2,947	2,783

Notes:

1. The 2015-16 Budget reflects the forecast full-time equivalents (FTEs) as at 30 June 2016 published in the 2015-16 *Service Delivery Statement*.
2. The 2015-16 Estimated Actual reflects the current estimated FTEs as at 30 June 2016.
3. The 2016-17 Budget represents the forecast FTEs and may change due to updates to the 2016-17 Service Agreement throughout the financial year.
4. Decrease in FTEs from the 2015-16 Budget to the 2015-16 Estimated Actual reflects overstated 2015-16 forecast FTEs. The calculation methodology has been amended for the 2016-17 forecast to avoid a reoccurrence.
5. Decrease in FTEs for the 2016-17 Budget reflects in part, full year impact of Financial Improvement Plans. This figure may increase during 2016-17 due to updates to the 2016-17 Service Agreement during Amendment Windows throughout the year.
6. As the HHS is not a prescribed employer, the staffing figures include employees of the department who have been contracted to the HHS.

Income statement

Wide Bay Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees	1,7	479,776	507,992	516,090
Grants and other contributions	2,8	5,708	3,620	3,703
Interest		82	56	58
Other revenue	3,9	3,382	4,572	4,687
Gains on sale/revaluation of assets		..	..	..
Total income		**488,948**	**516,240**	**524,538**
EXPENSES				
Employee expenses	4,10	18,783	56,435	57,347
Supplies and Services:				
Other supplies and services	5,11	139,062	163,268	161,849
Department of Health contract staff		314,882	294,062	288,578
Grants and subsidies		..	..	..
Depreciation and amortisation		15,316	15,570	15,859
Finance/borrowing costs		..	..	..
Other expenses		733	733	733
Losses on sale/revaluation of assets		172	172	172
Total expenses		**488,948**	**530,240**	**524,538**
OPERATING SURPLUS/(DEFICIT)	**6**	**..**	**(14,000)**	**..**

Balance sheet

Wide Bay Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	16,21	4,363	3,375	4,419
Receivables	12,17	11,958	6,850	6,992
Other financial assets		..	..	..
Inventories		3,456	4,168	4,202
Other		274	278	311
Non-financial assets held for sale		..	..	..
Total current assets		**20,051**	**14,671**	**15,924**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		235,411	219,236	218,589
Intangibles		..	82	82
Other		..	..	..
Total non-current assets		**235,411**	**219,318**	**218,671**
TOTAL ASSETS		**255,462**	**233,989**	**234,595**
CURRENT LIABILITIES				
Payables	13,18	19,939	27,000	28,253
Accrued employee benefits	14,19	17	981	981
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		132	82	82
Total current liabilities		**20,088**	**28,063**	**29,316**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**20,088**	**28,063**	**29,316**
NET ASSETS/(LIABILITIES)		**235,374**	**205,926**	**205,279**
EQUITY				
TOTAL EQUITY	**15,20**	**235,374**	**205,926**	**205,279**

Cash flow statement

Wide Bay Hospital and Health Service	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	22,26	479,581	513,792	515,880
Grants and other contributions	23,27	5,708	3,620	3,703
Interest received		82	56	58
Other		17,373	18,565	18,678
Outflows:				
Employee costs	24,28	(18,783)	(56,435)	(57,347)
Supplies and services		(479,418)	(465,055)	(463,336)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(733)	(733)	(733)
Net cash provided by or used in operating activities		**3,810**	**13,810**	**16,903**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	25,29,31	(4,991)	(5,961)	(3,603)
Payments for investments		..	..	..
Loans and advances made		..	(2)	..
Net cash provided by or used in investing activities		**(4,991)**	**(5,963)**	**(3,603)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	30,32	4,991	5,121	3,603
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(15,316)	(15,570)	(15,859)
Net cash provided by or used in financing activities		**(10,325)**	**(10,449)**	**(12,256)**
Net increase/(decrease) in cash held		**(11,506)**	**(2,602)**	**1,044**
Cash at the beginning of financial year		**15,869**	**5,977**	**3,375**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**4,363**	**3,375**	**4,419**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. The increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
2. Decrease relates to Commonwealth funding for Multi-purpose Health Services moving from locally receipted grants to corporately receipted funds which is included in user charges and fees.
3. Increase relates to additional third party funded public/private partnerships and increased reimbursement for WorkCover salaries.
4. Increase relates to reclassification of Senior Medical Officers Contracts previously reported under other supplies and services.
5. Increase relates to reclassification of outsourced service delivery previously reported under other supplies and services; and additional funding provided through the Service Agreement.
6. The 2015-16 deficit is primarily driven by additional costs associated with increased Emergency activity, which has required additional agency medical staff and other associated non-labour expenses.

Major variations between 2015-16 Budget and 2016-17 Budget include:

7. The increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay Hospital and Health Service and the department. Additional funding is provided for increase in service activity, enterprise bargaining block funded services, teaching, training and research funding and own source revenue.
8. Decrease relates to Commonwealth Funding for Multi Purpose Health Services moving from locally receipted grants to corporately receipted funds which is included in user charges and fees.
9. Increase relates to additional third party funded public/private partnerships and increased reimbursement for WorkCover salaries.
10. Increase relates to reclassification of Senior Medical Officers Contracts previously reported under other supplies and services.
11. Increase relates to reclassification of Outsourced Service Delivery previously reported under other supplies and services; and additional funding provided through the Service Agreement.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

12. The decrease is due to the reassessment of receivable levels within Wide Bay Hospital and Health Service.
13. The increase is due to the recognition of additional end of year payroll accrual days.
14. Increase due to the reclassification of Senior Medical Officers Contracts, previously reported as departmental employees.
15. The decrease in equity relates to the forecast deficit position offset by increases in the asset revaluation reserve due to the annual revaluation program and increases to contributed equity for the transfer of commissioned assets from the department.

Major variations between 2015-16 Budget and 2016-17 Budget include:

16. The decrease is due to the forecast deficit position. Wide Bay Hospital and Health Service has seen increased activity and is currently forecasting to deliver more activity than planned. Wide Bay Hospital and Health Service will continue to work with the department around cash flow management.
17. The decrease is due to the reassessment of receivable levels within Wide Bay Hospital and Health Service.
18. The increase is due to the recognition of additional end of year payroll accrual days.
19. Increase due to the reclassification of Senior Medical Officers Contracts, previously reported as departmental employees.

20. The decrease in equity relates to forecast deficit position offset by increases in the asset revaluation reserve due to the annual revaluation program and increases to contributed equity for the transfer of commissioned assets from the department.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

21. The increase is due to the forecast deficit position in 2015-16 and forecast balanced position in 2016-17.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

22. The increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay Hospital and Health Service and the department. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
23. Decrease relates to Commonwealth Funding for Multi-purpose Health Services moving from locally receipted grants to corporately receipted funds which is included in user charges and fees.
24. Increase relates to reclassification of Senior Medical Officers Contracts previously reported under other supplies and services.
25. The increase relates to the anticipated spend of prior year Swap Capital Funding. Swap capital funding being, the reallocation of operating budget to minor capital.

Major variations between 2015-16 Budget and 2016-17 Budget include:

26. The increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay Hospital and Health Service and the department. Additional funding is provided for increase in service activity, enterprise bargaining block funded services, teaching, training and research funding and own source revenue.
27. Decrease relates to Commonwealth Funding for Multi Purpose Health Services moving from locally receipted grants to corporately receipted funds which is included in User charges and fees.
28. Increase relates to reclassification of Senior Medical Officers Contracts previously reported under other supplies and services.
29. The decrease is due to the adjustment for the 2016-18 Health Technology Equipment Replacement program 2 year window in line with Capital Infrastructure Delivery Unit anticipated expenditure timing.
30. The decrease is due to the adjustment for the 2016-18 Health Technology Equipment Replacement program 2 year window in line with Capital Infrastructure Delivery Unit anticipated expenditure timing.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

31. The decrease is due to the adjustment for the 2016-18 Health Technology Equipment Replacement program 2 year window in line with Capital Infrastructure Delivery Unit anticipated expenditure timing.
32. The decrease is due to the adjustment for the 2016-18 Health Technology Equipment Replacement program 2 year window in line with Capital Infrastructure Delivery Unit anticipated expenditure timing.

The Council of the Queensland Institute of Medical Research

Overview

The Council of the Queensland Institute of Medical Research, 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 four major areas: Cancer, Infectious Diseases, Mental Health and Chronic Disorders.

QIMR Berghofer aims to improve health by developing prevention strategies, new diagnostics and better health treatments. Its strategic objectives for 2016-20 are to:

- foster scientific excellence, including training researchers of the future
- build scientific, institutional and international connectivity
- undertake research with economic, clinical and community consequences.

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. In 2016–17, QIMR Berghofer will receive $18.9 million from the Queensland Government, representing approximately 16.8 per cent of total revenue. This, together with competitive peer-reviewed medical research grants, is QIMR Berghofer's most significant source of funding. The State Government grant, and the support operations it finances, enables QIMR Berghofer to leverage this funding to secure competitive peer-reviewed medical research grants and other income.

Service summary

QIMR Berghofer contributes to the Queensland Government's objective of creating jobs and a diverse economy. The Institute is experiencing a period of growth. We are actively recruiting researchers in areas of high importance to Queensland - including tropical diseases, vaccine development, cancer and genetics - to increase our capacity to approximately 1,000 staff, students and visiting scientists by the year 2020. Each of the four themes; Cancer, Infectious Diseases, Mental Health and Chronic Disorders - has been selected to align with the needs of Queensland.

QIMR Berghofer directly contributes to the Queensland Government's objectives relating to a stronger public health system by translating the knowledge we produce and discoveries we make into improved clinical practice. By advancing medical knowledge and improving public health, we also contribute to the Queensland Government's objective of building safe, caring and connected communities. Our research in cancer is particularly important given our ageing population. Our work in infectious diseases, especially tropical diseases, is vital for the people of northern Queensland, the tourism industry, and for the greater population given the pole-ward migration of species due to climate change bringing tropical diseases closer to major southern population centres. Our research into mental health, such as dementia, Alzheimer's and depression, addresses rises in the incidence of these diseases. Our work in our newly established Chronic Disorders program will address many of the health impacts associated with changes in our demographics and lifestyles. Our work is helping to broaden and deepen Queensland's economic base, especially in the high-value, high-growth health and medical sector.

QIMR Berghofer is a translational research facility, where research develops from the laboratory bench through to the patient's bedside. In doing so we embrace the need to promote and develop links with industry in keeping with our understanding that the path from the bench to the bedside passes through a business phase; hence our mantra of 'Bench to Business to Bedside'. QIMR Berghofer's research supports different Queensland scientific and medical sectors by researching and creating new and improved treatments and screening programs for various diseases and disorders.

QIMR Berghofer's research focuses on improving the prevention, diagnosis and treatment of a range of diseases and conditions relevant to Queenslanders, which will help address pressures facing the public health care sector by lessening rates of disease, and improving quality of life and health care practices.

During 2015–16, QIMR Berghofer:

- announced major research collaborations and licence agreements with US-based pharmaceutical company Bristol-Myers Squibb and US-based biopharmaceutical company Atara Biotherapeutics
- opened the $2.6 million ACRF Centre for Comprehensive Biomedical Imaging
- embarked on a world-first immunotherapy clinical trial targeting the deadly brain cancer, glioblastoma multiforme
- launched an online tool to allow people aged 40 and over to assess their risk of developing skin cancer
- led an Australian-first study that found about 37,000 Australian cancer cases - or one in three cancers - could be prevented each year through lifestyle change

- secured industry backing from BioPharmaceuticals Australia to take the next step in developing a vaccine against cytomegalovirus, the leading infectious cause of abnormalities, including cerebral palsy and deafness, in newborn babies
- co-led a major international study which identified 26 genetic variants that predispose women to developing different subtypes of breast cancer
- led an international study that discovered five new gene regions which increase a person's risk of melanoma
- identified that a gene previously thought to have an anti-inflammatory effect, or no immune effect at all, is actually more likely to increase inflammation in people with asthma and allergies
- initiated a collaboration with a major Indian company, including development of clinical trials
- performed first imaging studies at the newly opened Herston Imaging Research Facility (HIRF)
- continued to conduct multiple clinical trials as part of the Human Malaria Model Unit
- celebrated our 70th anniversary as Queensland's own medical research institute.

In the wider research community, QIMR Berghofer:

- was ranked first in Australia and seventh in the world for patent citations in a new index measuring innovation and industry impact
- entered into a partnership with the Queensland University of Technology's (QUT) Institute of Health and Biomedical Innovation that will eventually see up to 80 QUT researchers based at QIMR Berghofer
- announced a collaboration with the Li Ka Shing Faculty of Medicine at the University of Hong Kong to provide patient access to ground-breaking T cell immunotherapies for head and neck cancers, and staff access to training in the production of these immunotherapies
- received $10 million from the Bill and Melinda Gates Foundation via Medicines for Malaria Venture to develop more effective antimalarial drugs to combat a disease that kills about 600,000 people a year and causes suffering for millions more
- received $35.9 million in National Health and Medical Research Council (NHMRC) funding, the second highest in Australian independent medical research institutes and the second overall in Queensland
- received $6.5 million from the NHMRC to lead a major five-year international study to look for new ways to prevent and treat breast cancer
- secured almost $6.5 million in NHMRC funding to lead a major collaborative investigation into the early detection of Alzheimer's disease
- hosted the inaugural Immunotherapy@Brisbane conference, attracting around 250 delegates from across Australia and overseas
- continued collaborating with partners Royal Brisbane and Women’s Hospital, University of Queensland, QUT and Siemens to launch the HIRF
- has expanded its reach in research and clinical genomics by recruiting the analysis team responsible for the Australian International Cancer Genome Consortium project, which resulted in six papers in Nature, two in Nature Methods and two in Nature Communications.

QIMR Berghofer’s community engagement activities in 2015–16 included:

- delivering the QIMR Berghofer education program, offering more than 2000 Queensland students from over 70 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
- participating in the inaugural World Science Festival, hosting two sold-out Apprentice Programs for the Festival, providing expert panellists and staffing a Mosquito Control Lab display in the Street Science! precinct
- hosting free public forums on the latest research in cancer, infectious diseases, mental health and complex disorders
- providing 103 tours and speaking engagements to over 3965 members of the public.

In 2016–17, QIMR Berghofer will:

- further accelerate the use of bioinformatic skills in clinically linked genetic research and analysis
- continue to perform world-leading Genome Wide Association Studies to further identify genetic risk factors and therapy targets for a range of cancers
- build on advances in imaging to identify targets amenable to treatment
- identify new immune-editing targets for treatment and move these toward the clinic
- develop expertise in health economics
- work with clinicians to trial an online tool which has been developed to predict the risk of people aged 40 and over developing non-melanoma skin cancers in the next three years

- commence a major five-year study to look for new ways of preventing and treating aggressive breast cancers
- continue a major collaborative investigation into the early detection of Alzheimer's disease
- continue work on an experimental brain cancer treatment which QIMR Berghofer has developed for patients with glioblastoma multiforme
- commence stage-two trials using immunotherapy in early stages of metastatic nasopharyngeal carcinoma (NPC) following promising results in a phase-one clinical trial with terminal NPC patients
- conduct further clinical trials to test anti-malarial drugs on humans infected with malaria parasites
- continue analysing data from OPAL, the Ovarian Cancer Prognosis and Lifestyle study, Australia's first study into lifestyle factors that may improve survival and quality of life for women with ovarian cancer
- carry out a major study into malignant mesothelioma, investigating mutations, biomarkers and potential new therapeutic targets for the aggressive asbestos-related cancer
- continue leading D-Health, a five-year randomised trial of more than 20,000 people investigating the role of Vitamin D supplementation in preventing premature death, cancer and other chronic diseases
- continue developing brain-imaging technology for use in creating a diagnostic test for depression
- move cytomegalovirus vaccine development to an advanced stage, which could help prevent birth defects in babies
- 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 and
- advance the world-leading work on new molecules and targets for immunotherapy use to treat cancers.

Staffing[1, 2]

The Council of the Queensland Institute of Medical Research	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
The Council of the Queensland Institute of Medical Research		535	503	561

Notes:

1. Full-time equivalents as at 30 June 2016.
2. The staffing figures do not include visiting scientists/affiliates, students, external collaborators on site or casual staff.

Income statement

The Council of the Queensland Institute of Medical Research	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
Taxes		..	..	..
User charges and fees	1,5	6,659	12,485	12,257
Grants and other contributions	2,6,11	90,307	76,683	82,557
Interest		846	779	731
Other revenue	3,7	1,698	5,351	5,077
Gains on sale/revaluation of assets	8,12	8,221	7,125	11,499
Total income		**107,731**	**102,423**	**112,121**
EXPENSES				
Employee expenses	9,13	54,940	54,123	63,083
Supplies and services	4,10	39,224	34,530	35,021
Grants and subsidies		..	..	..
Depreciation and amortisation		11,628	12,029	12,195
Finance/borrowing costs		..	..	..
Other expenses		1,939	1,741	1,822
Losses on sale/revaluation of assets		..	..	..
Total expenses		**107,731**	**102,423**	**112,121**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

The Council of the Queensland Institute of Medical Research	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	15,18	31,691	32,684	28,688
Receivables		8,859	5,647	5,647
Other financial assets		..	..	..
Inventories		268	254	254
Other		385	808	808
Non-financial assets held for sale		..	..	..
Total current assets		**41,203**	**39,393**	**35,397**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	16,19	110,584	111,217	116,562
Property, plant and equipment	14,17	274,333	288,575	287,312
Intangibles		293	293	207
Other		..	..	..
Total non-current assets		**385,210**	**400,085**	**404,081**
TOTAL ASSETS		**426,413**	**439,478**	**439,478**
CURRENT LIABILITIES				
Payables		23,695	22,617	22,617
Accrued employee benefits		3,083	4,303	4,303
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**26,778**	**26,920**	**26,920**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		881	884	884
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**881**	**884**	**884**
TOTAL LIABILITIES		**27,659**	**27,804**	**27,804**
NET ASSETS/(LIABILITIES)		**398,754**	**411,674**	**411,674**
EQUITY				
TOTAL EQUITY		**398,754**	**411,674**	**411,674**

Cash flow statement

The Council of the Queensland Institute of Medical Research	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	20,24	6,659	12,485	12,257
Grants and other contributions	21,25,28	90,307	76,683	82,557
Interest received		846	779	731
Taxes		..	..	..
Other	22,26	1,698	4,950	5,077
Outflows:				
Employee costs	27,29	(54,940)	(54,123)	(63,083)
Supplies and services		(38,701)	(34,364)	(34,443)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(1,939)	(1,593)	(1,822)
Net cash provided by or used in operating activities		**3,930**	**4,817**	**1,274**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	19	..
Investments redeemed	23,30	13,000	4,000	12,000
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(5,498)	(2,290)	(8,847)
Payments for investments		(7,555)	(6,250)	(8,423)
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(53)**	**(4,521)**	**(5,270)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**..**	**..**	**..**
Net increase/(decrease) in cash held		**3,877**	**296**	**(3,996)**
Cash at the beginning of financial year		**27,814**	**32,388**	**32,684**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**31,691**	**32,684**	**28,688**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Increased contract research and commercialisation income in 2015-16 Estimated Actual compared to 2015-16 Budget, due to success of initiatives in this area.
2. The 2015-16 Estimated Actual forecasts a reduction in grant and fundraising income compared to the 2015-16 Budget, reflecting the competitive environment for both National Health and Medical Research Council (NHMRC) funding and community donations.
3. Additional collaborations with other organisations has maximised utilisation of laboratory space and generated additional income.
4. Lower spending on supplies in the 2015-2016 Estimated Actual in line with the reduction in research grant income and cost savings achieved compared to 2015-16 Budget.

Major variations between 2015-16 Budget and 2016-17 Budget include:

5. The 2016-17 Budget reflects an increase in contract research compared to the 2015-16 Budget due to increased business development activity securing an increase in commercial contracts.
6. The 2016-17 Budget includes reduced fundraising income compared to the 2015-16 Budget, reflecting the competitive environment for community donations.
7. Additional collaborations with other organisations has maximised utilisation of laboratory space and generated additional income compared to the 2015-16 Budget.
8. Increase in valuation of the Council of the Queensland Institute of Medical Research's (QIMR Berghofer's) buildings.
9. The 2016-17 Budget reflects salary increases in line with the current enterprise agreement as well as higher expected recruitment costs and salary support for researchers due to reduced availability of NHMRC fellowships.
10. Lower spending on supplies in the 2016-17 Budget due to a lower number of reasearch projects as a result of reduced donations.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

11. Although the 2016-17 Budget for fundraising income is lower than previously expected in the 2015-16 Budget, there is an expected increase from the 2015-16 Estimated Actual. In addition, an increase in capital grants for scientific equipment is expected compared to the 2015-16 Estimated Actual.
12. Investment returns for 2016-17 are budgeted to return to long term trend levels compared to lower return investment environment experienced in 2015-16 Estimated Actual.
13. The 2016-17 Budget reflects salary increases in line with the current enterprise agreement as well as higher expected recruitment costs and salary support for researchers due to reduced availability of NHMRC fellowships.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

14. The higher 2015-16 Estimated Actual value of property, plant and equipment is due to a revaluation of QIMR Berghofer's buildings at the end of the 2014-15 financial year.

Major variations between 2015-16 Budget and 2016-17 Budget include:

15. The decrease in the 2016-17 Budget cash balance is mainly related to ongoing investment in new and/or replacement equipment including state-of-the-art scientific equipment.
16. The expected higher market value of QIMR Berghofer's long term investments reflects an expected positive market performance in the 2016-17 Budget year.
17. The higher 2016-17 budgeted value of property, plant and equipment is based on the revaluation of QIMR Berghofer's buildings at the end of the 2014-15 financial year.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

18. The decrease in the 2016-17 budgeted cash balance is mainly related to ongoing investment in new and/or replacement equipment including state-of-the-art scientific equipment.
19. The market value of QIMR Berghofer's long term investments is budgeted to increase in the 2016-17 Budget as investment returns are expected to revert to long term trend rates compared to lower return investment environment experienced in 2015-16 Estimated Actual.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

20. Increased contract research and commercialisation income in 2015-16 Estimated Actual, due to success of initiatives in this area.
21. The 2015-16 Estimated Actual forecasts a reduction in grant and fundraising income compared to the 2015-16 Budget, reflecting the competitive environment for both NHMRC funding and community donations.
22. Additional collaborations with other organisations has maximised utilisation of laboratory space and generated additional income.
23. The 2015-16 Estimated Actual includes reduced redemptions from long term investments to fund QIMR Berghofer's operating and capital expenditure requirements, due to lower consumables required and cost savings achieved.

Major variations between 2015-16 Budget and 2016-17 Budget include:

24. The 2016-17 Budget reflects an increase in contract research compared to the 2015-16 Budget due to increased business development activity securing an increase in commercial contracts.
25. The 2016-17 Budget includes reduced fundraising income compared to the 2015-16 Budget, reflecting the competitive environment for community donations.
26. Additional collaborations with other organisations has maximised utilisation of laboratory space and generated additional income compared to the 2015-16 Budget.
27. The 2016-17 Budget reflects salary increases in line with the current enterprise agreement as well as higher expected recruitment costs and salary support for researchers due to reduced availability of NHMRC fellowships.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

28. Fundraising income is expected to increase, coupled with an increase in capital grants for scientific equipment, compared to the 2015-16 Estimated Actual.
29. The 2016-17 Budget reflects salary increases in line with the current enterprise agreement as well as higher expected recruitment costs and salary support for researchers due to reduced availability of NHMRC fellowships.
30. The 2015-16 Estimated Actual includes increased redemptions from long term investments to fund QIMR Berghofer's operating and capital expenditure requirements.

Queensland Mental Health Commission

Overview

The Queensland Mental Health Commission (the Commission) was established on 1 July 2013 as an independent statutory body under the *Queensland Mental Health Commission Act 2013*.

The Commission's vision is a healthy and inclusive community, where people experiencing mental health difficulties or issues related to substance use have a life with purpose and access to quality care and support focused on wellness and recovery, in an understanding, empathic and compassionate society.

The Commission's purpose is to drive ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health, alcohol and other drugs service system in Queensland, with a broad objective to achieve better outcomes for people in Queensland living with mental health difficulties, mental illness or problematic alcohol and other drug use by:

- reaching consensus on and making progress towards achieving system wide reforms
- maximising the collective impact of lived experience and professional expertise.

The focus for the Commission's work is:

- supporting the implementation and development in key priority areas of the whole-of-government Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019
- research and reporting on issues impacting people experiencing mental health difficulties, mental illness and problematic alcohol and other drug use and those affected by suicide
- mental health promotion, awareness and early intervention
- supporting systemic governance including support for the Queensland Mental Health and Drug Advisory Council and promoting engagement of people with lived experience in system reform.

This work contributes to the Queensland Government's objectives for the community, delivering quality front line services, creating jobs and a diverse economy and building safe, caring and connected communities with a focus on mental health issues and drug and alcohol problems.

Service summary

The Commission has an operating budget of $8.8 million in 2016-17 reflecting minimal variation with the published 2015-16 operating budget of $8.3 million.

During 2015-16 the Commission continued its work in facilitating the implementation of the Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019.

Key deliverables supporting this included the development and release of the:

- Early Action: Queensland Mental Health Promotion, Prevention and Early Intervention Action Plan 2015–17
- Queensland Suicide Prevention Action Plan 2015-17
- Queensland Alcohol and other Drugs Action Plan 2015-17.

Together these action plans included almost 200 specific commitments from 18 public sector agencies.

The first report on the implementation of the Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019 was publicly released in December 2015. The Commission also released the Performance Indicators report which outlined key performance indicators for Queensland against the Strategic Plan's six outcomes.

Other key achievements for the year included:

- delivery of the Stronger Community Mental Health and Wellbeing Grants program which provided $400,000 in grants to implement projects statewide which support social inclusion and community participation
- publication of the Commission's first Ordinary Report Social housing, Systemic issues for tenants with complex needs, which has influenced State Government actions to support social housing tenants experience mental health and alcohol and other drugs issues
- submissions to inform the development of the new mental health legislation in Queensland with a focus on recovery, least restrictive practices and human rights protections
- supporting the work of the Queensland Mental Health and Drug Advisory Council, including development of strategies to enhance the engagement of consumers, families and carers and to improve outcomes for Aboriginal and Torres Strait Islander peoples.

During 2016-17, the Commission will:

- continue its work in facilitating the implementation of the Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019 and associated whole-of-government action plans
- commence a review of the Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019
- develop and release other priority action plans identified in the Strategic Plan including the Aboriginal Torres Strait Islander social and emotional wellbeing action plan and the rural and remote action plan
- increase community awareness of mental health issues including through increased participation in Mental Health Week and World Suicide Prevention Day activities
- support research into ways to reduce stigma experienced by people living with mental illness and problematic alcohol and drug use including stigma which impacts on the ability to gain and retain employment
- support localised approaches to suicide prevention in collaboration with Primary Health Networks
- provide input into the implementation of the *Mental Health Act 2016* with a focus on ensuring the principles in the Act are reflected in practice
- contribute to the independent review of the performance of the Commission and of the *Queensland Mental Health Commission Act 2013* and the implementation of any changes to the Act arising from that review
- review administration systems to identify efficiencies to ensure resources are focused on outcomes.

Service performance

Performance statement

Service area objective

The Commission aims to improve the mental health and wellbeing of Queenslanders by driving reform towards a more integrated, evidence-based, recovery-oriented mental health, drug and alcohol system in Queensland.

Service area description

The Commission's functions are to:

- develop, facilitate, monitor and report on the implementation of the whole-of-government Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019
- undertake and facilitate reviews, research and reports that support better outcomes for people experiencing mental health difficulties and substance use problems
- coordinate, facilitate and support mental health awareness and promotion activities
- support and facilitate systemic governance arrangements that drive and support reform.

Queensland Mental Health Commission	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Stakeholder satisfaction with:				
opportunities to provide consumer, support person and provider perspectives on mental health and substance misuse issues	1-4	75%	51%	75%
extent to which consumer and provider perspectives are represented in strategic directions articulated by the Commission to improve the system	1-3	75%	59%	75%
the range of stakeholders involved in developing and implementing solutions	1-3	75%	41%	75%
Efficiency measures[5]				

Notes:

1. In 2015-16, the Commission continued to engage an independent organisation to evaluate its effectiveness. An annual survey was conducted in mid-2015, the data from which was compared to results from the baseline survey conducted in September 2014. Incremental improvement is reflected across each area.
2. The 75 per cent satisfaction level is a five year target and the actual figures reflect a year two result.
3. The Commission is progressively increasing the range and depth of consultation and collaboration in specific projects and also focusing more strongly on the use of social media to improve community understanding of our role and to seek feedback.
4. Support persons include families, carers and other supports.
5. An efficiency measure is being developed for this service and will be included in a future *Service Delivery Statement.*

Staffing[1]

Queensland Mental Health Commission	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Queensland Mental Health Commission	2	15	18	18

Notes:

1. Full-time equivalents (FTEs) as at 30 June 2016.
2. The 2015-16 Estimated Actual includes a portfolio endorsed increase of three FTEs during the 2015-16 final quarter.

Income statement

Queensland Mental Health Commission	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees		..	..	..
Grants and other contributions	1,2	8,265	8,265	8,695
Interest		..	150	150
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		**8,265**	**8,415**	**8,845**
EXPENSES				
Employee expenses	1,2	2,108	2,108	2,491
Supplies and Services:				
Other supplies and services		3,185	3,335	3,320
Department of Health contract staff		..	..	..
Grants and subsidies		2,944	2,944	3,005
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		28	28	29
Losses on sale/revaluation of assets		..	..	..
Total expenses		**8,265**	**8,415**	**8,845**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Queensland Mental Health Commission	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	3,4	592	1,632	1,632
Receivables		60	81	81
Other financial assets		..	..	..
Inventories		..	..	..
Other		18	20	20
Non-financial assets held for sale		..	..	..
Total current assets		**670**	**1,733**	**1,733**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		9	5	5
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**9**	**5**	**5**
TOTAL ASSETS		**679**	**1,738**	**1,738**
CURRENT LIABILITIES				
Payables		123	211	211
Accrued employee benefits		(50)	59	59
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		38	55	55
Total current liabilities		**111**	**325**	**325**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		140	85	85
Total non-current liabilities		**140**	**85**	**85**
TOTAL LIABILITIES		**251**	**410**	**410**
NET ASSETS/(LIABILITIES)		**428**	**1,328**	**1,328**
EQUITY				
TOTAL EQUITY		**428**	**1,328**	**1,328**

Cash flow statement

Queensland Mental Health Commission	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		..	..	..
Grants and other contributions	6,9	8,265	8,265	8,695
Interest received		..	150	150
Other		..	..	..
Outflows:				
Employee costs	7,10	(2,108)	(2,108)	(2,491)
Supplies and services		(3,185)	(3,335)	(3,320)
Grants and subsidies		(2,944)	(2,944)	(3,005)
Borrowing costs		..	..	..
Other		(28)	(28)	(29)
Net cash provided by or used in operating activities		**..**	**..**	**..**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**..**	**..**	**..**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**..**	**..**	**..**
Net increase/(decrease) in cash held		**..**	**..**	**..**
Cash at the beginning of financial year	**5**	**592**	**1,632**	**1,632**
Cash transfers from restructure		..	..	..
Cash at the end of financial year	**8**	**592**	**1,632**	**1,632**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2016-17 Budget include:

1. Increase reflects funding for an approved increased staffing of three full-time equivalents (FTEs).

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

2. Increase reflects expenditure for an approved increased staffing of three FTEs.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

3. Increase reflects a number of consultancy contracts not delivered in the current year.

Major variations between 2015-16 Budget and 2016-17 Budget include:

4. Increase reflects a number of consultancy contracts not delivered in the current year.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

5. Increase reflects a number of consultancy contracts not delivered in the current year.

Major variations between 2015-16 Budget and 2016-17 Budget include:

6. Increase reflects funding for an approved increased staffing of three FTEs.
7. Increase reflects funding for an approved increased staffing of three FTEs.
8. Increase reflects a number of consultancy contracts not delivered in the current year.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

9. Increase reflects expenditure for an approved increased staffing of three FTEs.
10. Increase reflects expenditure for an approved increased staffing of three FTEs.

Office of the Health Ombudsman

Overview

The Health Ombudsman, supported by the Office of the Health Ombudsman (OHO), commenced dealing with health complaints on 1 July 2014. The primary functions of the Health Ombudsman 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.

The OHO directly supports the Queensland Government's objective of delivering quality frontline services including strengthening the public health system by assessing, investigating, resolving or prosecuting complaints about registered practitioners, unregistered healthcare workers and health service providers, and identifying systemic healthcare issues and making recommendations on improvements.

The key objectives of the OHO are:

- 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.

Service summary

The OHO has an operating budget of $14.6 million for 2016-17, which is the same as the published 2015-16 operating budget.

The office works with complainants, healthcare consumers and health service providers to resolve complaints as quickly as possible. The service is independent, impartial and free.

Key initiatives focused on by the OHO in 2015-16 include:

- ongoing development of operational workflows, practices and procedures
- identification and management of immediate actions
- oversight and reporting on AHPRA and the Boards
- completion of Phase 3 of the case management system database.

Service performance

Performance statement

Service area objective

To provide a transparent, accountable and fair system for effectively and quickly dealing with complaints and other healthcare matters in Queensland.

Service area description

The OHO:

- receives and investigates complaints about health services and health service providers, including registered and unregistered health practitioners
- decides what action to take in relation to those complaints and, in certain instances, take immediate action to protect the safety of the public
- monitors the health, conduct and performance functions of the Australian Health Practitioner Regulation Agency and national health practitioner boards.

Office of the Health Ombudsman	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards *Effectiveness measures* Percentage of complaints received and accepted within 7 days	1	100%	51%	100%
Percentage of complaints assessed within timeframes	2	100%	34%	100%
Percentage of complaints resolved within timeframes	3	100%	92%	100%
Percentage of investigations finalised within 12 months	4	100%	65%	100%
Efficiency measures[5]				

Notes:

1. The high volume of contacts impacted on the office's ability to process matters within the seven calendar day timeframe. Steps are being taken to recruit additional staff, in conjunction with the continued review and improvement of business systems and processes.
2. The complexity of matters, and delays in receiving information from parties and in sourcing independent clinical advice required to appropriately assess the matters has impacted on timeframes.
3. Resolution timeframes continue to improve and it is anticipated that the target will be met in 2016-17.
4. Approximately 25 per cent of investigation matters have been referred to either the Queensland Police Service while criminal proceedings take place, or to the Coroner if the matter relates to reportable deaths and are listed as "on hold". Completion of these investigations cannot proceed until the QPS and the Coroner have dealt with the matter. A number of investigations transferred to the office by AHPRA have also required re-investigation prior to completion.
5. An efficiency measure is being investigated and will be included in a future *Service Delivery Statement*.

Staffing[1]

Office of the Health Ombudsman	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Office of the Health Ombudsman (OHO)	2	94	121	121

Notes:

1. Full-time equivalents as at 30 June 2016.
2. Increase from the 2015-16 Budget to the 2015-16 Estimated Actual reflects the commencement of additional investigator and case management officers to manage the increasing number of complaints received by the OHO.

Income statement

Office of the Health Ombudsman	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
INCOME				
User charges and fees		4,500	4,500	4,500
Grants and other contributions		9,868	9,868	9,868
Interest		245	245	245
Other revenue		5	5	5
Gains on sale/revaluation of assets		..	..	..
Total income		**14,618**	**14,618**	**14,618**
EXPENSES				
Employee expenses	1,5	10,531	12,381	12,381
Supplies and Services:	2,6,9			
Other supplies and services		3,930	2,085	2,079
Department of Health contract staff		..	..	..
Grants and subsidies		..	..	..
Depreciation and amortisation	3,7,10	120	130	136
Finance/borrowing costs		..	..	..
Other expenses	4,8	37	22	22
Losses on sale/revaluation of assets		..	..	..
Total expenses		**14,618**	**14,618**	**14,618**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Office of the Health Ombudsman	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CURRENT ASSETS				
Cash assets	11,14,17	5,011	3,861	3,877
Receivables		200	235	235
Other financial assets		..	..	..
Inventories		..	..	..
Other		108	106	106
Non-financial assets held for sale		..	..	..
Total current assets		**5,319**	**4,202**	**4,218**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	12,15,18	226	337	201
Intangibles		..	..	..
Other		..	64	64
Total non-current assets		**226**	**401**	**265**
TOTAL ASSETS		**5,545**	**4,603**	**4,483**
CURRENT LIABILITIES				
Payables	13,16	2,274	180	180
Accrued employee benefits		398	352	352
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**2,672**	**532**	**532**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	106	106
Total non-current liabilities		**..**	**106**	**106**
TOTAL LIABILITIES		**2,672**	**638**	**638**
NET ASSETS/(LIABILITIES)		**2,873**	**3,965**	**3,845**
EQUITY				
TOTAL EQUITY		**2,873**	**3,965**	**3,845**

Cash flow statement

Office of the Health Ombudsman	Notes	2015-16 Budget $'000	2015-16 Est. Act. $'000	2016-17 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		4,380	4,380	4,380
Grants and other contributions		9,868	9,868	9,868
Interest received		245	245	245
Other		5	5	5
Outflows:				
Employee costs	19,21	(10,531)	(12,381)	(12,381)
Supplies and services	20,22	(3,930)	(2,085)	(2,079)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(37)	(22)	(22)
Net cash provided by or used in operating activities		**..**	**10**	**16**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		..	(102)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**..**	**(102)**	**..**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**..**	**..**	**..**
Net increase/(decrease) in cash held		**..**	**(92)**	**16**
Cash at the beginning of financial year		**5,011**	**3,953**	**3,861**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**5,011**	**3,861**	**3,877**

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Increase in employee expenses due to the commencement of additional investigator and case management officers to manage the increasing number of complaints received.
2. Decrease in other supplies and services due to the ongoing efforts of the Office of the Health Ombudsman to minimise service support costs.
3. Increase in depreciation and amortisation due to plant and equipment and software purchases.
4. Decrease in other expenses due to the ongoing efforts of the Office of the Health Ombudsman to minimise costs.

Major variations between 2015-16 Budget and 2016-17 Budget include:

5. Increase in employee expenses due to the commencement of additional investigator and case management officers to manage the increasing number of complaints received.
6. Decrease in other supplies and services is due to the ongoing efforts of the Office of the Health Ombudsman to minimise service support costs.
7. Increase in depreciation and amortisation due to plant and equipment and software purchases.
8. Decrease in other expenses due to the ongoing efforts of the Office of the Health Ombudsman to minimise costs.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

9. Decrease in other supplies and services due to the ongoing efforts of the Office of the Health Ombudsman to minimise service support costs.
10. Increase in depreciation and amortisation due to plant and equipment and software purchases.

Balance sheet

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

11. Decrease in cash assets due to the outstanding amount owing from Australian Health Practitioner Regulation Agency (AHPRA) funding.
12. Decrease in property, plant and equipment due to the anticipated finalisation of the majority of infrastructure projects linked to the establishment of the office.
13. Decrease in payables due to the offset in the cash assets.

Major variations between 2015-16 Budget and 2016-17 Budget include:

14. Decrease in cash assets due to the outstanding amount owing from AHPRA funding.
15. Decrease in property, plant and equipment due to the anticipated finalisation of the majority of infrastructure projects linked to the establishment of the office.
16. Decrease in payables due to the offset in the cash assets.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

17. Decrease in cash assets due to the outstanding amount owing from AHPRA funding.
18. Decrease in property, plant and equipment due to the anticipated finalisation of the majority of infrastructure projects linked to the establishment of the office.

Cash flow statement

Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

19. Increase in employee costs due to the commencement of additional investigator and case management officers to manage the increasing number of complaints received.

20. Decrease in supplies and services due to the ongoing efforts of the Office of the Health Ombudsman to minimise service support costs.

Major variations between 2015-16 Budget and 2016-17 Budget include:

21. Increase in employee expenses due to the commencement of additional investigator and case management officers to manage the increasing number of complaints received.
22. Decrease in supplies and services due to the ongoing efforts of the Office of the Health Ombudsman to minimise service support costs.

Glossary of terms

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.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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.
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.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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.
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.
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.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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.
Equity injection	An increase in the investment of the Government in a public sector agency.
Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.

Income statement	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.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

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