Queensland Budget | 2017-18

SERVICE DELIVERY STATEMENTS

Queensland Health

Queensland Government

2017-18 Queensland Budget Papers

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Service Delivery Statements
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Health Portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents 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, quality and appropriate, patient-focused ambulance services to 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: Clive Skarott

Chief Executive: Clare Douglas

Central Queensland Hospital and Health Service

Board Chair: Paul Bell

Chief Executive: Steve Williamson

Central West Hospital and Health Service

Board Chair: Jane Williams

Chief Executive: Jane Hancock

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: Dr 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

Chief Executive: Joanne Whitehead

Metro North Hospital and Health Service

Board Chair: Dr Robert Stable

Chief Executive: Ken Whelan

Metro South Hospital and Health Service

Board Chair: Terry White

Acting Chief Executive: Dr Robert Mackway-Jones

North West Hospital and Health Service

Board Chair: Paul Woodhouse

Chief Executive: Lisa Davies-Jones

South West Hospital and Health Service

Board Chair: Jim McGowan

Chief Executive: Glynis Schultz

Sunshine Coast Hospital and Health Service

Board Chair: Dr Lorraine Ferguson

Chief Executive: Kevin Hegarty

Torres and Cape Hospital and Health Service

Board Chair: Robert McCarthy

Chief Executive: Michel Lok

Townsville Hospital and Health Service

Board Chair: Tony Mooney

Chief Executive: Dr Peter Bristow

West Moreton Hospital and Health Service

Board Chair: Michael Willis

Acting Chief Executive: Dr Kerrie Freeman

Wide Bay Hospital and Health Service

Board Chair: Peta Jamieson

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

Queensland Health overview

Public healthcare in Queensland is collectively known as Queensland Health. It consists of the Department of Health, the Queensland Ambulance Service (QAS) and 16 independent Hospital and Health Services (HHSs) situated across the state. The Queensland Mental Health Commission, the Office of the Health Ombudsman and the Council of the Queensland Institute of Medical Research comprise the remainder of the Health Portfolio.

This budget recognises that we are rising to the challenges of healthcare in Queensland and making progress on our vision to make Queenslanders among the healthiest people in the world by 2026.

Meeting the challenges

Queensland Health is performing well and we are continuing to position ourselves to meet the needs of growing demand and the increasing prevalence of chronic disease. Queensland Health's strong performance over the last two financial years can be attributed to a clear strategic direction and investment in the right services for the right people in the right place.

Each year, about one in five Queenslanders is admitted to a Queensland public hospital; approximately 1.8 million Queenslanders are treated at our public emergency departments; our clinicians provide approximately 3.4 million outpatient appointments and 141,000 elective surgeries; our nursing staff provide triage support and advice to approximately 335,000 calls to 13 HEALTH; 45,000 babies are delivered at our public maternity services; and the QAS responds to approximately 1 million incidents.

During 2016-17 over $13 billion was allocated to Hospital and Health Services and other providers to deliver high quality public hospital and other health services. These services are not only critical to improving quality of life but enable a more productive workforce and community.

In service delivery terms, strong results have been achieved during 2016-17 with 76.2 per cent of people presenting to emergency departments being seen within four hours and 97.9 per cent of elective surgery patients receiving their treatment within clinically recommended times. In addition, the number of patients waiting longer than the recommended time has dropped from 104,114 as at 28 February 2015 to 50,033 as at 30 April 2017.

The percentage of elective surgery patients treated within clinically recommended time meets or exceeds expectations across all categories.

Overall, emergency department patients seen within recommended times has improved with the greatest improvement occurring in categories 4 and 5.

New performance indicators

A number of new performance measures and targets have been introduced in 2017-18, including the number of elective surgery patients and the percentage of specialist outpatients seen within clinically recommended times.

To drive growth in the use of Telehealth enabled outpatient services for patients in regional, rural and remote areas, we have set ourselves a target of 78,403 for 2017-18. This is an increase of almost 12,000 Telehealth service events on the 2016-17 estimated actual.

Preparing and responding to chronic disease

Like healthcare systems everywhere, Queensland Health is facing significant challenges to effectively and efficiently respond to the changing health needs of the population it serves. In general, the Queensland population is growing and ageing and residents are living longer with more chronic disease. Consumer expectations related to health outcomes and treatment options are on the rise, and the introduction of new treatments and technologies is driving up costs as well as improving health outcomes. As well as existing preventive health programs, such as innovative behaviour change marketing campaigns, new measures are being implemented to ease this burden.

Queensland Health is delivering on the Government's commitment to tackle growing rates of type 2 diabetes by addressing risk factors for people across Queensland. The *My health for life* program will offer participants six sessions of coaching and support over six months. The first session is a one-on-one personalised appointment and the remaining sessions will be delivered in either small local groups or structured phone coaching. The program has begun enrolling residents on the Fraser Coast in either group or telephone education as part of the program. It is expected that over four years to 2019-20, 10,000 Queenslanders will benefit from this program.

Queensland Health is delivering on the Government's commitment to tackle unhealthy habits through the establishment of the Healthy Futures Commission Queensland. The Commission will focus on reducing obesity and chronic disease rates in Queensland, with a particular focus on children, young people and families.

Funding of $20 million will be provided over three years to provide grants and partner with local business, community organisations, academic institutions and government agencies to encourage and support regular physical activity and healthy eating. The Commission will also comprise a six-member board, a Chief Executive Officer and up to 15 staff, who will address two key outcomes from Queensland Health's Vision, *My health, Queensland's future: Advancing health 2026 (Advancing Health 2026)* to:

- reduce childhood obesity by 10 per cent
- increase levels of physical activity for health benefit by 20 per cent.

Building confidence through performance and innovation

Through strong performance, improved patient outcomes and targeted and planned investment in both our staff and services, Queensland Health is committed to further lifting public confidence in the public health system.

Over the last two years, the clinical workforce was boosted by an additional 3,300 nursing and midwifery graduates, supported by 16 nurse educators across the state. In addition, 121 nurse navigators commenced across the state based on identified areas of priority need taking into account factors such as population and the level of chronic illness.

These additional staff have contributed to the achievement of strong compliance with nurse to patient ratios covering adult acute medical and acute surgical wards in 27 hospitals across 12 HHSs. Ratios are also being applied to adult acute mental health wards in two hospitals.

Public confidence is also increased when investment decisions are informed by research and based on best practice. To deliver on the Government's commitment to rebuild and expand mental healthcare services for young people, Queensland Health has undertaken just over 12 months of planning in close collaboration with clinical leaders, built form experts, families of former patients of the Barrett Adolescent Centre and the Department of Education and Training. This consultation and planning has helped shape the Government's response to rebuild and expand mental healthcare services for young people. Delivery of this election commitment has also been informed by the Government's response to the Commission of Inquiry into the closure of the Barrett Adolescent Centre.

The Specialist Outpatient Strategy has also invested in new and more contemporary models of care across a range of services and increased access to ensure patients receive care at the right time, in the right place. Examples of these models include the General Practitioners with special interest program led by the Gold Coast HHS; Dietitian First Gastroenterology Clinic – Extended Service delivered by Metro South HHS; improved discharge communication to General Practitioners led by Children's Health Queensland HHS and the Musculoskeletal Physiotherapy Screening Clinic delivered by Sunshine Coast HHS.

Staff Resilience

Queensland Health will also implement initiatives to support the mental health of practitioners across the medical workforce, from junior doctors to senior consultants.

Queensland Health will invest $2 million for a suite of mental health initiatives for health professionals in Queensland, enabling the continuation of a 'Resilience on the Run – Rapid Resilience' initiative piloted in 2015 by the Australian Medical Association (AMA) Queensland.

The program has since been delivered to over 350 interns at Princess Alexandra, Logan, Redland, Ipswich Hospitals, and again at Rockhampton Hospital. This year's budget allocation and partnership will enable delivery of the program at all 21 Queensland hospitals with interns.

The budget allocation supports the 'Promoting Wellbeing' direction of *Advancing Health 2026*.

Providing first class facilities for our world class clinicians

In 2016-17, Queensland Health achieved a major milestone with the opening of the Sunshine Coast University Hospital and the Sunshine Coast Health Institute. This contemporary facility has around 450 overnight beds growing to 738 beds by 2021, and offers a range of secondary and tertiary health services for the local community, including neurosurgery and cardiac surgery.

We are future proofing health services in our regional, rural and remote communities to ensure these residents have access to contemporary infrastructure. This Budget provides:

- $10 million in 2017-18 to expand Maryborough Hospital emergency department and refurbish the specialist outpatients department.
- $128.4 million over four years for projects to redevelop or replace Kingaroy, Blackall and Sarina Hospitals, fit-outs of Townsville Hospital's breast-screen clinic and clinical services, and the replacement of the Mer (Murray Island) primary healthcare centre clinical building, and staff accommodation at various locations across Queensland to provide safe, secure housing in rural areas.

The Budget is also responding to increasing health demand in high growth population areas such as Logan, Caboolture and Ipswich. Health demand in these areas is also impacted by high levels of chronic disease and an ageing population. This budget provides an initial investment of $112.2 million over four years for detailed planning and preparatory works for redevelopments at Logan, Caboolture and Ipswich hospitals to increase capacity to deal with growth. This budget also provides $19.6 million for an expansion of the Caboolture Hospital Emergency Department.

Delivering mental health services

In response to the growing prevalence of mental health in our communities, this Budget provides additional capital funding of $138.2 million over four years to establish a new Adolescent Extended Treatment Facility on the Prince Charles Hospital site, two new adolescent Step Up Step Down units in Brisbane and refurbishment of two adolescent day program spaces at Logan and the Gold Coast, and a new holistic mental health unit at the Cairns Hospital. This is in addition to a range of initiatives being delivered through the *Connecting care to recovery 2016-21* five year mental health plan that provide comprehensive, high quality and safe recovery-oriented mental health, alcohol and other drug services. These services contribute to improving the health and well-being of Queenslanders and minimise the impact of substance misuse in Queensland communities.

Operating Budget

In 2017-18, Queensland Health's operating budget will be $16.554 billion, which is an increase of $1.280 billion (8.4 per cent) from the published 2016-17 operating budget of $15.274 billion.

Based on current projections, growth in health demand over the medium term is projected to continue. The challenge is therefore to maintain moderate growth in health expenditure while sustaining a high quality health system across a geographically dispersed landscape.

The Commonwealth funding environment is placing serious pressure on service delivery. Growth in public hospital funding from 2017-18 is subject to a 6.5 per cent per annum cap at the national level. Funding under other streams is also constrained, with National Partnership Agreement payments projected to be just $33.6 million in 2020-21 compared to an average of $334 million between 2009-10 and 2014-15.

Hospital and Health Services

In 2017-18, a total of $13.979 billion (84 per cent of the total operating budget) will be allocated through service agreements to provide public healthcare services from HHSs and other organisations. This represents an increase of 11 per cent compared to the published 2016-17 Budget. Investment will be focussed on maintaining recent achievements in relation to outpatient and elective surgery targets in the face of strong increases in service demand.

In addition, the budget also provides for a range of new and continuing initiatives shaped around the key directions of *Advancing Health 2026* of promoting wellbeing; delivering healthcare; connecting healthcare and pursuing innovation.

Promoting Wellbeing

- Investing $2 million over two years to develop educational programs aimed at providing interns and other health professionals with the resilience and coping skills needed to survive and thrive in the field of medicine.
- Piloting a Community Health Action Plan (CHAP) in Logan in partnership with key stakeholders in the local community to address some of the key health challenges for specific population groups in Logan. Key initiatives under the CHAP Logan include targeted strategies to tackle obesity, improve access to antenatal services through a Community-based Midwifery Group Practice, and improve immunisation uptake for children up to five years of age.
- $5.3 million will be provided to extend the School Immunisation Program to include the Meningococcal ACWY vaccine for year 10 students. Extension of this program aims to reduce the risk of meningococcal disease caused by strains A, C, W and Y in this age group, and to reduce the spread of meningococcal disease caused by these strains.
- Investing a further $1.5 million to extend the current Neurodevelopment Exposure Disorder (FASD) Clinic at the Gold Coast to provide a statewide service aimed at providing support, knowledge and training for clinicians, children and their families.

- Significant and concerted pressure will continue to be applied to improve Indigenous health outcomes across the state. Under its Making Tracks Investment Strategy 2015-18, in 2017-18 the Government will invest more than $88 million in Indigenous-specific health initiatives. This includes additional funding of $3.2 million for:
  - continuation of the highly successful Brisbane Broncos Deadly Choices Partnership to promote the adoption of healthy lifestyles and regular health checks
  - the establishment of a new primary health care clinic run by the Aboriginal and Torres Strait Islander Community Health Service-Brisbane at Loganlea
  - establishment of Indigenous mental health hospital liaison services at six public hospitals
  - expansion of the provision of Indigenous-specific forensic mental health services at male and female correctional facilities.
- Up to $600,000 will be provided in 2017-18 support the implementation of changes to the Private Health Facilities Regulation which will require certain cosmetic surgical procedures to be carried out on licenced premises through an advertisement campaign and upgrading existing technology.
- Delivering services and infrastructure to implement the $350 million *Connecting care to recovery 2016-2021* five-year mental health and alcohol and other drugs plan. Future priorities and enhancements under the plan are focused on developing the range of service models across the care continuum, in particular, for community treatment, community support and community bed-based services including:
  - employment of independent patient rights advisers
  - establishment of a parent and infant unit and older persons bed unit at the Gold Coast University Hospital
  - provision of various mental health services including Assertive Mobile Youth Outreach Services and Child and Youth Forensic Mental Health across the state.
- Implementation of a range of initiatives, totalling just over $8 million in 2017-18, identified under the Queensland Sexual Health Strategy and the North Queensland Aboriginal and Torres Strait Islander Sexually Transmissible Infections Action Plan 2016-2021, to help improve the sexual and reproductive health of all Queenslanders by addressing issues including health promotion, prevention, clinical service provision and community education.
- Continuation of the Suicide Prevention in Health Services Initiative which has supported the establishment of a Suicide Prevention Health Taskforce to support clinicians and staff in recognising, responding to and providing care to people at risk of suicide.

Delivering Healthcare

- During 2017-18, $126.5 million will support the continuation of initiatives across the state to reduce specialist outpatient long waits and conversion to elective surgery. This includes an allocation of $16.5 million to focus on patients waiting to see an Ear, Nose and Throat specialist.
- An additional $37 million will be invested in 2017-18 to deliver an additional 12,000 gastrointestinal endoscopies to meet the growth in demand associated with the National Bowel Cancer Screening Program and ensure timely access across the state. Endoscopy services play an important role in the diagnosis and treatment of many conditions and diseases.
- A further $6 million will be allocated in 2017-18 to continue to tackle the Ice epidemic in Queensland. This funding will continue to support the Drug and Alcohol Brief Intervention Teams in the Emergency Departments of Logan, Rockhampton, Townsville, Gold Coast University and Robina Hospitals, as well as a range of service responses in target areas including Cooktown, Gold Coast, Charleville and Cunnamulla and statewide workforce development.
- $15 million will be allocated in 2017-18 to deliver the Winter Bed Management Strategy which aims to drive improved emergency access performance across the state during the winter periods.
- $1.3 million will be allocated in 2017-18 to support the development and implementation of measurable and sustainable improvements in sector wide provision of care at the end of life, including professional and consumer educational materials, and standardised models for advance care planning.
- During 2017-18, the QAS will recruit an additional 75 ambulance operatives. This is in addition to the 110 recruited in 2016-17 to provide enhanced roster coverage to manage increasing demand for ambulance services.

- During 2017-18, the Department of Health is aiming to improve public maternity services through the establishment of three statewide action groups which will examine key factors impacting the successful delivery outcomes for mothers and babies. An audit of the midwifery workforce Business Planning Framework of all public midwifery services is also being undertaken to ensure that midwifery workloads are sustainable and safe for staff and patients and meet existing industrial obligations.

Connecting Healthcare

- During 2016-17, funding totalling $35 million was provided to incentivise ideas and initiatives to deliver better integration of care, address fragmentation in services and provide high-value health care, with initiatives currently being rolled out by the 16 HHSs in partnership with six local Primary Healthcare Networks and community partners. The initiatives focus on chronic diseases such as liver disease, diabetes and chronic obstructive pulmonary disease; vulnerable populations such as children with behavioural and development conditions, the frail and elderly and Aboriginal and Torres Strait Islander peoples; unnecessary hospitalisations and management of complex conditions.
- During 2017-18, as part of the Government's commitment to re-establish a Drug Court, Queensland Health will work with the Department of Justice and Attorney-General through the investment of $700,000 to establish the treatment team component of the new court.
- $1.5 million is also being provided for targeted health related services to support the transition of 17 year olds from Queensland's adult justice system to the youth system.

Pursuing innovation

- Investment of $10 million over four years for the Queensland Health and Medical Research Funding Program, which will focus on supporting innovative, collaborative research that has a strong translatable potential to frontline healthcare and Queensland Health's international engagement. The Department of Health will work with the Queensland research community to ensure new programs are designed to maximise the benefit to health outcomes and so that they complement the broader Advance Queensland agenda to grow Queensland's knowledge industries.
- In April 2017, nine projects were awarded $4.8 million in funding under the first round of the $25 million Queensland Genomics Health Alliance initiative. Five of the projects are focussed on building the infrastructure needed to integrate clinical genomics into our healthcare system. The other four projects are clinical demonstration projects, which will help to build the evidence base for clinical genomics in the fields of melanoma, infectious diseases, maturity onset diabetes of the young and lung cancer. It is expected the next funding round will be progressed in 2017-18.
- Queensland Health has recently implemented an online booking system to improve access and encourage increased participation in breast screening. In the first six months of operation, over 20,000 women have used the system to book their breast screen appointment. Of these, 18 per cent are new participants in the BreastScreen Queensland program.

eHealth and Built Infrastructure

In 2016-17, Queensland Health achieved a major milestone with the opening of the Sunshine Coast University Hospital and the Sunshine Coast Health Institute.

Other significant achievements for 2016-17 include the completion of major works at Mackay Base and Mt Isa Hospitals; commencement of the Wynnum Integrated Healthcare Centre (Gundu Pa), Dimbulah Primary Healthcare Clinic and Roma Hospital; the completion of three ambulance stations at Rainbow Beach, Yandina and Collinsville as well as the QAS Emergency and Fleet Management Precinct (including Geebung ambulance station); and the signing of the contracts for the $1.1 billion ten-year development of the Herston Quarter.

Queensland Health also continued to progress the Digital Hospital project which will deliver an integrated electronic medical record with full digital capability expected in 24 hospitals across all HHSs, covering around 80 per cent of the acute in-patient activity by 30 June 2020. The project improves patient care through the development of a statewide authoritative single source of patient records.

In addition to Princess Alexandra Hospital, planning for infrastructure foundations will enable Digital Hospital implementation at further sites.

Significant progress has also been made to address legacy information technology systems including the Financial System Renewal Project and the Laboratory Information System Project.

In 2017-18, Queensland Health's total capital investment program of $916.1 million will progress a range of health infrastructure priorities including: hospitals and supporting infrastructure; health technology research and scientific services; mental health services; and information technologies.

As highlighted earlier, the Government has further demonstrated its commitment to rural and remote health through the allocation of an additional $138.4 million over four years to deliver essential upgrades to health facilities and supporting

infrastructure in rural and regional areas across the state. The funding will facilitate major redevelopments at Kingaroy Hospital, Blackall Hospital and Sarina Hospital, the redevelopment of the clinical services building and the relocation of the breast screen clinic at Townsville Hospital, the refurbishment of the emergency department and specialist outpatient facilities at Maryborough Hospital, and the replacement of the primary health care centre on Mer (Murray) Island. The program will also support upgrades to staff accommodation at various locations across Queensland to provide safe, secure housing in rural areas.

The Budget also includes $131.8 million over four years as an initial investment to enhance public hospital capacity and services in south-east Queensland, including $19.6 million to expand the emergency department at Caboolture Hospital and $112.2 million (including $9 million reallocated by Queensland Health) for detailed planning and preparatory works for proposed redevelopments at Logan, Caboolture and Ipswich hospitals. A further $3 million has also been internally reallocated for detailed planning to consider future requirements for the Toowoomba Hospital.

The budget also provides a total of $138.2 million over four years to improve mental health services by establishing a new Adolescent Extended Treatment Facility at The Prince Charles Hospital and two new adolescent Step Up Step Down units in Brisbane, and to refurbish two adolescent Day Program spaces at Logan and the Gold Coast and a new mental health unit at Cairns Hospital.

In addition to these new projects, a range of health infrastructure priorities will continue to be progressed in 2017-18, including:

- Roma Hospital Redevelopment main construction works
- a new health precinct for the southern corridor of Cairns
- Thursday Island Hospital redevelopment
- Gladstone Hospital Emergency Department upgrade
- Hervey Bay Emergency Department upgrade
- Atherton Hospital redevelopment
- repurposing of the Nambour General Hospital
- Rockhampton Hospital Carpark main construction works
- new Palm Island Primary Health Care Centre
- the refurbishment of five Remote Primary Health Care Centres – Coconut Island, Stephen Island, Dauan Island, St. Pauls Island and Yorke Island
- planning and delivering new and replacement ambulance stations at Birtinya, Bundaberg, Kenilworth, Thursday Island, Coral Gardens, Wynnum, Rockhampton, Hervey Bay, Drayton, Cairns and Kirwan.

Service Performance Strategic Alignment

The following table illustrates the relationship between Queensland Health's service areas and its 10-year vision – *My health, Queensland's future: Advancing Health 2026*. While it is recognised that all *Service Delivery Statement* service areas broadly support the Vision, the service areas that most closely align to the Vision's Headline Measures of Success are indicated below.

Direction – Advancing Health 2026	Headline Measures of Success	Service Area Alignment
Promoting wellbeing: Improving the health of Queenslanders, through concerted action to promote healthy behaviours, prevent illness and injury and address the social determinants of health	By 2026 we will: Reduce childhood obesity by 10% Reduce the rate of suicide deaths in Queensland by 50% Increase life expectancy for Indigenous males by 4.8 years and females by 5.1 years Increase levels of physical activity for health benefit by 20%	Prevention, Primary and Community Care Mental Health, Alcohol and Other Drug Services
Delivering healthcare: The core business of the health system, improving access to quality and safe healthcare in its different forms and settings	By 2026 we will: Have consumers participate at all levels of the health system Deliver a 10 year health workforce strategy Attain the lowest rate in Australia of unplanned readmissions rates for selected procedures Publish information on service delivery and patient outcomes Ensure Queenslanders receive clinical care within an appropriate time regardless of location	Acute Inpatient Care Outpatient Care Emergency Care Sub and Non-Acute Care Mental Health, Alcohol and Other Drugs Services Prevention, Primary and Community Care Queensland Health Corporate and Clinical Support Queensland Ambulance Service
Pursuing Innovation: Developing and capitalising on evidence and models that work, promoting research and translating it into better practice and care	By 2026 we will: Have the majority of clinical activities supported by a digital platform Have 20% of National Health and Medical Research Council (NHMRC) grants awarded to Queensland researchers and the State will have NHMRC Advance Health Research and Translation Centres Increase the proportion of outpatient care delivered by Queensland Health via Telehealth models of care Have strong innovation and research culture across the health system	Acute Inpatient Care Outpatient Care Emergency Care Sub-Acute and Non-Acute Care Mental Health, Alcohol and Other Drugs Services Prevention, Primary and Community Care Queensland Health Corporate and Clinical Support Queensland Ambulance Service

Box 1: Activity-based Funding and Weighted Activity Units

Under the National Health Reform Agreement, Australian governments implemented Activity Based Funding (ABF) for public hospital services as the primary financing mechanism to support transparency, efficiency and productivity. ABF ensures that Hospital and Health Services are funded on the basis of the public hospital services they deliver, and provides a mechanism to benchmark and compare the efficiency of public hospital service delivery.

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

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

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.

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 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%	96%	>95%
• Category 3 (365 days)		>95%	99%	>95%
Median wait time for elective surgery treatment (days):	3			
• Category 1 (30 days)		..	12	..
• Category 2 (90 days)		..	49	...
• Category 3 (365 days)		..	153	..
• All categories		25	31	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%	3.1%	1%
Efficiency measure Average cost per weighted activity unit (WAU) for Activity Based Funding facilities	5, 6	$4,831	$4,765	$4,797

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Other measures Number of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)	7	New measure	49,328	50,882
• Category 2 (90 days)		New measure	52,978	55,454
• Category 3 (365 days)		New measure	34,601	36,145
Total weighted activity units (WAUs) – acute inpatients	6, 8	1,100,647	1,221,844	1,274,144

Notes:

1. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
2. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actuals are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actuals are based on 10 months of actual performance from 1 July 2016 to 30 April 2017. 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 2017-18 Target/Estimate figures are based on the Closing the Gap trajectory. The 2016-17 Estimated Actual figures are based on data for the period 1 July 2016 to 31 January 2017. The Department is continuing to work with HHS and other stakeholders to address high rates of discharge against medical advice for Aboriginal and Torres Strait Islander patients.
5. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. Central West, South West and Torres and Cape HHSs do not have any ABF facilities. The Queensland Health figure includes Mater Health Services. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Queensland Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Estimated Actual cost per WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
6. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
7. This is a measure of activity. The 2016-17 Estimated Actual figures are based on ten months of actual performance from 1 July 2016 to 30 April 2017 forecast out to 12 months.
8. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. This service standard has been updated to include 'Total WAUs – Interventions and Procedures' previously reported in the Prevention, Primary and Community Care Service Area.

Outpatient Care

Service area objective

To deliver timely coordinated care, clinical follow up and appropriate discharge planning throughout the patient journey, inclusive of service delivery using innovative technology that maximise the health outcomes of patients.

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.

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Outpatient Care				
Service standards *Effectiveness measures* Percentage of specialist outpatients waiting within clinically recommended times:	1			
• Category 1 (30 days)		65%	54%	65%
• Category 2 (90 days)		55%	58%	55%
• Category 3 (365 days)		75%	89%	75%
Percentage of specialist outpatients seen within clinically recommended times:	2			
• Category 1 (30 days)		New measure	83%	83%
• Category 2 (90 days)		New measure	69%	69%
• Category 3 (365 days)		New measure	84%	84%
Efficiency measure[3]				
Other measures Number of Telehealth outpatient occasions of service events	4	New measure	66,658	78,403
Total weighted activity units (WAUs) – Outpatients	5, 6	304,777	317,500	331,237

Notes:

1. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figures are based on patients waiting as at 30 April 2017.
2. This is a measure of effectiveness that shows the percentage of patients who were seen within clinically recommended times. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
4. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
5. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.

6. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. This service standard has been updated to include 'Total WAUs – Interventions and Procedures' previously reported in the Prevention, Primary and Community Care Service Area.

Emergency Care

Service area objective

To minimise early mortality and complications, through timely diagnosis and treatment of 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.

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 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	>80%	76%	>80%
Percentage of emergency department patients seen within recommended timeframes:	2			
• Category 1 (within 2 minutes)		100%	99%	100%
• Category 2 (within 10 minutes)		80%	73%	80%
• Category 3 (within 30 minutes)		75%	63%	75%
• Category 4 (within 60 minutes)		70%	77%	70%
• Category 5 (within 120 minutes)		70%	96%	70%
• All categories		..	73%	..
Percentage of patients transferred off-stretcher within 30 minutes	3	90%	80%	90%
Median wait time for treatment in emergency departments (minutes)	4	20	18	20
Efficiency measure[5]				
Other measure Total weighted activity units (WAUs) – Emergency Department	6, 7	228,430	244,018	250,752

Notes:

1. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April. 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. Compared with the same period last year, there has been a significant increase in the number of category 1, 2 and 3 patients presenting to emergency departments in Queensland, which has affected this performance measure.
3. This is an indicator of the effectiveness of the relationship between Emergency Departments and Ambulance Services. Quicker off-stretcher times assist with enabling quicker treatment and ensure ambulances are available to respond to urgent incidents. Compared with the same period last year, there has been an increase in QAS Code 1 & 2 patient presentations, particularly in South East Queensland HHSs, including Metro North and Metro South HHSs.
4. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. There is no nationally agreed 2017-18 target for this measure.

5. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
6. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19.
7. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.

Sub and Non-Acute Care

Service area objective

To provide 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.

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Sub and Non-Acute Care				
Service standards *Effectiveness measure*[1]				
Efficiency measure[2]				
Other measure Total weighted activity units (WAUs) – sub acute	3, 4	97,684	112,026	113,258

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 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19.
4. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.

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.

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 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, 2			
• Aboriginal and Torres Strait Islander		<12%	18.1%	<12%
• Non-Aboriginal and Torres Strait Islander		<12%	14.1%	<12%
Rate of community follow up within 1-7 days following discharge from an acute mental health inpatient unit:	1, 2			
• Aboriginal and Torres Strait Islander		>65%	60.2%	>65%
• Non-Aboriginal and Torres Strait Islander		>65%	62.7%	>65%
Efficiency measure[3]				
Other measures Percentage of the population receiving clinical mental health service contact hours	4	>1.9%	2.1%	>1.9%
Ambulatory mental health service contact duration (hours)	5	>977,318	877,886	>953,564
Total weighted activity units (WAUs) – Mental health	6, 7	111,157	133,273	133,021

Notes:

1. This is a measure of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. It is essential to maintain clinical and functional stability and to minimise the need for hospital readmission. Persons leaving hospital after a psychiatric admission with a formal discharge plan, involving linkages with community services and supports, are less likely to need early readmission. This service standard has been disaggregated into Aboriginal and Torres Strait Islander and Non-Aboriginal and Torres Strait Islander to align with the *Aboriginal and Torres Strait Islander Mental Health Strategy 2016-2021*. The Estimated Actual figures for 2016-17 are for the period 1 July 2016 to 31 January 2017.

2. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of community follow up. Previous analysis has shown similar rates of follow up for both Indigenous and non-Indigenous Queenslander's are evident, but trends are impacted on by smaller number of separations for Indigenous Queenslanders.
3. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement.*
4. This measure provides a mechanism for monitoring population treatment rates and assessing these against what is known about distribution of mental disorder in the community. It is the proportion of the Queensland population accessing a public mental health service over the estimated Queensland population for 2017. The Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017.
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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target for this measure is calculated by the Department of Health to ensure consistency across the state.
6. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
7. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 2016-17 mental health Estimated Actuals are higher than the 2017-18 Target/Estimate due to the discharge of long stay patients from Non-ABF mental health facilities. This Queensland WAU, whilst funded, has not been built into the 2017-18 Service Agreements as the pattern of patient discharges from these facilities varies considerably from year to year.

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.

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 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		58.1%	57.3%	58.1%
• vegetables		8.2%	6.8%	8.2%
Percentage of the Queensland population who engaged in levels of physical activity for health benefit:	1			
• Persons		59.2%	61.3%	59.2%
• Male		62.2%	65.3%	62.2%
• Female		55.1%	57.3%	55.1%
Percentage of the Queensland population who are overweight or obese:	1			
• Persons		56.8%	59%	56.8%
• Male		65.7%	67.2%	65.7%
• Female		48%	50.8%	48%
Percentage of the Queensland population who consume alcohol at risky and high risk levels:	1			
• Persons		21.6%	21.1%	21.6%
• Male		32.3%	31.5%	32.3%
• Female		11.8%	11%	11.8%
Percentage of the Queensland population who smoke daily:	1			
• Persons		11.6%	11.9%	11.6%
• Male		12.6%	13.5%	12.6%
• Female		11.6%	10.5%	11.6%

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of the Queensland population who were sunburnt in the last 12 months:	1			
• Persons		51%	55.8%	51%
• Male		55.9%	60.9%	55.9%
• Female		45.1%	50.7%	45.1%
Annual notification rate of HIV infection	2	4	4	4
Vaccination rates at designated milestones for:	3			
• all children 1 year		95%	94.3%	95%
• all children 2 years		95%	92.2%	95%
• all children 5 years		95%	93.7%	95%
Percentage of target population screened for:	4			
• breast cancer		57.7%	56.6%	57.7%
• cervical cancer		54.4%	54.8%	54.4%
• bowel cancer		37%	38.1%	37%
Percentage of invasive cancers detected through BreastScreen Queensland that are small (<15mm) in diameter	5	56.3%	54.8%	56.3%
Ratio of potentially preventable hospitalisations (PPH) - rate of Aboriginal and Torres Strait Islander hospitalisations to rate of non-Aboriginal and Torres Strait Islander hospitalisations	6, 7	1.8	1.8	1.8
Percentage of women who, during their pregnancy, were smoking after 20 weeks:	7, 8			
• Non-Aboriginal and Torres Strait Islander women		7.7%	7.4%	7.4%
• Aboriginal and Torres Strait Islander women		34.7%	37.4%	34.7%
Percentage of women who attended at least 5 antenatal visits and gave birth at 32 weeks or more gestation:	7, 9			
• Non-Aboriginal and Torres Strait Islander women		New measure	96.5%	96.5%
• Aboriginal and Torres Strait Islander women		New measure	88.8%	93.8%
Percentage of babies born of low birth weight to:	7, 10			
• Non-Aboriginal and Torres Strait Islander women		4.6%	5.3%	4.6%

Queensland Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
• Aboriginal and Torres Strait Islander women		7.8%	10.0%	7.8%
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, 12	15%	16%	15%
Efficiency measures[13]				
Other measures Number of rapid HIV tests performed	14	4,500	5,400	5,900
Number of adult oral health Weighted Occasions of Service (ages 16+)	12, 15	2,150,000	2,841,377	2,030,000
Number of children and adolescent oral health Weighted Occasions of Service (0-15 years)	12, 16	1,300,000	1,261,094	1,300,000
Total weighted activity units (WAUs) – Prevention and Primary Care	17, 18	48,965	54,843	48,767

Notes:

1. Queensland Health's investment in prevention strategies aims to reduce this risk through healthy behaviour change. The 2016-17 Estimated Actual figures reflect 2016 Preventive Health Survey results. The 2017-18 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.
3. The 2016-17 Estimated Actual reflects the period 1 July 2016 to 31 March 2017. This presentation of this service standard has been amended to align with current targets in the *Queensland Immunisation Strategy 2014-17* (updated October 2015).
4. The 2016-17 Estimated Actual is based on the 2014-15 biennial period for breast, cervical and bowel cancer (the last screening round for these programs). The breast cancer 2016-17 Estimated Actual is based on participation for the expanded target age range of women 50-74 years which is slightly lower than the previously reported participation rate for women aged 50-69 years. The 2017-18 Target/Estimate is based on the estimated 2015-16 biennial participation rates for breast and cervical screening and the 2014-15 biennial period for bowel cancer screening. The 2017-18 Target/Estimate for cervical cancer screening also assumes changes to the target age group and screening frequency as part of a renewed National Cervical Screening Program may have an impact on the cervical screening participation rate.
5. The 2017-18 Target/Estimate is based on the average for the period July 2013 to June 2016.
6. PPHs are hospitalisations that could potentially have been avoided with "better" care or access to care outside the hospital inpatient setting. The 2017-18 Target/Estimate is based on the Closing the Gap trajectory to achieve potentially preventable hospitalisations (PPH) parity with other Queenslanders by 2033. The 2016-17 Estimated Actual is based on the period 1 July 2016 to 31 March 2017. Parallel improvements in other Queenslanders represent a challenge to achieving the Closing the Gap targets.
7. This is an effectiveness measure as it provides support and evidence on the *Making Tracks towards closing the gap in health outcomes for Indigenous Queenslanders by 2033*, *Investment Strategy 2015-2018*.
8. The 2016-17 Estimated Actuals are based the period 1 July 2016 to 31 January 2017. The 2017-18 Target/Estimate for Aboriginal and Torres Strait Islander women is based on the Closing the Gap trajectory to achieve maternal smoking parity with other Queenslanders by 2033. Parallel improvements for other Queenslanders represent a challenge to achieving the Closing the Gap targets.
9. This service standard reports on the effectiveness of antenatal care services to help positive health outcomes for mothers and babies. The 2016-17 Estimated Actuals relate to the period 1 July 2016 to 31 December 2016.
10. This service standard has been moved from the Acute Care Service Area for 2017-18 as it measures the effectiveness of antenatal care services (including healthy food choices, general health promotion and smoking cessation services that help babies' birth weight to increase to a more healthy weight) and it is more suitable for the Prevention, Primary and Community Care Service Area. The 2016-17 Estimated Actuals are for the period 1 July 2016 to 31 January 2017. The 2017-18 Target/Estimate for Aboriginal and Torres Strait Islander women is based on the Closing the Gap trajectory.
11. This is a measure of effectiveness for improving and maintaining the health of teeth, gums and soft tissues within the mouth, which has general health benefits.
12. An oral health Weighted Occasion of Service is a measure of activity and provides a common unit of comparison for oral health services so that occasions of service can be measured consistently, regardless of their complexity.
13. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
14. The number of Estimated Actual rapid HIV point-of-care tests 2016-17 is higher than previous estimates because of an increased uptake in the community sector, where the tests are largely performed by peers.

15. The 2016-17 Estimated Actual is over target due to additional investments in 2016-17 anticipated under the new National Partnership Agreement (NPA) funding together with Metro North-University of Queensland Oral Health Centre (UQ OHC) and Medicare payments claimed directly by HHSs under the Child Dental Benefits Schedule (CDBS). The 2017-18 Target/Estimate includes State base funding and Metro North UQ OHC, but excludes investments associated with the new NPA (which is not yet signed) and any funding claimed under CDBS.
16. The 2016-17 Estimated Actual is below target in part due to the Medicare CDBS which has reduced demand for child and adolescent oral health services by allowing eligible children to receive free basic dental treatment at private dentists.
17. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
18. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' is no longer reported in this Service Area. These WAUs have been reallocated to Acute Inpatient Care and Outpatient Care Services Areas. 'Total WAUs - Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. 'Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 are lower than 2016-17 Estimated Actuals due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.

Queensland Health budget summary

The table below shows the total resources available in 2017-18 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Queensland Health	2016-17 Budget $'000	2016-17 Est. Actual $'000	2017-18 Budget $'000
CONTROLLED			
Income			
Appropriation revenue[1]			
Deferred from previous year/s	..	..	..
Balance of service appropriation	10,014,701	9,950,876	10,319,023
User Charges	1,278,797	1,647,839	1,660,353
Grants and Contributions	3,929,109	4,486,094	4,511,922
Other revenue	52,194	66,427	62,431
Total income	**15,274,801**	**16,151,236**	**16,553,729**
Expenses[2]			
Acute Inpatient Care	6,853,251	7,230,765	7,580,278
Outpatient Care	1,943,651	2,045,103	2,073,385
Emergency Care	1,479,770	1,556,961	1,578,077
Sub and Non-Acute Care	560,554	592,311	648,025
Mental Health and Alcohol and Other Drug Services	1,545,278	1,676,570	1,679,059
Prevention, Primary and Community Care	2,218,335	2,321,610	2,275,316
Ambulance Services	673,132	662,917	719,590
Total expenses	**15,273,970**	**16,086,237**	**16,553,729**
Operating surplus/deficit	**831**	**65,000**	**0**
Net assets	**12,184,867**	**12,195,077**	**12,527,290**
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	33,974	42,512	34,149
Other administered revenue	25	25	4
Total revenue	**33,999**	**42,537**	**34,153**
Expenses			
Transfers to government	25	25	..
Administered expenses	33,974	42,512	34,153
Total expenses	**33,999**	**42,537**	**34,153**
Net assets	**..**	**..**	**..**

Notes:

1. Includes State and Commonwealth funding.
2. The 2016-17 Budget expenses categories have been restated to account for a change in treatment of the Ambulance Services line. Previously the revenue and costs for internal transactions between the Department of Health and Queensland Ambulance Service were eliminated upon consolidation. These have now been restated to reflect the cost prior to consolidation. Total expenditure remains unchanged.

Service area sources of revenue[1]

Sources of revenue 2017-18 Budget					
Queensland Health	**Total cost $'000**	**State contribution $'000**	**User charges and fees $'000**	**C'wealth revenue $'000**	**Other revenue $'000**
Acute Inpatient Care	7,580,278	4,659,094	751,438	2,106,653	63,093
Outpatient Care	2,073,385	1,266,794	204,097	586,203	16,290
Emergency Care	1,578,077	964,106	155,328	446,252	12,390
Sub and Non-Acute Care	648,025	399,583	64,483	178,401	5,558
Mental Health and Alcohol and Other Drug Services	1,679,059	1,019,407	164,054	483,230	12,367
Prevention, Primary and Community Care	2,275,316	1,373,435	220,797	665,342	15,741
Ambulance Services	719,590	594,075	100,154	0	25,361
Total	**16,553,729**	**10,276,494**	**1,660,353**	**4,466,081**	**150,801**

Note:

1. Totals may vary due to rounding

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Queensland Health	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures[1]					
Administered	..	..	..	..	..
Departmental	2,252	11,385	15,124	19,151	747,650
Capital measures					
Administered	..	..	..	..	..
Departmental	7,128	121,813	111,820	139,646	75,663

Note:

1. Figures reconcile with *Budget Measures (Budget Paper 4)*, including the whole-of-government measures 'Brisbane CBD government office agency rental impacts' and 'Government Employee Housing'.

Queensland Health capital program

In 2017-18, Queensland Health will invest $904.2 million on the capital infrastructure program, with an additional capital investment of $12.0 million for the Council of the Queensland Institute of Medical Research. This investment will further advance 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

Queensland Health	Notes	2016-17 Budget $'000	2016-17 Est. Actual $'000	2017-18 Budget $'000
Capital purchases[1]				
Total land, buildings and infrastructure	2	1,054,460	939,647	613,469
Total plant and equipment		282,870	260,099	223,558
Total other capital		71,321	12,404	67,135
Total capital purchases	3	**1,408,651**	**1,212,150**	**904,162**

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. Total land, buildings and infrastructure includes Capital Work in Progress.
3. The 2016-17 Budget and 2016-17 Estimate Actual Total capital purchases figures both include $460m for a Public Private Partnership finance lease relating to the Sunshine Coast University Hospital, which will involve principal repayments over the period 2017-42.

Staffing[1, 2, 3]

Queensland Health	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Hospital and Health Services	4	71,045	72,241	75,635
Queensland Ambulance Service	5	4,261	4,261	4,346
eHealth Queensland		1,318	1,318	1,318
Health Support Queensland	6, 7	4,235	4,228	4,335
Other Department of Health	6, 8	1,755	1,692	1,762
TOTAL		**82,614**	**83,740**	**87,396**

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*. For HHSs, this total has been restated to include the funded unallocated FTEs published in the 2016-17 *Budget Strategy and Outlook (Budget Paper 2).*
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs as at 30 June 2018. For HHSs, this line item includes an estimate of unallocated FTEs that are funded but are not yet allocated to a specific HHS. These will be allocated throughout the 2017-18 financial year to the HHSs via the Service Agreement process, and HHS thresholds will be adjusted accordingly based on funding and recruitment decisions. The total level of HHS FTEs may change if further funding is received that is greater than these point in time forecasted levels.
4. Increases from 2016-17 Budget to 2016-17 Estimated Actuals is predominantly driven by additional Commonwealth growth funding which has been earned by the HHSs delivering activity over and above their published budget levels. Increases in FTEs for the 2017-18 Budget reflect commissioning of new services and additional activity purchased from the HHSs, as well as on-boarding for new staff as part of the progressive ramp up of services at the new Sunshine Coast University Hospital.
5. Increases in 2017-18 reflect positions for the recruitment of 75 frontline Ambulance Officers to meet increasing demand and 10 additional support positions for various operational projects within the Queensland Ambulance Service.
6. The movement of 7 FTE is due to the transfer of Medications Services Queensland from Health Support Queensland to Other Department of Health (Chief Health Officer and Prevention Division).
7. Increases in relation to the 2017-18 Budget are predominantly driven by growth in services provided to HHSs to meet increased service demand, for example Pathology and Biomedical Technology Services. Additional FTE growth is also associated with: business improvement projects such as the front end Payroll rostering system; Health Contact Centre programs; and the conversion of contract and agency staff to permanent employees.
8. The reduction in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual relates to the active management of staffing within the published budget figure to allow for contingent and emergent needs.

Budgeted financial statements

Analysis of budgeted financial statements

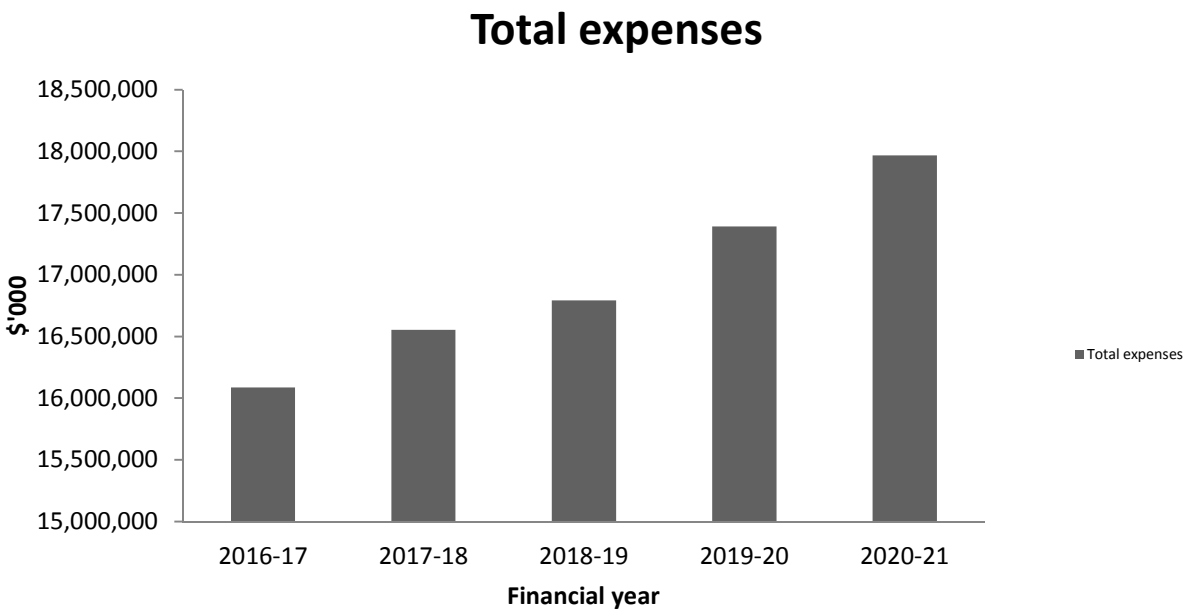
An analysis of Queensland Health's financial statements, inclusive of the Department of Health, Queensland Ambulance Service and the Hospital and Health Services, is provided below.

Departmental income statement

2017-18 total expenses are estimated to be $16.554 billion, representing an increase of $1.280 billion from the 2016-17 Budget.

The 2017-18 Budget services growing demand and critical service needs and includes increased expenditure for enterprise bargaining agreements and the additional workforce requirements to meet 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 ($12.275 billion). Queensland Health's main liabilities relate to payables of an operating nature ($0.641 billion) and accrued employee benefits ($0.808 billion) which are expected to remain at similar levels over the next three years to 2020-21.

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	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
Appropriation revenue	1,10,18	10,014,701	9,950,876	10,319,023
Taxes		..	..	..
User charges and fees	2,11,19	1,278,797	1,647,839	1,660,353
Royalties and land rents		..	..	..
Grants and other contributions	3,12,20	3,929,109	4,486,094	4,511,922
Interest		2,902	3,314	2,943
Other revenue	4,13	48,344	57,952	58,295
Gains on sale/revaluation of assets	5,21	948	5,161	1,193
Total income		**15,274,801**	**16,151,236**	**16,553,729**
EXPENSES				
Employee expenses	6,14,22	9,812,166	9,932,995	10,515,631
Supplies and services	7,15	4,452,064	5,132,082	4,996,441
Grants and subsidies		75,138	74,156	74,108
Depreciation and amortisation		728,412	724,872	717,728
Finance/borrowing costs	8,16,23	13,091	14,835	34,591
Other expenses	9,17	174,951	187,920	195,428
Losses on sale/revaluation of assets		18,148	19,376	19,802
Total expenses		**15,273,970**	**16,086,236**	**16,553,729**
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT)		**831**	**65,000**	**..**

Reporting entity balance sheet

Queensland Health and Hospital and Health Services	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	24,33	464,751	828,592	861,328
Receivables	25,34	1,359,045	715,732	701,795
Other financial assets		..	..	..
Inventories		142,988	153,439	155,557
Other	26,35	204,832	53,510	55,524
Non-financial assets held for sale	27,43	..	32,000	..
Total current assets		**2,171,616**	**1,783,273**	**1,774,204**
NON-CURRENT ASSETS				
Receivables	28,36	95,031	80,986	71,489
Other financial assets	29,37	98,623	78,456	78,456
Property, plant and equipment	30,38,44	12,020,733	11,910,797	12,275,317
Deferred tax assets		..	..	..
Intangibles	39,45	209,503	212,708	247,654
Other		200	..	..
Total non-current assets		**12,424,090**	**12,282,947**	**12,672,916**
TOTAL ASSETS		**14,595,706**	**14,066,220**	**14,447,120**
CURRENT LIABILITIES				
Payables	31,40	1,201,014	633,384	641,216
Current tax liabilities		..	..	..
Accrued employee benefits	32,41,46	729,262	762,631	807,827
Interest bearing liabilities and derivatives		..	6,459	7,048
Provisions		2,000	1,120	3,162
Other		16,074	11,522	11,598
Total current liabilities		**1,948,350**	**1,415,116**	**1,470,851**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		459,985	451,223	444,175
Provisions		..	..	..
Other		2,504	4,804	4,804
Total non-current liabilities		**462,489**	**456,027**	**448,979**
TOTAL LIABILITIES		**2,410,839**	**1,871,143**	**1,919,830**
NET ASSETS/(LIABILITIES)		**12,184,867**	**12,195,077**	**12,527,290**
EQUITY				
TOTAL EQUITY	42,47	**12,184,867**	**12,195,077**	**12,527,290**

Reporting entity cash flow statement

Queensland Health and Hospital and Health Services	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	48,58,66	10,014,701	9,730,556	10,319,023
User charges and fees	49,59	1,290,117	1,670,110	1,687,716
Royalties and land rent receipts		..	..	..
Grants and other contributions	50,60	3,774,742	4,460,064	4,484,324
Interest received		2,902	3,314	2,943
Taxes		..	..	..
Other	51,61	403,995	431,592	429,541
Outflows:				
Employee costs	52,62,67	(9,784,512)	(9,906,932)	(10,474,753)
Supplies and services	53,63	(4,786,900)	(5,436,352)	(5,329,808)
Grants and subsidies		(75,138)	(75,247)	(74,108)
Borrowing costs		(13,091)	(14,835)	(34,591)
Taxation equivalents paid		..	..	..
Other	54,64	(196,081)	(206,848)	(214,141)
Net cash provided by or used in operating activities		**630,735**	**655,422**	**796,146**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	65,68	5,304	3,171	35,103
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	55,69	(903,099)	(751,929)	(904,162)
Payments for investments		..	1,239	..
Loans and advances made		(1,580)	(1,458)	(1,582)
Net cash provided by or used in investing activities		**(899,375)**	**(748,977)**	**(870,641)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	56,70	619,319	396,450	663,908
Outflows:				
Borrowing redemptions		..	(2,303)	(6,459)
Finance lease payments		..	..	..
Equity withdrawals	57,71	(566,675)	(489,104)	(550,218)
Dividends paid		..	..	..
Net cash provided by or used in financing activities		**52,644**	**(94,957)**	**107,231**
Net increase/(decrease) in cash held		**(215,996)**	**(188,512)**	**32,736**
Cash at the beginning of financial year		**680,747**	**1,017,104**	**828,592**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**464,751**	**828,592**	**861,328**

Explanation of variances in the financial statements

Income statement

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

1. Decrease due to the realignment of revenue following the reprofiling between Equity and Operating and the timing of expenditure offset by increased funding for National Partnership Agreements.
2. Increase relates to recognition of Cost of Goods Sold accounting treatment, increased Pharmaceutical Benefits Scheme revenues, revenue received for treatment of interstate patients and recognition of rental revenue.
3. Increase is due to revised National Health Reform Agreement funding together with minor increases in Commonwealth specific purpose payments and a non-recurrent Industry grant.
4. Increase relates to higher than expected third party recoveries and other reimbursements.
5. Increase relates to the revaluation of Lady Cilento Children's Hospital building in 2016-17.
6. Increase reflects the growth in full-time equivalent numbers within the Hospital and Health Services in line with increased service demands.
7. Increase relates to recognition of Cost of Goods Sold accounting treatment and the general increase in costs for the provision of Health Services together with the holding of funding related to the purchases of Health Services yet to be finalised.
8. Increase in line with revised arrangements under the Sunshine Coast University Hospital Public Private Partnership (PPP).
9. Increase relates to general expenditure associated with the provisions of Health Services.

Major variations between 2016-17 Budget and 2017-18 Budget include:

10. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced and/or ceasing Commonwealth National Partnership Agreements.
11. Increase relates to recognition of Cost of Goods Sold accounting treatment, increased Pharmaceutical Benefits Scheme revenues, revenue received for treatment of interstate patients and increased private patient revenues.
12. Increase is due to revised National Health Reform Agreement funding together with minor increases in Commonwealth specific purpose payments and a non-recurrent Industry grant.
13. Increase relates to third party recoveries and other reimbursements.
14. Increase due to indexation for relevant enterprise bargaining agreements together with Hospital and Health Service staffing levels increasing in line with demand for increased frontline services.
15. Increase relates to recognition of Cost of Goods Sold accounting treatment and the general increase in costs for the provision of Health Services together with the holding of funding related to the purchases of Health Services yet to be finalised.
16. Increase in line with revised arrangements under the Sunshine Coast University Hospital Public Private Partnership (PPP).
17. Increase relates to general expenditure associated with the provisions of Health Services.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

18. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced and/or ceasing Commonwealth National Partnership Agreements and the non-recurrent effect of funding profile changes.
19. Increase relates to revised estimates for private room fees, private practice arrangements and the treatment of interstate patients.
20. Increase is due to revised National Health Reform Agreement funding together with minor increases in Commonwealth specific purpose payments and a non-recurrent Industry grant.
21. Decrease relates to the revaluation of Lady Cilento Children's Hospital building in 2016-17.
22. Increase due to indexation for relevant Enterprise Bargaining Agreements together with Hospital and Health Service staffing levels increasing in line with demand for increased frontline services.
23. Increase in line with revised arrangements under the Sunshine Coast University Hospital Public Private Partnership (PPP).

Balance sheet

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

24. Increase in cash relates to a reduction in outstanding debtors at year end and the Queensland Government Insurance Fund (QGIF) invoice now being paid in July.
25. Decrease in receivables due to a reduction in the forecast Commonwealth receivable, a reduction in anticipated outstanding debtors at year end and the recognition of an elimination entry for receivables between the Department of Health and the Hospital and Health Services not included in the 2016-17 published budget papers.
26. Decrease due to a change in process with QGIF invoice now being paid in July.
27. Increase in non-financial assets held for sale due to the land at the former Southport Hospital site held at fair value.
28. Decrease in non-current receivables due to a reduction in the forecast outstanding debtors at year end.
29. Decrease in other financial assets due to the reclassification to QTC cash assets.
30. Decrease in Property, plant and equipment due to the reprofile of funding from Equity to Operating and recashflow of projects in the capital program.
31. Decrease in payables due to the recognition of an elimination entry for payables between the Department of Health and Hospital and Health Services not included in the 2016-17 published budget papers.
32. Increase in accrued employee benefits is due to the growth in the annual leave levy payable being higher than originally forecast in the 2016-17 budget papers.

Major variations between 2016-17 Budget and 2017-18 Budget include:

33. Increase in cash relates to a reduction in outstanding debtors at year end and the QGIF invoice now being paid in July.
34. Decrease in receivables due to a reduction in the forecast Commonwealth receivable, a reduction in anticipated outstanding debtors at year end and the recognition of an elimination entry for receivables between the Department of Health and the Hospital and Health Services not included in the 2016-17 published budget papers.
35. Decrease due to a change in process with QGIF invoice now being paid in July.
36. Decrease in non-current receivables due to a reduction in the forecast outstanding debtors at year end.
37. Decrease in other financial assets due to the reclassification to QTC cash assets.
38. Increase relates to investment in the Health Capital Program.
39. Increase in intangibles due to the capitalisation of costs related to software programs.
40. Decrease in payables due to the recognition of an elimination entry for payables between the Department of Health and Hospital and Health Services not included in the 2016-17 published budget papers.
41. Increase in accrued employee benefits is due to underestimated growth in the annual leave levy payable in the 2016-17 Budget papers, an additional payroll accrual day in 2017-18 and an increase in employee expenses relating to Enterprise Bargaining Agreement No. 9.
42. Increase in total equity due to indexation of Non-Current Assets and investment in the Health Capital Program.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

43. Decrease in non-financial assets held for sale due to sale of land at the former Southport Hospital site, previously held at fair value.
44. Increase relates to investment in the Health Capital Program.
45. Increase in intangibles due to the capitalisation of costs related to software programs.
46. Increase in accrued employee benefits is due to an additional payroll accrual day in 2017-18 and an increase in employee expenses due to Enterprise Bargaining Agreement No. 9.
47. Increase in total equity predominately due to indexation of Non-Current Assets.

Cash flow statement

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

48. Decrease due to the realignment of revenue reprofiling between Equity and Operating funding and the timing of expenditure offset by increased funding for National Partnership Agreements and movement in payables.
49. Increase relates to recognition of Cost of Goods Sold accounting treatment, increased Pharmaceutical Benefits Scheme revenues, revenue received for treatment of interstate patients and recognition of rental revenue.
50. Increase is due to revised National Health Reform Agreement funding together with minor increases in Commonwealth specific purpose payments and a non-recurrent Industry grant.
51. Increase relates to higher than expected third party recoveries and other reimbursements.
52. Increase reflects the expenditure associated with growth in full-time equivalent numbers within the Hospital and Health Services in line with increased service demands.
53. Increase due to the general increase in costs for the provision of Health Services together with the holding of funding related to the purchases of Health Services yet to be finalised.
54. Increase relates to general expenditure associated with the provisions of Health Services.
55. Decrease in Payments for non-financial assets due to the recashflow of projects in the capital program from 2016-17 to 2017-18 in line with anticipated capital expenditure.
56. Decrease in Equity injections relates to the recashflow of projects in the Capital Acquisition Plan from 2016-17 to 2017-18 in line with anticipated capital expenditure.
57. Decrease relates to Equity withdrawal arrangements at End of Year between the Department and Queensland Treasury.

Major variations between 2016-17 Budget and 2017-18 Budget include:

58. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced and/or ceasing Commonwealth National Partnership Agreements.
59. Increase relates to recognition of Cost of Goods Sold accounting treatment, increased Pharmaceutical Benefits Scheme revenues, revenue received for treatment of interstate patients and increased private patient revenues.
60. Increase is due to revised National Health Reform Agreement funding together with minor increases in Commonwealth specific purpose payments and a non-recurrent Industry grant.
61. Increase relates to higher than expected third party recoveries and other reimbursements.
62. Increase due to indexation for relevant Enterprise Bargaining Agreements together with Hospital and Health Service staffing levels increasing in line with demand for increased frontline services.
63. Increase due to the general increase in costs for the provision of Health Services together with the holding of contingent funding related to the purchases of Health Services yet to be finalised.
64. Increase relates to general expenditure associated with the provisions of Health Services.
65. Increase due to sale of land of the former Southport Hospital site previously held at fair value.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

66. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced or ceasing Commonwealth National Partnership Agreements and the non-recurrent effect of funding profile changes.
67. Increase due to indexation for relevant Enterprise Bargaining Agreements together with Hospital and Health Service staffing levels increasing in line with demand for increased frontline services.
68. Increase due to sale of land of the former Southport Hospital site previously held at fair value.
69. Increase in payments for non-financial assets due to the recashflow of projects in the capital program from 2016-17 to 2017-18 in line with anticipated capital expenditure.
70. Increase in equity injections relates to recashflow of projects in the Capital Acquisition Plan from 2016-17 to 2017-18 in line with anticipated capital expenditure.
71. Increase relates to Equity withdrawal arrangements at End of Year between the Department and Queensland Treasury.

Department of Health overview

The Department of Health - under the *Hospital and Health Boards Act 2011* - is responsible for overall leadership and management of the Queensland public health system.

The department's vision is healthier Queenslanders, and it works in close collaboration with the State's 16 Hospital and Health Services (HHSs) and Queensland Ambulance Service to ensure that safe and responsive public health services are delivered in each region.

To achieve this, the department's strategic objectives, as identified in the Department of Health Strategic Plan 2016-2020 (2017 Update) 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
- improving health outcomes through better access to services for Queenslanders
- responsive, dynamic and accountable management of the department, and of funding and service performance
- harnessing the skill and knowledge of our partners through collaborative engagement
- driving service improvement and innovation through a collaborative policy cycle and
- fostering a culture that is vibrant, innovative and collaborative.

By implementing these strategic objectives, the department also contributes to the Queensland Government's objectives of delivering quality frontline services; building safe, caring and connected communities; and creating jobs and a diverse economy.

The department achieves these objectives by:

- providing strategic leadership and direction through the development of policies, legislation and regulations for the health of Queenslanders
- developing statewide plans and strategies for health services, workforce and major capital investments that provide oversight and linkages across the entire state's healthcare system and eliminate duplication of effort and associated waste
- managing major capital works for public sector health service facilities
- purchasing, supporting and monitoring the quality of health service delivery through 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
- delivering specialised health services, providing ambulance, health information and communication technology and statewide health support services
- advancing healthcare for our consumers, clinicians and the community through digital health technologies and digital innovation.

The department has been successful in driving strong service delivery performance across Queensland Health in the face of increasing demand. The department continues to lead a range of major innovative health reforms, such as the Digital Hospital rollout, targeted initiatives to reduce outpatient waitlists, and Australia's first medicinal cannabis guidelines to provide safe, controlled access to medicinal cannabis under the nation's most progressive medicinal cannabis laws.

Responsible financial management has delivered a budget surplus in 2016-17, and the department maintains an ongoing focus on capital delivery, with a range of significant projects underway and planned for 2017-18.

However, over the longer term, a range of service delivery and fiscal challenges are emerging. These include significant demand pressures from a growing and ageing population, uncertainty regarding future levels of Commonwealth funding and cost shifting to the state, and challenges to ensure infrastructure capacity keeps pace with demand growth. To respond to these challenges, the department's long term system planning aims to:

- transform the way the health system operates through implementing key policy priorities including:
  - *My Health, Queensland's Future: Advancing Health 2026 (Advancing health 2026)* strategy which articulates a 10-year vision and provides a shared sense of purpose and strategic direction to support improved health outcomes for all Queenslanders

- *Specialist Outpatients Strategy* – developed to tackle specialist outpatient waiting lists and improve access to specialist services by 2020
- *Connecting Care to Recovery 2016-2021* – to deliver services and infrastructure to implement the Connecting Care to Recovery five-year mental health and alcohol and other drugs plan
- *Health and Wellbeing Strategic Framework 2016-2026* – to provide a prevention focussed pathway for the improved health of all Queenslanders, focusing on the key modifiable behaviours of unhealthy eating, physical inactivity, tobacco smoking, and unsafe sun exposure
- *Queensland Sexual Health Strategy 2016-2021* – to help improve the sexual and reproductive health of Queenslanders through health promotion, prevention, clinical service provision and community education
- proposed amendments to legislation, including the *Public Health Act 2005*, which will strengthen the statutory infection control framework for health care facilities.

- optimise service delivery and operational efficiency across the health system 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
  - establishing a set of purchasing priorities to direct investment that address issues of significant demand pressure or provide potential for efficiency gains
  - pursuing more innovative models of care, such as community-based services as an alternative to hospital services where clinically appropriate
  - employing capacity management strategies to better manage demand surges and to more effectively reduce off-load times for Queensland Ambulance Service, thereby improving emergency access
  - advancing a range of transformative reforms with a focus on improving operational efficiency and high value care
  - using digital health to transform the way healthcare is provided to patients by moving from paper-based clinical workflows to digital processes
  - establishing a vehicle for HHSs to solve complex clinical design problems using proven methods of improvement
  - utilising value-based healthcare to pursue reforms to maximise health outcomes from available resources
  - using integrated care to help patients get the right care, in the right setting, in a timely and flexible manner
  - strategies to build the evidence and relationship base to facilitate more efficient health workforce planning
  - continuing the development of point of care testing services to ensure timely patient access to pathology testing in regional and rural Queensland
  - investing in new pathology laboratory technologies in the rapidly expanding area of genomic testing
  - delivering a modern Laboratory Information System to improve Pathology and Forensic and Scientific Services' efficiency and integrate with the digital health platform across the state
  - developing forward procurement plans to improve the delivery of benefits to HHSs over a five year period from 2016-17 to 2020-21
  - delivering an Integrated Workforce Management solution to enhance workforce management capability and provide better pay outcomes to HHSs and the Department of Health.
- sustain investment in infrastructure to support growth and future demand through:
  - assessment and prioritisation of service reform and resource requirements
  - targeted investment in detailed planning for high growth areas.

Service performance

Performance statement

Queensland Health Corporate and Clinical Support

Service area objective

To support the delivery of 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 delivery of public health services in consultation with HHSs and other health service providers and stakeholders
- manage statewide policy, 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 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%	99.8%	92%
Percentage of high level ICT incidents resolved within targets defined in the Service Catalogue	2	80%	90.3%	80%
Efficiency measures Percentage of capital infrastructure projects delivered on budget and within time and scope within a 5% unfavourable tolerance	3	95%	100%	95%
Percentage of correct, on time pays	4	97%	96.4%	97%
Percentage of calls to 13 HEALTH answered within 20 seconds	5	80%	80.1%	80%
Other measures Percentage of initiatives with a status reported as critical (Red)	6	<20%	15%	<20%

Department of Health	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of formal reviews undertaken on Hospital and Health Service responses to significant negative variance in Variable Life Adjusted Displays (VLAD) and other National Safety and Quality indicators	7	100%	100%	100%

Notes

1. This is a measure of the availability and access of Information and Communication Technology (ICT) services via Queensland Health's Wide Area Network service across the state. The 2016-17 Estimated Actual is the average for the period between 1 July 2016 and 31 March 2017.
2. This is a measure of the ICT incidents resolved within recommended timeframes as per the Service Level Agreement between eHealth Queensland and its customers. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 March 2017.
3. This measure shows the percentage of projects delivered within scope, budget and time allocations. Twenty five projects were completed in the 2016-17 financial year. Based on available data, the projects were completed on time and within budget to agreed scope and quality.
4. The 2016-17 Estimated Actual and 2017-18 Target/Estimate 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.
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 is calculated as the number of eHealth Queensland delivered initiatives reporting an expected 'red' status, divided by the total count of initiatives reported. The measure is an end of financial year projected estimate based on the most current dataset, and excludes red initiatives with active short-term remediation activities. It is expected that excluded initiatives will return to green by 30 June 2017. A risk factor assuming that one additional initiative is reporting red has been added.
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, 3]

Department of Health	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
eHealth Queensland		1,318	1,318	1,318
Health Support Queensland	4, 5	4,235	4,228	4,335
Other Department of Health	6	1,755	1,692	1,762
TOTAL		**7,308**	**7,238**	**7,415**

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs as at 30 June 2018.
4. The movement of 7 FTEs is due to the transfer of Medications Services Queensland from Health Support Queensland to Other Department of Health (Chief Health Officer and Prevention Division).
5. Increases in relation to the 2017-18 Budget are predominantly driven by growth in services provided to HHSs to meet increased service demand, for example Pathology and Biomedical Technology Services. Additional FTE growth is also associated with: business improvement projects such as the front end Payroll rostering system; Health Contact Centre programs; and the conversion of contract and agency staff to permanent employees.
6. The reduction in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual relates to the active management of staffing within the published budget figure to allow for contingent and emergent needs.

Controlled income statement

Department of Health	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
Appropriation revenue	1,8,15	10,014,701	9,950,876	10,319,023
Taxes		..	..	..
User charges and fees	2,9,16	3,389,798	3,797,447	3,946,235
Royalties and land rents		..	..	..
Grants and other contributions	3,10,17	3,737,392	4,283,702	4,321,556
Interest		189	583	194
Other revenue	4,11	11,517	13,434	13,351
Gains on sale/revaluation of assets	5,18	25	1,025	977
Total income		**17,153,622**	**18,047,067**	**18,601,336**
EXPENSES				
Employee expenses	12,19	3,178,457	3,182,825	3,365,330
Supplies and services	6,13,20	13,597,943	14,441,979	14,863,861
Grants and subsidies		61,263	57,344	61,551
Depreciation and amortisation	14,21	163,385	159,867	114,633
Finance/borrowing costs		..	..	..
Other expenses		140,593	140,562	144,099
Losses on sale/revaluation of assets	7,22	950	2,145	950
Total expenses		**17,142,591**	**17,984,722**	**18,550,424**
OPERATING SURPLUS/(DEFICIT)		**11,031**	**62,345**	**50,912**

Controlled balance sheet

Department of Health	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	23,35,45	(142,223)	207,434	292,178
Receivables	24,36	910,647	716,277	720,213
Other financial assets		..	..	..
Inventories		59,131	62,031	63,044
Other	25,37	191,284	30,295	31,123
Non-financial assets held for sale	26,46	..	32,000	..
Total current assets		**1,018,839**	**1,048,037**	**1,106,558**
NON-CURRENT ASSETS				
Receivables	27,38	95,031	80,986	71,489
Other financial assets	28,39	98,623	78,456	78,456
Property, plant and equipment	29,47	1,373,600	1,086,902	1,449,711
Intangibles	30,40,48	152,300	178,896	210,622
Other		..	..	..
Total non-current assets		**1,719,554**	**1,425,240**	**1,810,278**
TOTAL ASSETS		**2,738,393**	**2,473,277**	**2,916,836**
CURRENT LIABILITIES				
Payables	31,41	526,025	455,514	471,732
Accrued employee benefits	32,42,49	491,977	515,689	544,681
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		72	29	29
Total current liabilities		**1,018,074**	**971,232**	**1,016,442**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	33,43	459,985	..	..
Provisions		..	..	..
Other		2,504	4,804	4,804
Total non-current liabilities		**462,489**	**4,804**	**4,804**
TOTAL LIABILITIES		**1,480,563**	**976,036**	**1,021,246**
NET ASSETS/(LIABILITIES)		**1,257,830**	**1,497,241**	**1,895,590**
EQUITY				
TOTAL EQUITY	**34,44,50**	**1,257,830**	**1,497,241**	**1,895,590**

Controlled cash flow statement

Department of Health	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	51,57,63	10,014,701	9,730,556	10,319,023
User charges and fees	52,58,64	3,395,817	3,828,145	3,963,611
Royalties and land rent receipts		..	..	..
Grants and other contributions	53,59	3,583,093	4,256,829	4,294,064
Interest received		189	583	194
Taxes		..	..	..
Other		170,594	172,511	181,195
Outflows:				
Employee costs	60,65	(3,168,381)	(3,176,625)	(3,340,656)
Supplies and services	54,61,66	(13,710,147)	(14,614,375)	(14,981,657)
Grants and subsidies		(61,263)	(57,344)	(61,551)
Borrowing costs		..	..	..
Other		(157,288)	(154,748)	(159,143)
Net cash provided by or used in operating activities		**67,315**	**(14,468)**	**215,080**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	62,67	1,525	3,509	35,427
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	55,68	(707,261)	(461,468)	(714,016)
Payments for investments		..	1,239	..
Loans and advances made		(1,580)	(1,461)	(1,582)
Net cash provided by or used in investing activities		**(707,316)**	**(458,181)**	**(680,171)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	56,69	1,147,635	921,429	1,247,662
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(632,037)	(647,309)	(697,827)
Net cash provided by or used in financing activities		**515,598**	**274,120**	**549,835**
Net increase/(decrease) in cash held		**(124,403)**	**(198,529)**	**84,744**
Cash at the beginning of financial year		**(17,820)**	**405,963**	**207,434**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**(142,223)**	**207,434**	**292,178**

Administered income statement

Department of Health	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
Appropriation revenue	70,72	33,974	42,512	34,149
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		25	25	4
Gains on sale/revaluation of assets		..	..	..
Total income		**33,999**	**42,537**	**34,153**
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies	71,73	30,789	39,327	31,775
Depreciation and amortisation		..	..	..
Finance/borrowing costs		3,185	3,185	2,378
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		25	25	..
Total expenses		**33,999**	**42,537**	**34,153**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Administered balance sheet

Department of Health	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets		10	1	1
Receivables	74,75	41,626	41,624	(2)
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		**41,636**	**41,625**	**(1)**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**..**	**..**	**..**
TOTAL ASSETS		**41,636**	**41,625**	**(1)**
CURRENT LIABILITIES				
Payables		..	(2)	(2)
Transfers to Government payable		10	1	1
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	74,75	41,626	41,626	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**41,636**	**41,625**	**(1)**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**41,636**	**41,625**	**(1)**
NET ASSETS/(LIABILITIES)		**..**	**..**	**..**
EQUITY				
TOTAL EQUITY		**..**	**..**	**..**

Administered cash flow statement

Department of Health	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	76,79	33,974	42,512	34,149
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		25	25	4
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	77,80	(30,789)	(39,327)	(31,775)
Borrowing costs		(3,185)	(3,185)	(2,378)
Other		..	..	..
Transfers to Government		(25)	(25)	..
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	78,81	12,189	12,189	41,626
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**12,189**	**12,189**	**41,626**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	78,81	(12,189)	(12,189)	(41,626)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**(12,189)**	**(12,189)**	**(41,626)**
Net increase/(decrease) in cash held		**..**	**..**	**..**
Cash at the beginning of financial year		**10**	**1**	**1**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**10**	**1**	**1**

Explanation of variances in the financial statements

Income statement

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

1. Decrease due to the realignment of revenue following the reprofiling between Equity and Operating and the timing of expenditure due to deferrals offset by increased funding for National Partnership Agreements.
2. Increase is due to the recognition of Cost of Goods Sold between the Department and Hospital and Health Services, increased revenue as the result of Fee for Service arrangements and Contract labour arrangements with the Hospital and Health Services and revised estimates for compensable accounts.
3. Increase due to revised National Health Reform Agreement estimates together with increased funding for non-National Partnership Agreement programs from the Commonwealth.
4. Increase is due to higher than anticipated recoveries and reimbursements.
5. Increase is associated with the recognition of gain on sale of decommissioned Queensland Ambulance Service vehicles and equipment.
6. Increase is due to the recognition of Cost of Goods Sold between the Department and Hospital and Health Services and the inclusion of expenses associated with deferred and new funding for frontline Health services and associated operating costs.
7. Increase is due to unrecoverable patient transport revenue.

Major variations between 2016-17 Budget and 2017-18 Budget include:

8. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced and/or ceasing Commonwealth National Partnership Agreements.
9. Increase is due to the recognition of Cost of Goods Sold between the Department and Hospital and Health Services, increased revenue as the result of Fee for Service arrangements and Contract labour arrangements with the Hospital and Health Services and revised estimates for compensable accounts.
10. Increase due to revised National Health Reform Agreement estimates together with increased funding for non-National Partnership Agreement programs from the Commonwealth.
11. Increase is due to higher than anticipated recoveries and reimbursements.
12. Increase relates to indexation from Enterprise Bargaining Arrangements and increased costs associated with FTE growth in frontline services for non-prescribed Hospital and Health Services.
13. Increase is due to the recognition of Cost of Goods Sold between the Department and Hospital and Health Services and the inclusion of expenses associated with deferred and new funding for frontline Health services and associated operating costs.
14. Decrease reflects assets transferred to the Hospital and Health Services following completion of Capital projects with the expense now reported within Hospital and Health services.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

15. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced and/or ceasing Commonwealth National Partnership Agreements and the non-recurrent effect of funding profile changes.
16. Increase is due to updated Fee for Service and Contract labour estimates with the Hospital and Health Services.
17. Increase due to revised National Health Reform Agreement estimates offset by funding for non-National Partnership Agreement programs from the Commonwealth which have either decreased or are yet to be confirmed.
18. Decrease is associated with the gain on sale in 2016-17 for the sale of decommissioned Queensland Ambulance Service vehicles and equipment.
19. Increase relates to indexation from Enterprise Bargaining Arrangements and increased costs associated with FTE growth in frontline services for non-prescribed Hospital and Health Services.
20. Increase is due to the recognition of Cost of Goods Sold between the Department and Hospital and Health Services and the inclusion of expenses associated with deferred and new funding for frontline Health services and associated operating costs.

21. Decrease reflects assets transferred to the Hospital and Health Services following completion of Capital projects with the expense now reported within Hospital and Health services.

22. Decrease is associated with the revised provision for unrecoverable QAS transport fees from interstate and overseas patients.

Balance sheet

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

23. Increase in cash relates to a reduction in outstanding debtors at year end and the Queensland Government Insurance Fund (QGIF) invoice now being paid in July. The Department of Health is intending to provide the Cairns and Hinterland HHS with additional cash via Equity of $40 million in 2016-17 and $30 million in 2017-18 to ensure liquidity.

24. Decrease in receivables due to a reduction in the forecast Commonwealth receivable as well as a reduction in anticipated outstanding debtors at year end.

25. Decrease in Other current assets due to a change in the process with the Queensland Government Insurance Fund (QGIF) invoice now being paid in July.

26. Increase in non-financial assets held for sale due to the land at the former Southport Hospital site held at fair value.

27. Decrease in non-current receivables due to a reduction in the forecast outstanding debtors at year end.

28. Decrease in other financial assets due to the reclassification to QTC cash assets.

29. Decrease is due to the reprofile of funding from Equity to Operating and recashflow of projects in the capital program.

30. The 2015-16 actual amortisation expenses were less than forecast, as a result the 2016-17 opening balance of intangibles was higher than expected.

31. Decrease in Payables - Current Liabilities due to the expected reduction in the amount payable to HHSs at the end of financial year.

32. Increase in accrued employee benefits is due to the growth in the annual levy payable being higher than originally forecast in the 2016-17 budget papers.

33. Decrease in interest bearing liabilities and derivatives due to transfer of liability to Sunshine Coast HHS.

34. Increase due to the transfer of Lease Liability to Sunshine Coast HHS being reflected against Equity. Offset by the reprofile of funding from Equity to Operating and the recashflow of projects in the capital program.

Major variations between 2016-17 Budget and 2017-18 Budget include:

35. Increase in cash relates to a reduction in outstanding debtors at year end and the Queensland Government Insurance Fund (QGIF) invoice now being paid in July. The Department of Health is intending to provide the Cairns and Hinterland HHS with additional cash via Equity of $40 million in 2016-17 and $30 million in 2017-18 to ensure liquidity.

36. Decrease in receivables due to a reduction in the forecast Commonwealth receivable as well as a reduction in anticipated outstanding debtors at year end.

37. Change in the process with the Queensland Government Insurance Fund (QGIF) invoice now being paid in July.

38. Decrease in non-current receivables due to a reduction in the forecast outstanding debtors at year end.

39. Decrease in other financial assets due to the reclassification to QTC cash assets.

40. Increase in intangibles due to the capitalisation of expenditure related to software programs.

41. Decrease in Payables - Current Liabilities due to the expected reduction in the amount payable to HHSs at the end of financial year.

42. Increase in accrued employee benefits is due to additional payroll accrual day in 2017-18, increase in employee expenses relating to Enterprise Bargaining Agreement No 9 and annual levy payable being higher than originally forecast in the 2016-17 budget papers.

43. Decrease in interest bearing liabilities and derivatives due to transfer of liability to Sunshine Coast HHS.

44. Increase in equity due to transfer of lease liability to Sunshine Coast HHS Financial Statements.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

45. Increase in cash held to cover additional day of payroll accrual and Enterprise Bargaining rate increase. The Department of Health is intending to provide the Cairns and Hinterland HHS with additional cash via Equity of $40M in 2016-17 and $30M in 2017-18 to ensure liquidity.
46. Decrease in non-financial assets held for sale due to sale of land at the former Southport Hospital site, previously held at fair value.
47. Increase relates to capital expenditure on projects not yet commissioned and transferred to the Hospital and Health Services.
48. Increase in intangibles due to the capitalisation of expenditure related to software programs.
49. Increase in accrued employee benefits is due to additional payroll accrual day in 2017-18 and an increase in employee expenses relating to Enterprise Bargaining Agreement No 9.
50. Increase relates to capital expenditure funded via equity not yet transferred to Hospital and Health Services.

Cash flow statement

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

51. Decrease due to funding swaps and deferrals together with changes from prior year payables.
52. Increase is due to the recognition of Cost of Goods Sold between the Department and Hospital and Health Services, increased revenue as the result of Fee for Service arrangements and Contract labour arrangements with the Hospital and Health Services and revised estimates for compensable accounts.
53. Increase due to revised National Health Reform Agreement estimates together with increased funding for non-National Partnership Agreement programs from the Commonwealth.
54. Increase due to the inclusion of expenses associated with deferred and new funding for frontline Health services and associated operating costs.
55. Decrease in Payments for non-financial assets due to recashflow of projects in the capital program from 2016-17 to 2017-18 in line with anticipated capital expenditure.
56. Decrease relates to Equity withdrawal arrangements at End of Year between the Department and Queensland Treasury.

Major variations between 2016-17 Budget and 2017-18 Budget include:

57. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced and/or ceasing Commonwealth National Partnership Agreements.
58. Increase is due to the recognition of Cost of Goods Sold between the Department and Hospital and Health Services, increased revenue as the result of Fee for Service arrangements and Contract labour arrangements with the Hospital and Health Services and revised estimates for compensable accounts.
59. Increase due to revised National Health Reform Agreement estimates together with increased funding for non-National Partnership Agreement programs from the Commonwealth.
60. Increase relates to indexation from Enterprise Bargaining Arrangements and increased costs associated with FTE growth in frontline services for non-prescribed Hospital and Health Services.
61. Increase due to the inclusion of expenses associated with deferred and new funding for frontline Health services and associated operating costs.
62. Increase in Sales of non-financial assets due to expected sale of the former Southport Hospital site previously held at fair value.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

63. Increase due to additional State funding under the current funding compact arrangement, the reprovision of prior year deferrals offset by reduced and or ceasing Commonwealth National Partnership Agreements and the non-recurrent effect of funding profile changes.
64. Increase is due to updated Fee for Service and Contract labour estimates with the Hospital and Health Services.
65. Increase relates to indexation from Enterprise Bargaining Arrangements and increased costs associated with FTE growth in frontline services for non-prescribed Hospital and Health Services.
66. Increase due to the inclusion of expenses associated with deferred and new funding for frontline Health services and associated operating costs.

67. Increase in Sales of non-financial assets due to expected sale of Southport Hospital site previously held at fair value.

68. Increase in Payments for non-financial assets due to recashflow of projects in the capital program from 2016-17 to 2017-18 in line with anticipated capital expenditure.

69. Increase relates to Equity withdrawal arrangements at End of Year between the Department and Queensland Treasury.

Administered income statement

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

70. Increase due to additional non-recurrent funding sourced through Queensland Health for the Office of the Health Ombudsman.

71. Increase in payments to the Office of the Health Ombudsman for operational activities.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

72. Decrease due to the non-recurrent effect of funding provided for the Office of the Health Ombudsman in 2016-17.

73. Decrease due to the non-recurrent effect of funding provided for the Office of the Health Ombudsman in 2016-17.

Administered balance sheet

Major variations between 2016-17 Budget and 2017-18 Budget include:

74. Decrease due to the scheduled payout of the Mater Loan.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

75. Decrease due to the scheduled payout of the Mater Loan.

Administered cash flow statement

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

76. Increase due to additional non-recurrent funding sourced through Queensland Health for the Office of the Health Ombudsman.

77. Increase in payments to the Office of the Health Ombudsman for operational activities.

Major variations between 2016-17 Budget and 2017-18 Budget include:

78. Increase due to the scheduled payout of the Mater Loan.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

79. Decrease due to the non-recurrent effect of funding provided for the Office of the Health Ombudsman in 2016-17.

80. Decrease due to the non-recurrent effect of funding provided for the Office of the Health Ombudsman in 2016-17.

81. Increase due to the scheduled payout of the Mater Loan.

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 timely, quality and appropriate, patient-focused ambulance services to the Queensland community. 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 eight 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 frontline 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 2016-17, the QAS had an approved staff establishment of 4,261 full-time equivalents. In 2016-17, the QAS:

- recruited 110 additional ambulance officers to provide enhanced roster coverage
- commissioned 170 new and replacement ambulance vehicles
- continued the rollout of the new power assisted stretchers. These stretchers provide an enhanced platform for paramedics and greatly assist in improving patient and officer safety
- delivered the QAS Emergency and Fleet Management Precinct, including the Geebung ambulance station, enhancing emergency and disaster response capability
- delivered new and replacement ambulance stations at Rainbow Beach, Yandina and Collinsville
- completed refresher training for ambulance officers in situational awareness (SAFE2) to reduce the potential impact of occupational violence of paramedics.

The QAS will have an operating expense budget of $719.6 million for 2017-18 which is an increase of $46.6 million (6.9 per cent) from the published 2016-17 operating expense budget of $673.1 million. The QAS will have a capital budget of $54.6 million in 2017-18.

Key deliverables for the QAS through 2017-18 include:

- recruitment of 75 additional ambulance operatives to provide enhanced roster coverage to manage increasing demand for ambulance services
- commissioning 150 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
- $16.9 million investment in planning or delivering new and replacement ambulance stations at Birtinya, Bundaberg, Kenilworth, Thursday Island, Coral Gardens, Wynnum, Rockhampton, Hervey Bay, Drayton, Cairns and Kirwan
- continued procurement of Dynamic Deployment software as a new solution to enhance resourcing and scheduling of frontline operations.

Service performance

Performance statement

Ambulance Services

Service Area Objective

To provide timely, quality and appropriate, patient-focused ambulance services to the Queensland community.

Service Area Description

The Queensland Ambulance Service 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est
Service standards *Effectiveness measures* Time within which code 1 incidents are attended:		1, 2, 3, 4			
● 50th percentile response time (minutes)	Code 1A	5	8.2	7.5	8.2
	Code 1B		8.2	8.6	8.2
	Code 1C		8.2	8.9	8.2
● 90th percentile response time (minutes)	Code 1A	6	16.5	14	16.5
	Code 1B		16.5	16.3	16.5
	Code 1C		16.5	17.2	16.5
Percentage of Triple Zero (000) calls answered within 10 seconds		7	90%	91%	90%
Percentage of non-urgent incidents attended to by the appointment time		3, 8	>70%	82%	>70%
Percentage of patients who report a clinically meaningful pain reduction		9	>85%	88.5%	>85%
Patient satisfaction		10	>97%	98%	>97%
Efficiency measures Gross cost per incident		3, 11	$652	$641	$662

Notes:

1. Code 1 incidents are potentially life threatening necessitating the use of ambulance warning devices (lights and/or siren) en-route. Code 1 incidents are prioritised as:
   - 1A – Acute time critical, where a patient presents with abnormal or absent vital signs;
   - 1B – Emergent time critical, where a patient has a pattern of injury or significant illness that has a high probability of deterioration; or
   - 1C – Potential time critical, where a patient does not present with a pattern of injury or significant illness, but has a significant mechanism of injury or past history that indicates a high potential for deterioration.
2. Previous reporting periods rolled up Code1 incidents (A, B, & C) in a single reporting line for 50th and 90th percentiles. To bring greater transparency to this area of service delivery, this service standard has been expanded. Code 1 incident performance has been unbundled to demonstrate QAS prioritises and meets performance expectation for those patients in critical need of a response.
3. An incident is an event that results in one or more responses by the ambulance service.

4. The QAS has responded to an additional 11,625 Code 1 incidents in 2016-17 year to date (YTD) to 31 March 2017, representing a 4.52 per cent increase on 2015-16 YTD Code 1 incidents. This increased demand for service has affected the ability of the QAS to meet *Service Delivery Statement* response time targets in some areas. QAS prioritises and meets performance expectations for those patients in critical need of a response. Code 1B response times are outside the *Service Delivery Statement* response time targets at the 50th percentile due to a 5.23 per cent increase in total Code 1B incidents over the same financial year periods. Code 1C response times are outside the *Service Delivery Statement* response time targets at the 50th and 90th percentile due to a 4.17 per cent increase in Code 1C incidents over the same financial year periods.
5. 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 (1A, 1B, 1C) situations.
6. 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 (1A, 1B, 1C) situations.
7. This measure reports the percentage of Triple Zero (000) calls answered by QAS operations centre staff in a time equal to or less than ten seconds.
8. 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).
9. 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.
10. 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.
11. This measure reports ambulance service expenditure divided by the number of incidents. The increase in 2017-18 Target/Estimate for 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	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Queensland Ambulance Service	4	4,261	4,261	4,346

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to changes in demand.
4. Increases for the 2017-18 Budget reflect positions for the recruitment of 75 frontline ambulance operatives to meet increasing demand and 10 additional support positions for various operational projects.

Controlled income statement

Queensland Ambulance Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
Appropriation revenue	1,7,11	558,955	547,643	594,075
Taxes		..	..	..
User charges and fees	12	100,672	101,206	100,154
Royalties and land rents		..	..	..
Grants and other contributions	8,13	23,445	23,258	27,946
Interest		..	..	..
Other revenue		1,091	841	916
Gains on sale/revaluation of assets	2,9	..	1,000	950
Total income		**684,163**	**673,948**	**724,041**
EXPENSES				
Employee expenses	3,10,14	485,593	490,390	533,031
Supplies and services	4,15	137,785	126,828	137,690
Grants and subsidies	5,16	10,500	6,581	9,519
Depreciation and amortisation		36,652	35,352	36,592
Finance/borrowing costs		..	..	..
Other expenses		1,652	1,621	1,808
Losses on sale/revaluation of assets	6,17	950	2,145	950
Total expenses		**673,132**	**662,917**	**719,590**
OPERATING SURPLUS/(DEFICIT)		**11,031**	**11,031**	**4,451**

Controlled balance sheet

Queensland Ambulance Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	18,26,34	37,060	34,579	28,101
Receivables	19,27	21,573	32,717	32,717
Other financial assets		..	..	..
Inventories		1,642	1,482	1,482
Other	20,28	3,817	1,487	1,487
Non-financial assets held for sale		..	..	..
Total current assets		**64,092**	**70,265**	**63,787**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21,29,35	446,560	456,190	466,878
Intangibles	22,30,36	5,198	3,203	8,044
Other		..	..	..
Total non-current assets		**451,758**	**459,393**	**474,922**
TOTAL ASSETS		**515,850**	**529,658**	**538,709**
CURRENT LIABILITIES				
Payables	23,31	35,555	32,292	32,292
Accrued employee benefits	24,32	16,607	21,395	21,395
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		32	29	29
Total current liabilities		**52,194**	**53,716**	**53,716**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**52,194**	**53,716**	**53,716**
NET ASSETS/(LIABILITIES)		**463,656**	**475,942**	**484,993**
EQUITY				
TOTAL EQUITY	**25,33,37**	**463,656**	**475,942**	**484,993**

Controlled cash flow statement

Queensland Ambulance Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	38,44,49	558,955	544,643	594,075
User charges and fees		99,722	99,069	99,204
Royalties and land rent receipts		..	..	..
Grants and other contributions	45,50	23,445	23,258	27,946
Interest received		..	..	..
Taxes		..	..	..
Other		1,091	841	916
Outflows:				
Employee costs	39,46,51	(485,593)	(490,390)	(533,031)
Supplies and services	40,52	(137,785)	(126,828)	(137,690)
Grants and subsidies	41,53	(10,500)	(6,581)	(9,519)
Borrowing costs		..	..	..
Other		(1,652)	(1,621)	(1,808)
Net cash provided by or used in operating activities		**47,683**	**42,391**	**40,093**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	42,47	1,500	3,484	3,400
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	48,54	(59,692)	(60,677)	(54,571)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(58,192)**	**(57,193)**	**(51,171)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	43,55	4,600	8,100	4,600
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**4,600**	**8,100**	**4,600**
Net increase/(decrease) in cash held		**(5,909)**	**(6,702)**	**(6,478)**
Cash at the beginning of financial year		**42,969**	**41,281**	**34,579**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**37,060**	**34,579**	**28,101**

Explanation of variances in the financial statements

Income statement

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

1. Decrease in appropriation is due to the deferral of funds to 2017-18 associated with various Information, Communication and Technologies (ICT) projects to align with changes in ICT investment.
2. Increase is due to the recording of gains on sale of decommissioned ambulance vehicles and equipment.
3. Increase in employee expenses predominantly relates to costs associated with employing additional ambulance officers to meet rising demand for ambulance transport services, additional expenditure incurred due to extreme weather events in the last quarter of the financial year, recruitment costs for front line ambulance officers, paramedic safety training, staff uniforms and protective equipment, and Enterprise Bargaining escalation.
4. Decrease in supplies and services relates mostly to reduced fuel and fleet servicing costs, contractor and professional services, and reduced shared service provider expense.
5. The decrease in grants and subsidies is due to the reprioritisation of the QAS ICT program delivered by Public Safety Business Agency (PSBA) on behalf of QAS. As part of the machinery-of-government change in 2013 where the QAS became part of Queensland Health, communications assets were transferred to PSBA to be maintained by PSBA to enable efficiencies and consistency across the network. QAS pays an operating and capital grant for their on-going communications capital program.
6. Increase is due to unrecoverable patient transport revenue.

Major variations between 2016-17 Budget and 2017-18 Budget include:

7. Increase in appropriation revenue is due to additional funding for 75 ambulance officers and the deferral of funds from 2016-17 associated with various ICT projects carried over from 2016-17.
8. Increase in grants and contributions is principally due to additional funds received from the Department of Tourism, Major Events, Small Business and the Commonwealth Games to assist with the QAS preparation and delivery of the 2018 Commonwealth Games.
9. Increase is due to the recording of gains on sale of decommissioned ambulance vehicles and equipment.
10. 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 to meet the expected increase in demand for ambulance transport services and pre-hospital care.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

11. Increase in appropriation revenue is due to additional funding for 75 ambulance officers for anticipated growth in QAS activities and the deferral of funds from 2016-17 associated with various ICT projects carried over from 2016-17.
12. The decrease in user charges is largely due to reduced receipts from interstate patient transports, educational training due to increased competition and a decline from the mining sector.
13. Increase in grants and contributions is chiefly due to additional funds received from the Department of Tourism, Major Events, Small Business and the Commonwealth Games to assist with the QAS preparation and delivery of the 2018 Commonwealth Games.
14. 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 to meet the expected increase in demand for ambulance transport services and pre-hospital care.
15. Increase in supplies and services relates mostly to non-labour costs associated with additional ambulance officers, leasing costs for defibrillators and maintenance costs for new powered stretchers and loaders and an allocation for other non-labour expense increases.
16. Increase in grants and subsidies is mainly due to the ICT program delivered by PSBA, which includes digital infrastructure, state-wide communication centre modernisation, and existing communication network upgrades.
17. Decrease is primarily due to the revised provision for unrecoverable transport fees from interstate and overseas patients.

Balance sheet

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

18. Decrease in cash assets is principally due to the decrease in payables.
19. Increase in receivables is primarily due to patient transport charges associated with Queensland Health Authorised Transports (QHAT), and the Commonwealth Department of Veteran Affairs. These amounts will be fully recovered in 2017-18.
20. Decrease in other assets is due to a reduction in prepayments.
21. Increase in Property Plant and Equipment is due to capital acquisitions and an upward movement in asset re-valuations.
22. Decrease in intangibles is due to unspent capital expenditure in 2016-17 for internally generated computer software.
23. Decrease in payables is due to reduced accrued expenses associated with ICT services delivered by PSBA.
24. Increase in accrued employee benefits is due to prior end-of-year balance flow through effect in relation to balance date accruals.
25. Increase in equity is due to additional investment in Property, Plant and Equipment and a one off equity injection received in 2016-17.

Major variations between 2016-17 Budget and 2017-18 Budget include:

26. Decrease in cash assets is due to decrease in payables and increase in receivables.
27. Increase in receivables is primarily due to patient transport charges associated with QHAT, and the Commonwealth Department of Veteran Affairs. These amounts will be fully recovered in 2017-18.
28. Decrease in other assets is due to a reduction in prepayments.
29. Increase in Property, Plant and Equipment is due to the capital expenditure planned for 2017-18.
30. Increase in intangibles is due to the capital expenditure planned for 2017-18 for internally generated computer software.
31. Decrease in payables is due to reduced accrued expenses associated with ICT services delivered by PSBA.
32. Increase in accrued employee benefits is due to prior end-of-year balance flow through effect in relation to balance date accruals.
33. Increase in equity relates to additional investment in Property, Plant and Equipment and a one off equity injection received in 2016-17.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

34. Decrease in cash assets is principally due to the planned capital expenditure for 2017-18.
35. Increase in Property, Plant and Equipment is due to the capital expenditure planned for 2017-18.
36. Increase in intangibles is due to the capital expenditure planned for 2017-18 for internally generated computer software.
37. Increase in equity relates to additional investment in Property, Plant and Equipment and a one off equity injection received in 2016-17.

Cash flow statement

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

38. Decrease in appropriation is due to the deferral of funds to 2017-18 associated with various ICT projects to align with changes in ICT investment.
39. Increase in employee expenses predominantly relates to costs associated with employing additional ambulance officers to meet rising demand for ambulance transport services, additional expenditure incurred due to extreme weather events in the last quarter of the financial year, recruitment costs for front line ambulance officers, paramedic safety training, staff uniforms and protective equipment, and Enterprise Bargaining escalation.
40. Decrease in supplies and services relates mostly to reduced fuel and fleet servicing costs, contractor and professional services, and reduced shared service provider expense.

41. The decrease in grants and subsidies is due to the reprioritisation of the QAS ICT program delivered by PSBA on behalf of QAS. As part of the machinery-of-government change in 2013 to Queensland Health, communications assets were transferred to PSBA to be maintained by PSBA to enable efficiencies and consistency across the network. QAS pays an operating and capital grant for their on-going communications capital program.
42. Increase is due to the recording of cash from proceeds of sales of decommissioned ambulance vehicles and equipment.
43. Increase relates to equity injection from the consolidated fund for capital infrastructure investment in 2016-17.

Major variations between 2016-17 Budget and 2017-18 Budget include:

44. Increase in appropriation revenue is due to additional funding for 75 ambulance officers and the deferral of funds from 2016-17 associated with various ICT projects carried over from 2016-17.
45. Increase in grants and contributions is principally due to additional funds received from the Department of Tourism, Major Events, Small Business and the Commonwealth Games to assist with the QAS preparation and delivery of the 2018 Commonwealth Games.
46. 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 to meet the expected increase in demand for ambulance transport services and pre-hospital care.
47. Increase is due to the recording of cash from proceeds of sales of decommissioned ambulance vehicles and equipment.
48. Decrease relates to payments for Property, Plant and Equipment as part of the QAS capital expenditure plan for 2017-18.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

49. Increase in appropriation revenue is due to additional funding for 75 ambulance operatives for anticipated growth in QAS activities and the deferral of funds from 2016-17 associated with various ICT projects carried over from 2016-17.
50. Increase in grants and contributions is chiefly due to additional funds received from the Department of Tourism, Major Events, Small Business and the Commonwealth Games to assist with the QAS preparation for the 2018 Commonwealth Games.
51. 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 to meet the expected increase in demand for ambulance transport services and pre-hospital care.
52. Increase in supplies and services relates mostly to non-labour costs associated with additional ambulance officers, leasing costs for defibrillators and maintenance costs for new powered stretchers and loaders and an allocation for other non-labour expense increases.
53. Increase in grants and subsidies is mainly due to the ICT program delivered by PSBA, which includes digital infrastructure, state-wide communication centre modernisation, and existing communication network upgrades.
54. Decrease relates to payments for Property, Plant and Equipment and intangibles as part of the QAS capital expenditure plan for 2017-18.
55. Decrease relates to one off equity injection from the consolidated fund for capital infrastructure investment in 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. This area is approximately 141,000 square kilometres in size and supports an estimated 285,000 people. By 2026, it is estimated that an additional 67,000 people will reside within the catchment area with close to one in five residents being over 65 years of age.

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

- Atherton Hospital
- Babinda Multi-Purpose Health Centre
- Cairns Hospital
- Chillagoe Primary Health Centre
- Cow Bay Primary Health Centre
- Croydon Primary Health Centre
- Dimbulah Primary Health Centre
- Forsayth Primary Health Centre
- Georgetown Primary Health Centre
- Gordonvale Hospital
- Gurriny Yealamucka Health Service (Yarrabah)
- Herberton Hospital
- Innisfail Hospital
- Lotus Glen Health Service
- Malanda Primary Health Centre
- Mareeba Hospital
- Millaa Millaa Primary Health Centre
- Mossman Multi-Purpose Health Service
- Mount Garnet Primary Health Centre
- Ravenshoe Primary Health Care Centre
- Tully Hospital

The Cairns and Hinterland HHS is committed to achieving 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 deliver quality frontline services through strengthening the public health system and to restore 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 and
- building, developing and implementing technology and systems that support integrated health care delivery and enhance organisational performance.

Service summary

The Cairns and Hinterland HHS has an operating budget of $906.8 million for 2017-18 which is an increase of $128.9 million (16.6 per cent) from the published 2016-17 operating budget of $777.9 million.

The Cairns and Hinterland 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 services; oral health; offender and refugee health services; and health promotion programs. Cairns Hospital is a major regional hospital which hosts a number of outreach services to neighbouring HHSs as well as a major referral accepting site for rural and remote patients both within and outside the HHS geographical footprint.

In October 2016, the Cairns and Hinterland HHS released its comprehensive seven point plan “Embracing a Healthier Future”. The plan is based on the following elements which are integral for the delivery of sustainable health services into the future:

- Quality and Safety
- Governance Continuity
- Financial Stability
- Workforce Development
- Digital Systems
- Clinical Services Planning and Performance
- Engagement and Communication.

During 2017-18, the Cairns and Hinterland HHS will commence a range of activities under this plan including embedding the new digital capability to improve health services for the community, including the co-design phase of the Regional eHealth Project and implementing ‘Health Pathways’ along with other strategies aimed at improving access to outpatient services. The HHS has also developed plans to improve service delivery for Mental Health service and Breastscreen services.

The Innisfail Hospital became the first hospital in the HHS to implement a nurse navigator in February 2016. This has had a positive patient impact with decreased length of stay in hospitals, greater linkage to support services and fewer readmissions.

The HHS will continue to contribute to a number of high priority initiatives including participation in the Pre-Exposure Prophylaxis trial (to reduce the risk of acquiring HIV in people who may be at a high risk of exposure to the virus) and sexually transmissible infections (STI) programs to support the sexual health of our patient population and communities.

During 2017-18, a number of capital projects will be progressed including Atherton Hospital, Dimbulah Primary Healthcare Clinic, The Cairns South Health Precinct and Cairns YPARC (Youth Prevention and Recovery Centre).

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	81%	80%
• Category 3 (within 30 minutes)		75%	82%	75%
• Category 4 (within 60 minutes)		70%	81%	70%
• Category 5 (within 120 minutes)		70%	95%	70%
• All categories		..	84%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	77%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	98%	>98%
• Category 2 (90 days)		>95%	97%	>95%
• Category 3 (365 days)		>95%	98%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	4	<2	0.7	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	59.7%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	14.6%	<12%

Cairns and Hinterland Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		55%	59%	60%
• Category 2 (90 days)		35%	34%	36%
• Category 3 (365 days)		50%	62%	65%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	71%	71%
• Category 2 (90 days)		New measure	60%	60%
• Category 3 (365 days)		New measure	80%	80%
Median wait time for treatment in emergency departments (minutes)	8	20	16	20
Median wait time for elective surgery (days)	9	25	25	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,598	$4,696	$4,587
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	2,701	2,759
• Category 2 (90 days)		New measure	2,435	2,487
• Category 3 (365 days)		New measure	1,638	1,673
Number of Telehealth outpatient occasions of service events	13	New measure	4,051	4,861
Total weighted activity units (WAUs):	10, 14			
• Acute Inpatient		69,204	80,682	83,753
• Outpatients		18,318	19,129	19,542
• Sub-acute		9,963	10,950	10,950
• Emergency Department		15,920	18,762	19,191
• Mental Health		8,077	9,300	9,300
• Prevention and Primary Care		3,501	3,698	3,402
Ambulatory mental health service contact duration (hours)	15	>80,135	76,777	>80,135

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.

4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on ten months of actual performance from 1 July 2016 to 30 April 2017 forecast out for 12 months.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Cairns and Hinterland Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. actual	2017-18 Budget
Cairns and Hinterland Hospital and Health Service	4, 5	4,554	4,780	4,923

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to changes in demand.
4. Increases in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual includes additional FTE funded via the 2016-17 Service amendments process.
5. The 2017-18 Budget represents the forecast FTEs in line with additional funding provided in the 2017-18 Service Agreement.

Income statement

Cairns and Hinterland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,6,12	756,542	819,958	857,386
Grants and other contributions	2,7	16,640	14,752	15,150
Interest		71	36	37
Other revenue		4,683	5,086	4,747
Gains on sale/revaluation of assets		..	..	..
Total income		**777,936**	**839,832**	**877,320**
EXPENSES				
Employee expenses	3,8	90,616	93,512	92,893
Supplies and Services:				
Other supplies and services	4,9,13	171,067	195,087	180,224
Department of Health contract staff	5,10	471,271	546,152	584,868
Grants and subsidies		550	551	550
Depreciation and amortisation		38,927	38,927	37,158
Finance/borrowing costs		..	..	..
Other expenses	11,14	3,571	3,614	9,137
Losses on sale/revaluation of assets		1,934	1,964	1,990
Total expenses		**777,936**	**879,807**	**906,820**
OPERATING SURPLUS/(DEFICIT)		**..**	**(39,975)**	**(29,500)**

Balance sheet

Cairns and Hinterland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	15,22	4,785	(11,765)	(11,295)
Receivables	16,23,29	27,555	35,452	34,274
Other financial assets		..	..	..
Inventories		4,149	4,933	5,016
Other		346	333	340
Non-financial assets held for sale		..	..	..
Total current assets		**36,835**	**28,953**	**28,335**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	17,24,30	705,972	702,441	728,489
Intangibles	18,25	5,104	649	442
Other		..	..	..
Total non-current assets		**711,076**	**703,090**	**728,931**
TOTAL ASSETS		**747,911**	**732,043**	**757,266**
CURRENT LIABILITIES				
Payables	19,26	48,868	43,679	42,486
Accrued employee benefits		1,866	2,636	2,674
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	20,27	3,327	358	425
Total current liabilities		**54,061**	**46,673**	**45,585**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**54,061**	**46,673**	**45,585**
NET ASSETS/(LIABILITIES)		**693,850**	**685,370**	**711,681**
EQUITY				
TOTAL EQUITY	**21,28,31**	**693,850**	**685,370**	**711,681**

Cash flow statement

Cairns and Hinterland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	32,38,45	754,255	817,657	856,764
Grants and other contributions	33,39	16,640	14,722	15,105
Interest received		71	36	37
Other		20,453	20,856	20,517
Outflows:				
Employee costs	34,40	(90,580)	(93,476)	(92,855)
Supplies and services	35,41,46	(657,791)	(756,698)	(782,253)
Grants and subsidies		(550)	(551)	(550)
Borrowing costs		..	..	..
Other	42,47	(3,571)	(3,614)	(9,137)
Net cash provided by or used in operating activities		**38,927**	**(1,068)**	**7,628**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	(10)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	36,43	(5,485)	(10,280)	(9,866)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(5,485)**	**(10,290)**	**(9,866)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	37,44	5,485	44,221	39,866
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(38,927)	(38,927)	(37,158)
Net cash provided by or used in financing activities		**(33,442)**	**5,294**	**2,708**
Net increase/(decrease) in cash held		**..**	**(6,064)**	**470**
Cash at the beginning of financial year		**4,785**	**(5,701)**	**(11,765)**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**4,785**	**(11,765)**	**(11,295)**

Explanation of variances in the financial statements

Income statement

Major variations between 2016-17 Budget and 2016-17 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 (HHS) and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
2. Decrease relates to the reduction in funding provided for Specialist Outreach Services (Checkup Outreach) and Home and Community Care (HACC/CHP).
3. Increase relates to the increased number of Senior Medical Officers employed by the Cairns and Hinterland HHS, along with Enterprise Bargaining adjustments.
4. The increase relates to additional expenditure associated with the increase in service activity provided through amendments to the Service Agreement between Cairns and Hinterland HHS and the Department of Health.
5. Increase in Department of Health contract staff expense due to increase in frontline services full-time equivalents (FTE) to meet service demand.

Major variations between 2016-17 Budget and 2017-18 Budget include:

6. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
7. Decrease relates to the reduction in funding provided for Checkup Outreach and HACC/CHP.
8. Increase to account for the additional Senior Medical Officer FTEs, along with Enterprise Bargaining adjustments.
9. Increase in budget to account for additional expenditure associated with the increase in service activity provided through the Service Agreement between Cairns and Hinterland HHS and Department of Health.
10. Increase in Department of Health contract staff expense due to increase in frontline services FTEs to meet service demand and Enterprise Bargaining indexation.
11. The increase relates to additional expenditure associated with the increase in service activity provided through amendments to the Service Agreement between Cairns and Hinterland HHS and Department of Health.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

12. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland HHS and Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
13. Decrease relates to forecasted savings expected to be delivered during 2017-18 in line with financial management strategy.
14. The increase relates to additional expenditure associated with the increase in service activity provided through amendments to the Service Agreement between Cairns and Hinterland HHS and the Department of Health.

Balance sheet

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

15. Cairns and Hinterland Hospital and Health Service's (HHS) operating account is expected to be in overdraft based on Cairns and Hinterland HHS's current financial position and projected deficit at the end of financial year offset by the Department of Health's intention to provide Cairns and Hinterland HHS with additional cash via equity of $40 million in 2016-17 and $30 million in 2017-18 to ensure liquidity.
16. Increase attributable to the increase in user charges and fees in line with amendments made to the service agreement between the Department of Health and Cairns and Hinterland HHS. Additionally, raised invoices to Capital Infrastructure Delivery Unit (CIDU) for the Cairns and Hinterland HHS Redevelopment contributes to increase between the 2016-17 budget and estimated actuals.
17. Decrease relates to the revised commissioning schedule for assets to be acquired through Minor Capital Acquisitions, the Health Technology Equipment Replacement (HTER) program and transfer from CIDU.

18. Software acquired as part of the Integrated Electronic Medical Record (ieMR)/Digital Hospital Program was expected to be capitalised to Cairns and Hinterland HHS balance sheet in the 2016-17 financial year. Variance exists as this has not yet been capitalised.
19. The decrease is as a result of a reduced operational expenditure on supplies and services.
20. The decrease is due to the reduction of payments received in advance.
21. The movement in total equity is attributed to the HHS's forecasted operating deficit offset by a cash injection from Department of Health to ensure liquidity.

Major variations between 2016-17 Budget and 2017-18 Budget include:

22. Cairns and Hinterland HHS operating account expected to be in overdraft based on Cairns and Hinterland HHS's current financial position and projected deficit at the end of the 2017-18 financial year offset by Department of Health's intention to provide the Cairns and Hinterland HHS with additional cash via equity of $40 million in 2016-17 and $30 million in 2017-18 to ensure liquidity.
23. Increase attributable to higher estimated user charges and fees as per the Service Agreement.
24. Increase to account for assets to be acquired through Minor Capital Acquisitions, the HTER program and CIDU delivered capital projects.
25. 2017-18 financial year budget does not account for the software acquired as part of the ieMR/Digital Hospital Program which was accounted for and expected to be capitalised in the 2016-17 budget.
26. The decrease is as a result of a reduced operational expenditure on supplies and services.
27. The decrease is due to the reduction of payments received in advance.
28. The movement in total equity is attributed to Cairns and Hinterland HHS forecasted operating deficit at year end offset by a cash injection from Department of Health to ensure liquidity.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

29. The decrease is in line with the reduction identified for PBS Revenues, particularly around Hep C drugs.
30. Increase to account for assets to be acquired through Minor Capital Acquisitions, the HTER program and CIDU delivered capital projects.
31. The movement in total equity is attributed to the movement in asset revaluation and a cash injection from Department of Health to ensure liquidity, offset by the budgeted operating deficit position.

Cash flow statement

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

32. The increase relates to additional funding provided through amendments to the Service Agreement between Cairns and Hinterland Hospital and Health Service (HHS) and Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
33. Decrease relates to the reduction in funding provided for Checkup Outreach and HACC/CHP.
34. Increase relates to the increased number of Senior Medical Officers employed by the HHS, along with Enterprise Bargaining adjustments.
35. The increase relates to additional expenditure associated with the increase in service activity provided through amendments to the Service Agreement between Cairns and Hinterland HHS and the Department of Health.
36. The Increase is a result of additional asset acquisitions over and above initial projections at the beginning of the 2016-17 Financial Year.
37. The increase relates to Department of Health's intention to provide additional cash via equity of $40 million in 2016-17 and $30 million in 2017-18 to ensure liquidity.

Major variations between 2016-17 Budget and 2017-18 Budget include:

38. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland HHS and Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
39. Decrease relates to the reduction in funding provided for Checkup Outreach and HACC/CHP.
40. Increase to account for the additional Senior Medical Officer FTEs, along with Enterprise Bargaining adjustments.

41. Increase in budget to account for additional expenditure associated with the increase in service activity provided through the Service Agreement between Cairns and Hinterland HHS and Department of Health.

42. The increase relates to additional expenditure associated with the increase in service activity provided through amendments to the Service Agreement between Cairns and Hinterland HHS and Department of Health.

43. Increase in assets to be acquired for the 2017-18 financial year attributable to the HTER program and CIDU delivered capital projects.

44. The increase relates to Department of Health's intention to provide additional cash via equity of $40 million in 2016-17 and $30 million in 2017-18 to ensure liquidity.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

45. The increase relates to additional funding provided through the Service Agreement between Cairns and Hinterland HHS and Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.

46. Decrease relates to the need to have an improved operating position for 2017-18, the balancing item was applied to other supplies and services. It is noted that Cairns and Hinterland HHS will have a deficit position again in 2018, however, the actual figure has not yet been negotiated or approved by Department of Health.

47. The increase relates to additional expenditure associated with the increase in service activity provided through amendments to the Service Agreement between Cairns and Hinterland HHS and Department of Health.

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 also provides mental health services, oral health services, offender 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.

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

The health service remains committed to delivering safe and high quality care, supporting its valuable workforce and delivering its financial and performance requirements.

Service Summary

The Central Queensland HHS has an operating budget of $566.3 million for 2017-18 which is an increase of $34.8 million (6.5 per cent) from the published 2016-17 operating budget of $531.5 million.

A key focus for 2017-18 will be developing a 10-year strategic vision for the effective delivery of health services to meet the needs of Central Queenslanders in a safe and sustainable manner.

The HHS will also continue to ensure that Central Queensland residents have improved access to cancer treatment services, ophthalmology and orthopaedic services.

During 2017-18, additional recurrent funding has been provided through the HHS's service agreement to increase the midwifery staff to patient ratio and purchase additional nursing and midwifery education and training services for new and existing staff.

Early works on the Rockhampton Hospital carpark began in May 2017 with completion due by late 2018. Construction at Gladstone Hospital is also expected to begin in the first half of the 2017-18.

Planning has also started to deliver a step-up step-down mental health facility at Gladstone and major renovations to the North Rockhampton Nursing Centre.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	97%	100%
• Category 2 (within 10 minutes)		80%	88%	80%
• Category 3 (within 30 minutes)		75%	86%	75%
• Category 4 (within 60 minutes)		70%	89%	70%
• Category 5 (within 120 minutes)		70%	98%	70%
• All categories		..	89%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	84%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• 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	4	<2	0.5	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	69.9%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	13.3%	<12%
Percentage of specialist outpatients waiting	6			

Central Queensland Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
within clinically recommended times:				
• Category 1 (30 days)		75%	87%	98%
• Category 2 (90 days)		85%	89%	95%
• Category 3 (365 days)		95%	96%	95%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	92%	98%
• Category 2 (90 days)		New measure	88%	95%
• Category 3 (365 days)		New measure	94%	95%
Median wait time for treatment in emergency departments (minutes)	8	20	10	20
Median wait time for elective surgery (days)	9	25	42	25
Efficiency measure Average cost per weighted activity unit (WAU) for Activity Based Funding facilities	10, 11	$4,904	$5,112	$5,083
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	1,753	1,898
• Category 2 (90 days)		New measure	1,727	1,870
• Category 3 (365 days)		New measure	1,823	1,974
Number of Telehealth outpatient occasions of service events	13	New measure	6,955	8,555
Total weighted activity units:	10, 14			
• Acute Inpatient		37,551	40,613	41,320
• Outpatients		10,105	9,191	10,461
• Sub-acute		3,955	4,523	4,501
• Emergency Department		14,306	13,938	14,294
• Mental Health		3,130	3,563	3,700
• Prevention and Primary Care		2,982	3,289	2,896
Ambulatory mental health service contact duration (hours)	15	>38,352	37,002	>38,352

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.

4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Central Queensland Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Central Queensland Hospital and Health Service	4	2,688	2,890	2,890

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual reflect the commencement of subacute and geriatric evaluation service, new initiatives including Aboriginal and Torres Strait Islander, graduate nursing and midwifery and ICE, additional clinical services, and recruitment of permanent medical officers to reduce number of locum medical officers.

Income statement

Central Queensland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,8	514,814	548,502	548,658
Grants and other contributions		14,004	14,226	14,425
Interest		109	125	125
Other revenue	2,9	2,577	3,030	3,081
Gains on sale/revaluation of assets		42	101	52
Total income		**531,546**	**565,984**	**566,341**
EXPENSES				
Employee expenses	3,10,16	41,881	49,808	53,475
Supplies and Services:				
Other supplies and services	11,17	169,384	169,813	163,317
Department of Health contract staff	4,12,18	277,948	294,698	314,938
Grants and subsidies		415	411	420
Depreciation and amortisation	13,19	39,635	39,635	32,535
Finance/borrowing costs		..	..	..
Other expenses	5,14	1,552	1,009	1,032
Losses on sale/revaluation of assets	6,15	731	610	624
Total expenses		**531,546**	**555,984**	**566,341**
OPERATING SURPLUS/(DEFICIT)	**7,20**	**..**	**10,000**	**..**

Balance sheet

Central Queensland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	21,27,33	11,135	24,527	25,705
Receivables	22,28	10,871	13,709	13,734
Other financial assets		..	..	..
Inventories	23,29	3,171	3,871	3,899
Other	24,30	1,142	1,925	1,979
Non-financial assets held for sale		..	..	..
Total current assets		**26,319**	**44,032**	**45,317**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25,31,34	480,102	498,389	538,281
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**480,102**	**498,389**	**538,281**
TOTAL ASSETS		**506,421**	**542,421**	**583,598**
CURRENT LIABILITIES				
Payables		29,362	29,224	30,377
Accrued employee benefits		1,182	1,234	1,264
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		32	23	23
Total current liabilities		**30,576**	**30,481**	**31,664**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**30,576**	**30,481**	**31,664**
NET ASSETS/(LIABILITIES)		**475,845**	**511,940**	**551,934**
EQUITY				
TOTAL EQUITY	**26,32,35**	**475,845**	**511,940**	**551,934**

Cash flow statement

Central Queensland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	36,42	514,997	548,753	548,937
Grants and other contributions		14,004	14,226	14,425
Interest received		109	125	125
Other	43	15,239	15,692	16,376
Outflows:				
Employee costs	37,44,50	(41,852)	(49,779)	(53,445)
Supplies and services	38,45	(458,966)	(476,168)	(490,546)
Grants and subsidies		(415)	(411)	(420)
Borrowing costs		..	..	..
Other	39,46	(2,261)	(1,718)	(1,776)
Net cash provided by or used in operating activities		**40,855**	**50,720**	**33,676**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		117	85	37
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	40,47,51	(3,932)	(4,888)	(6,572)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(3,815)**	**(4,803)**	**(6,535)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	41,48,52	3,932	2,999	6,572
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	49,53	(39,635)	(39,635)	(32,535)
Net cash provided by or used in financing activities		**(35,703)**	**(36,636)**	**(25,963)**
Net increase/(decrease) in cash held		**1,337**	**9,281**	**1,178**
Cash at the beginning of financial year		**9,798**	**15,246**	**24,527**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**11,135**	**24,527**	**25,705**

Explanation of variances in the financial statements

Income statement

Major variations between 2016-17 Budget and 2016-17 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 of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation.
2. The increase is related to higher than budgeted revenue from salary recoveries including new services i.e. Radiation Oncology.
3. The increase is largely due to an increase in Senior Medical Officers employed in relation to increased activity and new/expanded programs. Additional movement relates to increased Health Service Executive Staff and Board costs.
4. The increase is related to an increase in staff numbers due to new service delivery programs and the impact of enterprise bargaining agreements.
5. The decrease is due to reduced expenditure on legal and advertising expenses.
6. The decrease is due to lower than budgeted bad debt expense and impairment loss.
7. Key drivers for the surplus include an increase in activity based funding relating to increased activity levels in both the current and prior year, additional revenue generation relating to improved recognition of activity, and additional one-off funding not relating to activity received from the Department of Health in 2016-17.

Major variations between 2016-17 Budget and 2017-18 Budget include:

8. The increase relates to additional funding provided through the Service Agreement between Central Queensland Hospital and Health Service and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source revenue.
9. The increase is related to higher than budgeted revenue from salary recoveries including new services i.e. Radiation Oncology.
10. The increase is largely due to an increase in Senior Medical Officers employed in relation to increased activity and new/expanded programs. Additional movement relates to increased Health Service Executive Staff and Board costs.
11. The decrease relates to expected reduction on non-labour expenditure due to the implementation of financial sustainability programs.
12. The increase is related to an increase in staff numbers due to new service delivery programs and the impact of enterprise bargaining agreements.
13. The decrease relates to revised depreciation forecast in line with current asset register.
14. The decrease is due to expected ongoing reduced expenditure on legal and advertising expenses.
15. The decrease is due to lower than budgeted bad debt expense and impairment loss.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

16. The increase is largely due to an increase in Senior Medical Officers employed in relation to increased activity and new/expanded programs. Additional movement relates to increased Health Service Executive Staff and Board costs.
17. The decrease relates to expected reduction on non-labour expenditure due to the implementation of financial sustainability programs.
18. The increase is related to an increase in staff numbers due to new service delivery programs and the impact of Enterprise Bargaining Agreements.
19. The decrease relates to revised depreciation forecast in line with current asset register.
20. The decrease is due to expected balanced position in 2017-18 budget while surplus is expected in 2016-17.

Balance sheet

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

21. The increase predominantly relates to the result of an operating surplus in 2016-17.
22. The increase mainly relates to understatement of the 2016-17 opening balance.
23. The increase mainly relates to understatement of the 2016-17 opening balance.
24. The increase relates to additional unbudgeted prepayment relating to extension of contract for provision of external medical services at Capricorn Coast Hospital.
25. The increase relates to the understatement of the 2016-17 opening balance.
26. The increase relates to impact of increase in commissioned non-current assets and the expected surplus position for 2016-17.

Major variations between 2016-17 Budget and 2017-18 Budget include:

27. The increase predominantly relates to the result of an operating surplus in 2016-17.
28. The increase mainly relates to understatement of the 2016-17 opening balance.
29. The increase relates to the understated opening balance in 2016-17.
30. The increase relates to additional unbudgeted prepayment relating to extension of contract for provision of external medical services at Capricorn Coast Hospital.
31. The increase relates to the higher value of commissioning of assets in 2017-18.
32. The increase relates to higher contributed equity received in relation to the transfer of commissioned assets from the Department of Health as well as the expected operating surplus for 2016-17.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

33. The increase predominantly relates to the result of an operating surplus in 2016-17.
34. The increase relates to the higher value of commissioning of assets in 2017-18.
35. The increase relates to higher contributed equity received in relation to the transfer of commissioned assets from the Department of Health.

Cash flow statement

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

36. The increase relates to additional funding provided through amendments to the Service Agreement between Central Queensland Hospital and Health Service and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation.
37. The increase is largely due to an increase in Senior Medical Officers employed in relation to increased activity and new/expanded programs. Additional movement relates to increased Health Service Executive Staff and Board costs.
38. The increase relates to increased non-labour costs associated with increased activity throughput.
39. The decrease is due to expected ongoing reduced expenditure on legal and advertising expenses.
40. The increase relates to higher purchases on Health Technology Equipment Replacement Program.
41. The decrease relates to reduced commissioning of Health Technology Equipment Replacement Program to be transferred from the Department of Health to Central Queensland Hospital and Health Service via contributed equity.

Major variations between 2016-17 Budget and 2017-18 Budget include:

42. The increase relates to additional funding provided through amendments to the Service Agreement between Central Queensland Hospital and Health Service and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation.
43. The increase is related to increased revenue relating to salary recoveries including new services i.e. Radiation Oncology.

44. The increase is largely due to an increase in Senior Medical Officers employed in relation to increased activity and new/expanded programs. Additional movement relates to increased Health Service Executive Staff and Board costs.

45. The increase relates to increased non-labour costs associated with increased activity throughput.

46. The decrease is due to expected ongoing reduced expenditure on legal and advertising expenses.

47. The increase relates to higher purchases on Health Technology Equipment Replacement Program.

48. The increase relates to higher commissioning of assets to be transferred from the Department of Health to Central Queensland Hospital and Health Service via contributed equity budgeted in 2017-18.

49. The decreased withdrawals relates to reduction on depreciation revenue, which is subsequently returned to Department of Health.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

50. The increase is largely due to an increase in Senior Medical Officers employed in relation to increased activity and new/expanded programs. Additional movement relates to increased Health Service Executive Staff and Board costs.

51. The increase relates to higher purchases on Health Technology Equipment Replacement Program.

52. The increase relates to higher commissioning of assets to be transferred from the Department of Health to Central Queensland Hospital and Health Service via contributed equity budgeted in 2017-18.

53. The decreased withdrawals relates to reduction on depreciation revenue, which is subsequently returned to Department of Health.

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 remote 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 four hospital hubs in Barcaldine, Blackall, Longreach and Winton with satellite primary health clinics at Aramac, Bedourie, Birdsville, Boulia, Isisford, Jericho, Jundah, Muttaburra, Tambo and Windorah, a procedural hub at Longreach and a Multipurpose Health Service at Alpha.

The 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. In 2016-17 the dental hub in Barcaldine received a major clinic upgrade supporting a training chair for development of dental students.

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

The Central West HHS will continue to invest in strategies that reduce the health disadvantage in western Queensland communities through the strengthening 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 own care.

Further integration and collaboration is being realised as the three western Queensland HHSs (North West, South West and Central West) operate the Western Queensland Primary Health Network. The collaborative is driving comprehensive planning across this vast region, integrating primary health care and sharing resources to ensure the effective use of health funding.

The 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.

The health service continues to offer places for graduate nurses to experience rural healthcare, making a major contribution to building tomorrow's rural health workforce.

The Central West HHS's vision is 'excellence in healthcare for remote Queenslanders'. The Central West HHS's strategic objectives are to:

- ensure patients have access to safe and high quality healthcare
- integrate primary and acute care services to support patient wellbeing
- deliver more services locally where it is safe and sustainable to do so
- attract, retain and develop a motivated healthcare workforce to meet our communities future needs
- involve our communities and stakeholders in the planning, design and delivery of services in our unique region
- provide responsible governance and effective leadership of the healthcare system in the central west.

The Central 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.

Service Summary

The Central West HHS has an operating budget of $73.6 million for 2017-18 which is an increase of $5 million (7.2 per cent) from the published 2016-17 operating budget of $68.6 million.

In 2017-18, the Central West HHS will continue to focus on the integration of primary health and hospital care, targeting avoidable presentations and preventable conditions. General practices, together with the HHS's community health and outlying primary care nursing staff, will collaborate on a single healthcare plan to help residents manage their own care. This will be supported by the Integrated Care Innovation Fund project to improve services in the remote Western Corridor. This will improve both non-indigenous and indigenous health outcomes.

Together with its regional partners, the Central West HHS will continue to implement priorities identified in the 10-year regional health plan "Health of the West" that centres around health services focused on patients and people, empowering the community and our health workforce; providing Queenslanders with value in health services; and investing, innovating and planning for the future.

In 2017-18, the Central West HHS will lead the redevelopment of Longreach Hospital which will include a purpose built day surgery, modernisation of all patient wards, as well as the upgrading of radiology with the addition of a CT Scanner. A new Primary Health Care Facility will also be constructed for the Aramac community.

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, obstetrics, maternity and mental health.

Central West Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	95%	100%
• Category 2 (within 10 minutes)		80%	97%	80%
• Category 3 (within 30 minutes)		75%	98%	75%
• Category 4 (within 60 minutes)		70%	98%	70%
• Category 5 (within 120 minutes)		70%	100%	70%
• All categories		..	99%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	98%	>80%

Central West Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	91%	>95%
• Category 3 (365 days)		>95%	98%	>95%
Median wait time for treatment in emergency departments (minutes)	4	20	3	20
Median wait time for elective surgery (days)	5	25	63	25
Efficiency measures[6]				
Other measures Number of elective surgery patients treated within clinically recommended times:	7			
• Category 1 (30 days)		New measure	40	40
• Category 2 (90 days)		New measure	48	48
• Category 3 (365 days)		New measure	160	160
Number of Telehealth outpatient occasions of service events	8	New measure	2,376	2,914
Total weighted activity units (WAUs):	9, 10			
• Acute Inpatient		2,086	1,941	1,956
• Outpatients		1,107	1,115	1,122
• Sub-acute		201	187	187
• Emergency Department		1,129	1,047	1,047
• Mental Health		89	83	83
• Prevention and Primary Care		144	144	144
Ambulatory mental health service contact duration (hours)	11	>1,996	2,008	>2,016

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
5. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017. There is no national benchmark target for this measure in Categories 1, 2 and 3.
6. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
7. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017.
8. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.

9. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
10. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17.
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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Central West Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Central West Hospital and Health Service	4, 5	349	362	373

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual includes additional FTE funded via the 2016-17 Service amendments process.
5. The 2017-18 Budget represents the forecast FTEs in line with additional funding provided in the 2017-18 Service Agreement.

Income statement

Central West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,5	66,651	69,789	70,813
Grants and other contributions	2,6	690	607	622
Interest		..	2	2
Other revenue	3,7	1,250	2,110	2,114
Gains on sale/revaluation of assets		..	..	..
Total income		**68,591**	**72,508**	**73,551**
EXPENSES				
Employee expenses	4,8	10,464	12,035	10,881
Supplies and Services:				
Other supplies and services		18,749	20,827	17,424
Department of Health contract staff		35,053	35,321	40,780
Grants and subsidies		..	..	..
Depreciation and amortisation		4,179	4,179	4,320
Finance/borrowing costs		..	..	..
Other expenses		70	70	70
Losses on sale/revaluation of assets		76	76	76
Total expenses		**68,591**	**72,508**	**73,551**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Central West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets		1,288	1,224	1,204
Receivables	9,13	1,379	1,836	1,844
Other financial assets		..	..	..
Inventories		594	565	569
Other		64	63	71
Non-financial assets held for sale		..	..	..
Total current assets		**3,325**	**3,688**	**3,688**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,15	69,537	61,719	69,619
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**69,537**	**61,719**	**69,619**
TOTAL ASSETS		**72,862**	**65,407**	**73,307**
CURRENT LIABILITIES				
Payables	11,14	1,851	3,906	3,906
Accrued employee benefits		108	174	174
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**1,959**	**4,080**	**4,080**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**1,959**	**4,080**	**4,080**
NET ASSETS/(LIABILITIES)		**70,903**	**61,327**	**69,227**
EQUITY				
TOTAL EQUITY	**12,16**	**70,903**	**61,327**	**69,227**

Cash flow statement

Central West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	17,23	66,641	69,779	70,803
Grants and other contributions	18,24	690	607	622
Interest received		..	2	2
Other	19,25	3,060	3,920	3,924
Outflows:				
Employee costs	20,26	(10,464)	(12,035)	(10,881)
Supplies and services		(56,194)	(58,040)	(60,100)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(70)	(70)	(70)
Net cash provided by or used in operating activities		**3,663**	**4,163**	**4,300**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	21,27	(1,075)	(1,389)	(1,196)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(1,075)**	**(1,389)**	**(1,196)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	22,28	1,075	603	1,196
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(4,179)	(4,179)	(4,320)
Net cash provided by or used in financing activities		**(3,104)**	**(3,576)**	**(3,124)**
Net increase/(decrease) in cash held		**(516)**	**(802)**	**(20)**
Cash at the beginning of financial year		**1,804**	**2,026**	**1,224**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**1,288**	**1,224**	**1,204**

Explanation of variances in the financial statements

Income statement

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

1. The increase in user charges relates to additional funding provided through amendments to the Service Agreement between Central West Hospital and Health Service and the Department of Health. Increased revenue due to increase in recovery of pharmaceutical benefits scheme drugs, additional program funding, enterprise bargaining and depreciation.
2. The decrease in Grants and other contributions is due to reduction in Commonwealth Multipurpose Health Services funding.
3. The increase in other revenue is due to additional locally receipted own source revenue from reimbursement of employee expenses and relocation of training facilities.
4. The increase in employee expenses is due to the enterprise bargaining increases for Health Service employees and increase in project employees e.g. rehabilitation program, integrated care innovation fund.

Major variations between 2016-17 Budget and 2017-18 Budget include:

5. The increase in user charges relates to additional funding provided through amendments to the Service Agreement between Central West Hospital and Health Service and the Department of Health. Increased revenue due to increase in recovery of pharmaceutical benefits scheme drugs, additional program funding, enterprise bargaining and depreciation.
6. The decrease in Grants and other contributions is due to reduction in Commonwealth Multipurpose Health Services funding.
7. The increase in other revenue is due to additional locally receipted own source revenue from reimbursement of employee expenses and relocation of training facilities.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

8. The decrease in employee expenses is due to a decrease in project employees such as the rehabilitation program and integrated care innovation fund.

Balance sheet

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

9. The increase in Receivables relates to accrual period of departmental funding payments.
10. The decrease in Property, plant and equipment relates to Asset revaluations lower than previously forecast and revised transfer dates of Property, plant and equipment from the Department of Health.
11. The increase in Current Payables relates to higher unearned revenue.
12. The decrease in Equity relates to Asset revaluations lower than previously forecast and revised transfer dates of Property Plant and Equipment from the Department of Health.

Major variations between 2016-17 Budget and 2017-18 Budget include:

13. The increase in Receivables relates to accrual period of departmental funding payments.
14. The increase in Current Payables relates to higher unearned revenue.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

15. The increase in total equity relates to revised transfer dates of Property, plant and equipment from the Department of Health.
16. The increase in Property, plant and equipment relates to revised transfer dates of Property, plant and equipment from the Department of Health.

Cash flow statement

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

17. The increase in User charges relates to additional funding provided through amendments to the Service Agreement between Central West Hospital and Health Service and the Department of Health. Increased revenue due to increase in recovery of pharmaceutical benefits scheme drugs, additional program funding, enterprise bargaining and depreciation.
18. The decrease in Grants and other contributions is due to reduction in Commonwealth Multipurpose Health Services funding.
19. The increase in Other operating inflow is due to additional locally receipted own source revenue from reimbursement of employee expenses, relocation of training facilities.
20. The increase in Employee costs is due to the enterprise bargaining increases for Health Service employees and increase in project employees such as the rehabilitation program and integrated care innovation fund.
21. The increase in payments for non financial assets is due to the recashflow of the Health technology equipment replacement (HTER) program spend.
22. The decrease in Equity injections primarily relates to the revised schedule of capital transferring from the Department of Health.

Major variations between 2016-17 Budget and 2017-18 Budget include:

23. The increase in User charges relates to additional funding provided through amendments to the Service Agreement between Central West Hospital and Health Service and the Department of Health. Increased revenue due to increase in recovery of pharmaceutical benefits scheme drugs, additional program funding, enterprise bargaining and depreciation.
24. The decrease in Grants and other contributions is due to reduction in Commonwealth Multipurpose Health Services funding.
25. The increase in Other operating inflow is due to additional locally receipted own source revenue from reimbursement of employee expenses, relocation of training facilities.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

26. The decrease in Employee costs is due to a decrease in project employees from programs such as the rehabilitation program and integrated care innovation fund.
27. The decrease in payments for non financial assets is due to a reduction in HTER program spend.
28. The increase in Equity injections primarily relates to revised timing of capital transferring from the Department of Health.

Children’s Health Queensland Hospital and Health Service

Overview

Children's Health Queensland Hospital and Health Service (HHS) key priorities and objectives align with and support the Queensland Government’s objectives to deliver quality frontline services for families 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 Children’s Health Queensland Strategic Action Plan has 11 focus areas with a number of measurable objectives covering the following focus areas:

- Engaging children, young people, their families and the community
- An integrated system of care
- Equitable access and improved outcomes
- Safety and quality
- Excellence, innovation and sustainability
- Partnering across the system
- Evidence-based service delivery and capacity planning
- System-wide service delivery and leadership
- An engaged and skilled workforce
- Research
- Care through digital enablement.

Service summary

Children's Health Queensland HHS has an operating budget of $720.2 million for 2017-18 which is an increase of $43 million (6.4 per cent) from the published 2016-17 operating budget of $677.2 million.

The service agreement between Children's Health Queensland HHS and Queensland Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved. The 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
- statewide paediatric service coordination and support
- child and youth community health services including child health, child development, and child protection services
- Hospital in the Home 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	99%	100%
• Category 2 (within 10 minutes)		80%	94%	80%
• Category 3 (within 30 minutes)		75%	67%	75%
• Category 4 (within 60 minutes)		70%	79%	70%
• Category 5 (within 120 minutes)		70%	97%	70%
• All categories		..	78%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	83%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	100%	>95%
• Category 3 (365 days)		>95%	100%	>95%

Children's Health Queensland Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	4	<2	1	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	63.6%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	15.7%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		65%	87%	98%
• Category 2 (90 days)		45%	68%	95%
• Category 3 (365 days)		90%	97%	95%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	91%	98%
• Category 2 (90 days)		New measure	66%	95%
• Category 3 (365 days)		New measure	64%	95%
Median wait time for treatment in emergency departments (minutes)	8	20	20	20
Median wait time for elective surgery (days)	9	25	52	25
Efficiency measure Average cost per weighted activity unit (WAU) for Activity Based Funding facilities	10, 11	$5,378	$5,445	$5,376
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	1,739	1,739
• Category 2 (90 days)		New measure	3,577	3,577
• Category 3 (365 days)		New measure	2,531	2,531
Number of Telehealth outpatient occasions of service events	13	New measure	2,716	3,091
Total weighted activity units (WAUs):	10, 14			
• Acute Inpatient		52,326	56,488	57,716
• Outpatients		14,172	12,806	11,899
• Sub-acute		327	1,360	1,358
• Emergency Department		9,036	8,060	8,045
• Mental Health		2,052	3,402	3,398
Ambulatory mental health service contact duration (hours)	15	<65,557	58,233	>65,767

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017. There is no national benchmark target for this measure in Categories 1, 2 and 3.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast overdelivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non-Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017. The 2017-18 Target/Estimate is based on achieving 98 per cent category 1, 95 per cent category 2 and 95 per cent category 3 patients seen within clinically recommended time for elective surgery.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Children's Health Queensland Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Children's Health Queensland Hospital and Health Service	4, 5	3,486	3,592	3,608

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the current estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual reflect increased funding through the 2016-17 Service Agreement via the Amendment Window process including increased permanent FTE as a result of establishing the CHQ at Home and Hospital in the Home Service, and additional FTE to support increased activity realised in 2016-17.
5. Increase in FTEs for the 2017-18 Budget reflect full year effect of FTEs required to staff new initiatives including School Readiness Program, state-wide Cannabis Trial for Refractory Epilepsy, Mental Health Allocation, Court Liaison Services and additional FTE to support increased activity.

Income statement

Children's Health Queensland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,8,14	672,745	706,279	717,839
Grants and other contributions	2,9	2,417	1,594	1,633
Interest		223	183	188
Other revenue	3,10	1,787	506	521
Gains on sale/revaluation of assets	4,15	..	3,876	..
Total income		**677,172**	**712,438**	**720,181**
EXPENSES				
Employee expenses	5,11,16	471,715	467,968	489,521
Supplies and Services:				
Other supplies and services	6,12,17	153,300	183,446	179,974
Department of Health contract staff		..	..	..
Grants and subsidies		1,000	1,167	1,000
Depreciation and amortisation	13	47,876	47,876	46,309
Finance/borrowing costs		..	..	..
Other expenses		3,055	3,720	3,151
Losses on sale/revaluation of assets		226	226	226
Total expenses		**677,172**	**704,403**	**720,181**
OPERATING SURPLUS/(DEFICIT)	7	**..**	**8,035**	**..**

Balance sheet

Children's Health Queensland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets		32,991	33,151	32,148
Receivables	18,24	13,764	23,005	22,466
Other financial assets		..	..	..
Inventories		4,939	4,821	4,872
Other	19,25	420	1,605	1,645
Non-financial assets held for sale		..	..	..
Total current assets		**52,114**	**62,582**	**61,131**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	31	1,236,438	1,230,495	1,205,048
Intangibles	20,26	1,034	2,962	2,755
Other		..	..	..
Total non-current assets		**1,237,472**	**1,233,457**	**1,207,803**
TOTAL ASSETS		**1,289,586**	**1,296,039**	**1,268,934**
CURRENT LIABILITIES				
Payables	27,32	33,071	33,069	31,174
Accrued employee benefits	21,28	32,697	19,299	19,697
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	22,29	2,866	5,319	5,365
Total current liabilities		**68,634**	**57,687**	**56,236**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**68,634**	**57,687**	**56,236**
NET ASSETS/(LIABILITIES)		**1,220,952**	**1,238,352**	**1,212,698**
EQUITY				
TOTAL EQUITY	**23,30,33**	**1,220,952**	**1,238,352**	**1,212,698**

Cash flow statement

Children's Health Queensland Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	34,40,46	672,358	707,800	718,255
Grants and other contributions	47	2,417	2,597	1,679
Interest received		223	183	188
Other	35,41,48	6,662	17,116	5,396
Outflows:				
Employee costs	36,42,49	(471,715)	(464,598)	(489,123)
Supplies and services	37,43,50	(156,762)	(200,408)	(186,938)
Grants and subsidies		(1,000)	(1,167)	(1,000)
Borrowing costs		..	..	..
Other		(3,055)	(3,720)	(3,151)
Net cash provided by or used in operating activities		**49,128**	**57,803**	**45,306**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	38,44,51	(2,731)	(3,695)	(4,827)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(2,731)**	**(3,695)**	**(4,827)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		2,731	3,897	4,827
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(47,876)	(47,876)	(46,309)
Net cash provided by or used in financing activities		**(45,145)**	**(43,979)**	**(41,482)**
Net increase/(decrease) in cash held		**1,252**	**10,129**	**(1,003)**
Cash at the beginning of financial year	**39,45,52**	**31,739**	**23,022**	**33,151**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**32,991**	**33,151**	**32,148**

Explanation of variances in the financial statements

Income statement

Major variations between 2016-17 Budget and 2016-17 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 a part year effect of Commonwealth incentive funding for higher patient activity, funded enterprise bargaining agreement, and new specific block funded initiatives.
2. The decrease relates to the reclassification of community based program funding into User charges and fees.
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 the estimated revaluation of Children's Health Queensland buildings in 2016-17.
5. The decrease in Employee expenses is mainly due to increased Supplies and services for contracted services to deliver Strategic information and communication technology (ICT) projects. This is partially offset by enterprise bargaining agreement increments, increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital, and staff associated with new initiatives that commenced in 2016-17.
6. The increase relates to greater clinical supply costs due to higher activity performed at Lady Cilento Children's Hospital, maintenance costs for Children's Health Queensland buildings, and contracted services to implement Strategic (ICT) projects.
7. The operating surplus increase mainly relates to efficient service delivery models applied by the Lady Cilento Children's Hospital through National Weighted Activity Unit (NWAU) over-performance in 2016-17 arising from higher patient activity at reduced costs, and includes the revaluation of Children's Health Queensland buildings.

Major variations between 2016-17 Budget and 2017-18 Budget include:

8. The increase relates to additional funding provided in the 2017-18 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding includes the full year of increases in service activity, enterprise bargaining agreement and specific block funded initiatives.
9. The decrease relates to the reclassification of community based program funding into User charges and fees.
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 enterprise bargaining agreement increments 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 maintenance and management costs for Children's Health Queensland buildings.
13. The movement relates to asset additions and disposals for the Children's Health Queensland buildings and associated equipment. The 2016-17 budget was based on Department's best estimates for the Children's Health Queensland buildings and associated equipment at the time.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

14. The increase relates to additional funding provided in the 2017-18 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding includes the full year of increases in service activity, enterprise bargaining agreement and specific block funded initiatives.
15. The decrease relates to the estimated revaluation of the Lady Cilento Children's Hospital buildings from 2016-17.
16. The increase relates to enterprise bargaining agreement increments, greater staffing levels to meet higher activity within Lady Cilento Children's Hospital, including clinical staff to support the growth in beds, and staff associated with new and enhanced initiatives and programs including the Hospital in the Home services.
17. The decrease relates to changes from Supplies and services to Employee expenses for the Hospital in the Home services transitioning from external service provision to internal staff, and an estimated reduction in contracted services for the implementation of Strategic ICT projects.

Balance sheet

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

18. The increase in operating receivables is mainly due to the higher actual 2016-17 opening balance.
19. The increase is due to a higher balance for prepayments at the end of the financial year.
20. The increase in intangibles is due to the additional investment in information and communication technology (ICT) programs to support Lady Cilento Children's Hospital services.
21. The decrease to employee benefits is due to a reclassification of liabilities to the Payables category.
22. The increase in Other current liabilities relates to expected increases in unearned revenue for community based programs, originally budgeted for completion in 2016-17.
23. The increase in Total Equity relates predominantly to the 2016-17 financial year actual surplus and higher actual 2016-17 opening balance.

Major variations between 2016-17 Budget and 2017-18 Budget include:

24. The increase in operating receivables is mainly due to the higher actual 2016-17 opening balance.
25. The increase is due to a higher balance for prepayments at the end of the financial year.
26. The increase in intangibles is due to the additional investment in ICT programs to support Lady Cilento Children's Hospital services.
27. The decrease in Payables mainly relates to a lower estimated end of year position.
28. The decrease to Accrued employee benefits is due to a reclassification of liabilities to the Payables category.
29. The increase in Other current liabilities relates to expected increases in unearned revenue for community based programs, originally budgeted for completion in 2016-17.
30. The decrease in the value of Total Equity reflects the impact of depreciation for the period on Children's Health Queensland Hospital and Health Service existing asset values, partially offset by new acquisitions and upgrades.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

31. The decrease relates to accumulated depreciation of Children's Health Queensland Hospital and Health Service equipment and buildings.
32. The decrease in Payables mainly relates to a lower estimated end of year position.
33. The decrease in the value of Total Equity reflects the impact of depreciation for the period on the Children's Health Queensland Hospital and Health Service existing asset values, partially offset by new acquisitions and upgrades.

Cash flow statement

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

34. 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 a part year effect of Commonwealth incentive funding for higher patient activity, funded enterprise bargaining agreement, and new specific block funded initiatives.
35. The increase in Other inflows mainly due to the recovery of employee benefits from the Mater Health Services.
36. The decrease in Employee cost outflows is mainly due to an increase for Supplies and services, provided by external service providers. This is offset by the increase in enterprise bargaining agreement and increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital and new staff associated with new initiatives that commenced in 2016-17.
37. The increase relates to clinical supply costs due to higher activity performed at Lady Cilento Children's Hospital, maintenance costs for Children's Health Queensland buildings, contracted services to implement Strategic ICT projects, and payment of Mater Health Service employee benefits to the department.
38. The increase in non-financial assets is due to the additional investment in ICT programs to support Lady Cilento Children's Hospital services.
39. The decrease in cash relates predominantly to the decrease in the estimated end of year Total current liabilities.

Major variations between 2016-17 Budget and 2017-18 Budget include:

40. The increase relates to additional funding provided in the 2017-18 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding includes the full year of increases in service activity, enterprise bargaining agreement and specific block funded initiatives.
41. The decrease relates to the estimated balance for receivables as at the end of the financial year.
42. The increase relates to enterprise bargaining agreement increments 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.
43. The increase in Supplies and services relates to clinical supply costs associated with the full year effect of higher activity within Lady Cilento Children's Hospital in line with funding for growth in beds, and maintenance costs for Children's Health Queensland buildings.
44. The increase in non-financial assets is due to the additional investment in ICT programs and the increased expenditure in the HTER program to support Lady Cilento Children's Hospital.
45. The increase in cash relates predominantly to the actual 2016-17 financial year actual surplus, offset by the increased estimated end of year receivables.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

46. The increase relates to additional funding provided in the 2017-18 Service Agreement between Children's Health Queensland Hospital and Health Service and the department. This additional funding includes the full year of increases in service activity, enterprise bargaining agreement and specific block funded initiatives.
47. The decrease relates to the lower estimated unearned revenue balance of community based program funding.
48. The decrease to Other Inflows is mainly due to the Estimated Actual 2016-17 recovery of employee benefits from the Mater Health Services.
49. The increase relates to enterprise bargaining agreement increments and increases in staffing levels to meet higher activity within Lady Cilento Children's Hospital including increases in clinical staff to support growth in beds, and new staff associated with new and enhanced initiatives and programs.
50. The decrease in Supplies and services is mainly related to the Estimated Actual 2016-17 payment of Mater Health Service employee benefits to the department.
51. The increase in non-financial assets is due to the additional investment in ICT programs and the increased expenditure in the HTER program to support Lady Cilento Children's Hospital.
52. The increase in cash relates predominantly to the actual 2016-17 financial year actual surplus, offset by the increased estimated end of year receivables.

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, which provides a comprehensive range of public hospital and healthcare services to nearly 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 these services from 29 facilities, which includes one large regional referral hospital, three medium sized regional hub hospitals, twelve rural hospitals, three multipurpose health services, three community outpatient clinics, six residential aged care facilities and an extended inpatient mental health service.

With a vision of 'caring for our communities – healthier together' the Darling Downs HHS is focused on delivering patient-centred care and services and leading the integration of care across our region to support our communities to be healthier.

The Darling Downs HHS strategic priorities align with and support the Queensland Government's priorities and objectives for the community in delivering quality frontline services, strengthening the public health system and building safe, caring and connected communities. The Darling Downs HHS has six strategic objectives to support our vision:

- deliver quality evidence-based healthcare for our patients and clients
- engage, communicate and collaborate with our partners and communities to ensure we provide integrated, patient-centred care
- demonstrate a commitment to learning, research, innovation and education in rural and regional healthcare
- ensure sustainable resources though attentive financial and asset administration
- plan and maintain clear and focused processes to facilitate effective corporate and clinical governance
- value, develop and engage our workforce to promote professional and personal wellbeing, and to ensure dedicated delivery of services.

The Darling Downs HHS provides healthcare services in a growing and ageing community. Increasing levels of chronic disease, geographic distance, an ageing workforce, increasing service demand and ongoing fiscal sustainability, especially in our regional communities are among our greatest challenges. Despite these challenges, the Darling Downs HHS is: actively exploring and implementing innovative and integrated health service delivery models; proactively partnering and engaging with the Darling Downs West Moreton Primary Health Network (DDWM PHN), tertiary education sector and our communities to deliver solutions; and investing in training and developing the workforce for the future.

Service summary

The Darling Downs HHS has an operating budget of $761.7 million for 2017-18 which is an increase of $87.2 million (12.9 per cent) from the published 2016-17 operating budget of $674.5 million.

During 2017-18, the Darling Downs HHS will continue to focus efforts to ensure that waiting lists for elective surgery, endoscopy, outpatients and dental continue to be kept within clinically recommended timeframes.

Other key deliverables or focus areas for 2017-18 include:

- improving our infrastructure by:
  - finalising construction of a seventh operating theatre at Toowoomba Hospital
  - upgrading the Emergency Department at Warwick Hospital to improve staff and patient flow and increase treatment spaces from 13 to 21
  - refurbishing the Toowoomba Hospital Renal Unit to increase access to renal services
  - building a new dental training clinic and collocated community health service at Kingaroy, delivered in partnership with Griffith University and Queensland Rural Medical Education (QRME)

  - continuing to plan for increasing service delivery needs at Toowoomba Hospital and upgrading outdated infrastructure at Kingaroy Hospital
- working in partnership with the DDWM PHN to implement the HealthPathways project to improve the coordination of care for patients across our region
- implementing the Diabetes Model of Care and Darling Downs Floresco Centre projects, funded through the department's Integrated Care Innovation Fund
- partnering with the Cognitive Institute as a core organisational commitment to deliver quality, excellent care, reduce inefficiency, and enhance patient experiences
- finalising recruitment to nine Nurse Navigator roles, resulting in a total of 14 Nurse Navigators employed across the service
- employing 73 graduate nurses as part of the graduate nursing and midwifery initiative.

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	2016-17 Target/Est.	2016-17 Est. actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	95%	100%
• Category 2 (within 10 minutes)		80%	83%	80%
• Category 3 (within 30 minutes)		75%	69%	75%
• Category 4 (within 60 minutes)		70%	83%	70%
• Category 5 (within 120 minutes)		70%	97%	70%
• All categories		..	81%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	86%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	100%	>95%
• Category 3 (365 days)		>95%	100%	>95%

Darling Downs Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. actual	2017-18 Target/Est.
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	4	<2	0.3	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	72.5%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	12.4%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		98%	100%	98%
• Category 2 (90 days)		95%	100%	95%
• Category 3 (365 days)		95%	100%	95%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	100%	98%
• Category 2 (90 days)		New measure	99%	95%
• Category 3 (365 days)		New measure	100%	95%
Median wait time for treatment in emergency departments (minutes)	8	20	13	20
Median wait time for elective surgery (days)	9	25	48	25
Efficiency measure Average cost per weighted activity unit (WAU) for Activity Based Funding facilities	10, 11	$4,651	$4,579	$4,415
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	1,606	1,740
• Category 2 (90 days)		New measure	2,785	3,008
• Category 3 (365 days)		New measure	1,974	2,096
Number of Telehealth outpatient occasions of service events	13	New measure	6,900	8,107
Total weighted activity units:	10, 14			
• Acute Inpatient		47,136	54,872	57,878
• Outpatients		11,901	12,068	12,583
• Sub-acute		4,638	5,706	5,173
• Emergency Department		15,482	17,744	17,705
• Mental Health		8,680	13,598	9,783
• Prevention and Primary Care		3,170	3,481	3,017
Ambulatory mental health service contact duration (hours)	15	>72,612	73,153	>72,612

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast overdelivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non-Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17 Queensland WAU.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast over 12 months.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 20 April forecast over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated. 2016-17 Mental Health Estimated Actuals are higher than the 2017-18 Target/Estimate due to the discharge of long stay patients from Non-ABF mental health facilities. This Queensland WAU, whilst funded, has not been built into the 2017-18 Service Agreements as the pattern of patient discharges from these facilities varies considerably from year to year
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Darling Downs Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. actual	2017-18 Budget
Darling Downs Hospital and Health Service	4, 5	4,011	4,190	4,315

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. The increase in FTE from the 2016-17 Budget to the 2016-17 Estimated Actual is due to the delivery of additional patient activity at activity base funded facilities and is consistent with the amended service agreement with the Department of Health.
5. The increase in FTE from both the 2016-17 Budget and 2016-17 Estimated Actual is due to Department of Health purchasing additional patient activity from Darling Downs HHS through the 2017-18 service agreement.

Income statement

Darling Downs Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,5,9	642,584	682,755	730,026
Grants and other contributions		29,837	30,236	30,297
Interest		262	387	387
Other revenue		1,821	1,494	1,034
Gains on sale/revaluation of assets		..	..	..
Total income		**674,504**	**714,872**	**761,744**
EXPENSES				
Employee expenses	2,6	54,421	61,986	65,676
Supplies and Services:				
Other supplies and services	3,7,10	172,948	196,787	211,256
Department of Health contract staff	4,8,11	419,919	428,840	455,385
Grants and subsidies		1,290	1,920	1,541
Depreciation and amortisation		23,117	23,117	24,557
Finance/borrowing costs		..	..	..
Other expenses		1,123	1,256	811
Losses on sale/revaluation of assets		1,686	966	2,518
Total expenses		**674,504**	**714,872**	**761,744**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Darling Downs Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	12	75,944	72,000	74,054
Receivables		14,677	15,525	15,736
Other financial assets		..	..	..
Inventories		5,564	6,537	6,700
Other		585	1,029	1,042
Non-financial assets held for sale		..	..	..
Total current assets		**96,770**	**95,091**	**97,532**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	13,16	308,301	312,103	308,004
Intangibles		..	..	..
Other		28	..	..
Total non-current assets		**308,329**	**312,103**	**308,004**
TOTAL ASSETS		**405,099**	**407,194**	**405,536**
CURRENT LIABILITIES				
Payables	14,15	38,009	41,275	43,815
Accrued employee benefits		1,508	2,570	2,471
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		155	..	..
Total current liabilities		**39,672**	**43,845**	**46,286**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**39,672**	**43,845**	**46,286**
NET ASSETS/(LIABILITIES)		**365,427**	**363,349**	**359,250**
EQUITY				
TOTAL EQUITY		**365,427**	**363,349**	**359,250**

Cash flow statement

Darling Downs Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	17,24,28	641,143	680,358	727,467
Grants and other contributions		29,837	30,211	30,297
Interest received		262	387	387
Other	18	9,290	12,094	11,034
Outflows:				
Employee costs	19,25,29	(54,315)	(61,675)	(65,775)
Supplies and services	20,26,30	(599,544)	(628,128)	(674,303)
Grants and subsidies		(1,290)	(1,937)	(1,541)
Borrowing costs		..	..	..
Other		(1,123)	(1,256)	(811)
Net cash provided by or used in operating activities		**24,260**	**30,054**	**26,755**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	(148)	(144)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	21,27,31	(18,430)	(29,443)	(8,002)
Payments for investments		..	..	..
Loans and advances made		..	3	..
Net cash provided by or used in investing activities		**(18,430)**	**(29,588)**	**(8,146)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	22,32	5,476	16,030	8,002
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(23,207)	(23,207)	(24,557)
Net cash provided by or used in financing activities		**(17,731)**	**(7,177)**	**(16,555)**
Net increase/(decrease) in cash held		**(11,901)**	**(6,711)**	**2,054**
Cash at the beginning of financial year	**23**	**87,845**	**78,711**	**72,000**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**75,944**	**72,000**	**74,054**

Explanation of variances in the financial statements

Income statement

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

1. The increase in User charges and fees primarily reflects additional revenue from the Pharmaceutical Benefits Scheme due to the introduction of new drug regimes. The other significant contributor to increased revenue were changes to the service agreement with the Department of Health. In 2016-17 the largest of these amendments were for the treatment of additional public patients at activity based funded facilities.
2. The increase in employee expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with the Department of Health.
3. The increase in other supplies and services is primarily due to increases in drugs expenditure associated with new treatment regimes.
4. The increase in Department of Health contract staff expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with Department of Health.

Major variations between 2016-17 Budget and 2017-18 Budget include:

5. The increase in user charges reflects additional funding provided for amendments in the Service Agreement between Darling Downs Hospital and Health Service (HHS) and Department of Health, including the provision of additional patient activity, enterprise bargaining agreements and non labour escalation.
6. The increase in Employee expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with the Department of Health.
7. The increase in other supplies and services is primarily due to increases in drugs expenditure associated with new treatment regimes.
8. The increase in Department of Health contract staff expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with Department of Health.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

9. The increase in user charges reflects additional funding provided for amendments in the Service Agreement between Darling Downs HHS and Department of Health, including the provision of additional patient activity, enterprise bargaining agreements and non labour escalation.
10. The increase in other supplies and services reflects increased costs associated with the provision of additional patient activity purchased by Department of Health through the service agreement.
11. The increase in Department of Health contract staff is due to enterprise bargaining agreements and the recruitment of additional staff to deliver additional patient activity under the service level agreement with Department of Health.

Balance sheet

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

12. The decrease in cash reflects the Darling Downs Hospital and Health Service (HHS) Board's investment of retained surpluses in non-current assets.
13. The increase in property, plant and equipment reflects additional investment in non-current assets through the backlog maintenance remediation and priority capital programs. Additionally the Darling Downs HHS Board has continued to re-invest retained earnings into non-current assets of Darling Downs HHS.
14. The increase in Payables reflects increased expenditure incurred in delivering above target levels of activity in activity base funded facilities.

Major variations between 2016-17 Budget and 2017-18 Budget include:

15. The increase in Payables reflects additional days labour accrual at year end and increases in payables due to the provision of additional patient activity levels in the service agreement with Department of Health.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

16. The decrease in property, plant and equipment represents depreciation of Darling Downs HHS's asset base.

Cash flow statement

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

17. The increase in user charges and fees primarily reflects additional revenue from the Pharmaceutical Benefits Scheme due to the introduction of new drug regimes. The other significant contributor to increased revenue was changes to the service agreement with the Department of Health. In 2016-17 the largest of these amendments were for the treatment of public patients at activity based funded facilities.
18. The increase in other operating inflows is due to increases in GST receivable from the Australian Taxation Office.
19. The increase in employee expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with Department of Health.
20. The increase in supplies and services expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with Department of Health.
21. The increase in payments for non-financial assets reflects equity injections for capital projects including the Backlog Maintenance Remediation Program.
22. The increase in equity injections relates to capital projects including the Backlog Maintenance Remediation Program.
23. The decrease in cash at the beginning of the financial year is due to the 2015-16 operating surplus being below originally forecast levels.

Major variations between 2016-17 Budget and 2017-18 Budget include:

24. The increase in user charges reflects additional funding provided for amendments in the Service Agreement between Darling Downs Hospital and Health Service (HHS) and Department of Health, including the provision of additional patient activity, enterprise bargaining agreements and non-labour escalation.
25. The increase in employee expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with Department of Health
26. The increase in supplies and services expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with the Department of Health.
27. The decrease in payments for non-financial assets reflects the planned completion of the MRI project at Toowoomba Hospital.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

28. The increase in user charges reflects additional funding provided for amendments in the Service Agreement between Darling Down HHS and Department of Health, including the purchase of additional patient activity, enterprise bargaining agreements and non-labour escalation.
29. The increase in employee expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with the Department of Health.
30. The increase in supplies and services expenses reflects additional costs for treating public patients at activity base funded facilities consistent with amendments to the service agreement with Department of Health.
31. The decrease in payments for non-financial assets reflects the planned completion of the MRI project at Toowoomba Hospital in 2016-17 and the cessation of the Backlog Maintenance Remediation Program.
32. The decrease in equity injections reflects the cessation of the Backlog Maintenance Remediation Program.

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 (GCUH) 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 frontline services and strengthening the public health system by 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.

During 2016-17, 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 in Cardiac Surgery, Children's Critical Care, Neonatal Intensive Care, Level 1 Trauma, and Maternal Foetal Medicine. The Cancer Care service also commissioned the third linear accelerator and a pharmacy robot was commissioned at the GCUH.

Building on the Gold Coast HHS's focus on service delivery for complex families, a specialist state-wide four bed Mother and Baby Unit in Mental Health Services was commissioned at GCUH to provides specialist care for women who require admission to hospital for significant mental health difficulties in the first year following childbirth that impact on their ability to function in everyday life and to care for their child.

The Gold Coast HHS has also 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 Network and the non-government sector.

In addition, the Gold Coast Private Hospital, located on the GCUH site, was recently expanded to improve access to health services for the community and to complement Gold Coast health service provision.

Service summary

The Gold Coast HHS has an operating budget of $1.391 billion for 2017-18 which is an increase of $107.3 million (8.4 per cent) from the published 2016-17 operating budget of $1.283 billion.

During 2017-18 the statewide Neurodevelopment Exposure Disorder (NED) Centre will be expanded to become Australia's leading centre for the diagnosis and intervention of Fetal Alcohol Spectrum Disorder.

The Gold Coast HHS will continue to implement initiatives to strive to ensure long waiting patients for outpatient and elective surgery are adequately seen and treated as necessary. In addition, the Gold Coast HHS will strive 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.

During 2017-18 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 staff and partners in healthcare provision to better manage chronic disease within our community and continuing to deliver on additional mental health service delivery enhancements.

The Gold Coast HHS will also implement a range of improvement strategies to provide additional day surgical services.

In preparation for and during the Commonwealth Games in 2018, the Gold Coast HHS is planning for the delivery of significant services in areas such as public health, designated hospital services, disaster preparedness and management responses.

In addition, the Gold Coast HHS will continue to work with Economic Development Queensland, City of Gold Coast and Griffith University via the establishment of the Gold Coast Health and Knowledge Precinct Project Office 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 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	53%	80%
• Category 3 (within 30 minutes)		75%	41%	75%
• Category 4 (within 60 minutes)		70%	62%	70%
• Category 5 (within 120 minutes)		70%	87%	70%
• All categories		..	51%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	78%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• 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	4	<2	0.9	<2

Gold Coast Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	59.4%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	13.5%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		65%	65%	65%
• Category 2 (90 days)		55%	56%	56%
• Category 3 (365 days)		65%	94%	94%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	84%	84%
• Category 2 (90 days)		New measure	47%	47%
• Category 3 (365 days)		New measure	66%	66%
Median wait time for treatment in emergency departments (minutes)	8	20	31	20
Median wait time for elective surgery (days)	9	25	30	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,763	$4,751	$4,798
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	6,229	6,291
• Category 2 (90 days)		New measure	6,162	6,224
• Category 3 (365 days)		New measure	3,353	3,387
Number of Telehealth outpatient occasions of service events	13	New measure	792	963
Total weighted activity units (WAU):	10, 14			
• Acute Inpatient		120,859	132,323	137,488
• Outpatients		31,887	33,063	35,205
• Sub-acute		9,599	10,332	10,308
• Emergency Department		21,187	23,466	24,003
• Mental Health		10,549	11,867	12,052
• Prevention and Primary Care		4,101	4,484	3,926
Ambulatory mental health service contact duration (hours)	15	>90,125	77,877	>90,125

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.

2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Est cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Est Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Gold Coast Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Gold Coast Hospital and Health Service	4	7,069	7,261	7,482

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs based on the latest Service Level Agreement value.
4. The increase from the 2016-17 Budget to the 2016-17 Estimated Actual and the 2017-18 Budget relates to additional funding received for specific initiatives as well as unavoidable growth in demand for hospital and health services.

Income statement

Gold Coast Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,6,10	1,270,041	1,308,977	1,376,441
Grants and other contributions		12,656	12,979	12,986
Interest		77	77	77
Other revenue	2,7	663	1,200	1,200
Gains on sale/revaluation of assets		..	..	..
Total income		**1,283,437**	**1,323,233**	**1,390,704**
EXPENSES				
Employee expenses	3,8,11	865,404	894,382	946,522
Supplies and Services:				
Other supplies and services	4,9,12	332,939	344,280	357,630
Department of Health contract staff		..	..	..
Grants and subsidies	5,13	1,323	800	1,323
Depreciation and amortisation		79,458	79,458	80,794
Finance/borrowing costs		..	..	..
Other expenses		3,128	3,128	3,250
Losses on sale/revaluation of assets		1,185	1,185	1,185
Total expenses		**1,283,437**	**1,323,233**	**1,390,704**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Gold Coast Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	14,20	20,309	63,521	65,353
Receivables	15,21	44,893	21,429	21,785
Other financial assets		..	..	..
Inventories		8,106	8,206	8,295
Other		1,537	1,716	1,983
Non-financial assets held for sale		..	..	..
Total current assets		**74,845**	**94,872**	**97,416**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	16,22,26	1,761,957	1,754,012	1,735,276
Intangibles		727	1,736	1,510
Other		..	..	..
Total non-current assets		**1,762,684**	**1,755,748**	**1,736,786**
TOTAL ASSETS		**1,837,529**	**1,850,620**	**1,834,202**
CURRENT LIABILITIES				
Payables	17,23	27,331	40,099	42,637
Accrued employee benefits	18,24	23,170	30,824	30,830
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	19,25	5,047	1,132	1,132
Total current liabilities		**55,548**	**72,055**	**74,599**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**55,548**	**72,055**	**74,599**
NET ASSETS/(LIABILITIES)		**1,781,981**	**1,778,565**	**1,759,603**
EQUITY				
TOTAL EQUITY		**1,781,981**	**1,778,565**	**1,759,603**

Cash flow statement

Gold Coast Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	27,32,35	1,268,740	1,307,676	1,375,140
Grants and other contributions		12,656	12,979	12,986
Interest received		77	77	77
Other		8,713	9,250	9,250
Outflows:				
Employee costs	28,33,36	(865,398)	(894,376)	(946,516)
Supplies and services	29,34	(338,962)	(350,303)	(363,653)
Grants and subsidies	30,37	(1,323)	(800)	(1,323)
Borrowing costs		..	..	..
Other		(3,128)	(3,128)	(3,250)
Net cash provided by or used in operating activities		**81,375**	**81,375**	**82,711**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		(85)	(85)	(85)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	31,38	(6,389)	(13,031)	(4,496)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(6,474)**	**(13,116)**	**(4,581)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		6,389	12,226	4,496
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(79,458)	(79,458)	(80,794)
Net cash provided by or used in financing activities		**(73,069)**	**(67,232)**	**(76,298)**
Net increase/(decrease) in cash held		**1,832**	**1,027**	**1,832**
Cash at the beginning of financial year		**18,477**	**62,494**	**63,521**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**20,309**	**63,521**	**65,353**

Explanation of variances in the financial statements

Income statement

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

1. The increase relates to additional funding provided for through the Service Level Agreement for the provision of frontline services in response to growth in healthcare demand.
2. The increase relates to new commercial activity.
3. The increase relates to additional staff required by the Gold Coast Hospital and Health Service (HHS) to service the growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2016-17.
4. The increase relates to additional growth in services provided by the Gold Coast HHS in response to growth in demand for healthcare services. There is also an increase in outsourced service delivery relating to temporary funding to deliver wait list initiatives.
5. The reduction relates to changes in program expenditure.

Major variations between 2016-17 Budget and 2017-18 Budget include:

6. The increase relates to additional funding provided for through the Service Level Agreement for the provision of frontline services in response to growth in healthcare demand.
7. The increase relates to new commercial activity.
8. The increase relates to additional staff required by the Gold Coast HHS to service growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2016-17 and are forecasted to take effect in 2017-18.
9. The increase relates to additional growth in services provided by the Gold Coast HHS in response to growth in demand for healthcare services.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

10. The increase relates to additional funding provided for through the Service Level Agreement for the provision of frontline services in response to growth in healthcare demand.
11. The increase relates to additional staff required by the Gold Coast HHS to service growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2016-17 and are forecasted to take effect in 2017-18.
12. The increase relates to additional growth in services provided by the Gold Coast HHS in response to growth in demand for healthcare services.
13. The increase relates to changes in program expenditure.

Balance sheet

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

14. The increase relates to more cash being receipted from debtors, and less creditor invoices being settled than expected.
15. The decrease relates to more cash being receipted from debtors earlier than expected.
16. The decrease relates to changes in the value of Gold Coast HHS infrastructure and other equipment, including the effect of asset additions, disposals and depreciation
17. The increase relates to less creditor invoices being settled earlier than expected.
18. The increase relates to higher than expected full-time equivalent (FTE) and changes in the anticipated number of accrual days.
19. The decrease relates to movements in the recognition unearned revenues between the Gold Coast HHS and the Department of Health.

Major variations between 2016-17 Budget and 2017-18 Budget include:

20. The increase relates to more cash being receipted from debtors, and less creditor invoices being settled than expected.

21. The decrease relates to more cash being receipted from debtors earlier than expected.
22. The decrease relates to changes in the value of Gold Coast HHS infrastructure and other equipment, including the effect of asset additions, disposals and depreciation.
23. The increase relates to less creditor invoices being settled earlier than expected.
24. The increase relates to higher than expected FTE and changes in the anticipated number of accrual days.
25. The decrease relates to movements in the recognition unearned revenues between the Gold Coast HHS and the Department of Health.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

26. The decrease relates to changes in the value of Gold Coast HHS infrastructure and other equipment, including the effect of asset additions, disposals and depreciation.

Cash flow statement

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

27. The increase relates to additional funding provided for through the Service Level Agreement for the provision of frontline services in response to growth in healthcare demand.
28. The increase relates to additional staff required by the Gold Coast HHS to service the growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2016-17.
29. The increase relates to additional growth in services provided by the Gold Coast HHS in response to growth in demand for healthcare services.
30. The reduction relates to changes in program expenditure.
31. The increase relates to higher than expected asset acquisitions.

Major variations between 2016-17 Budget and 2017-18 Budget include:

32. The increase relates to additional funding provided for through the Service Level Agreement for the provision of frontline services in response to growth in healthcare demand.
33. The increase relates to additional staff required by the Gold Coast HHS to service growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2016-17 and are forecasted to take effect in 2017-18.
34. The increase relates to additional growth in services provided by the Gold Coast HHS in response to growth in demand for healthcare services.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

35. The increase relates to additional funding provided for through the Service Level Agreement for the provision of frontline services in response to growth in healthcare demand.
36. The increase relates to additional staff required by the Gold Coast HHS to service growth in demand for healthcare services, along with new enterprise bargaining agreements which took effect during 2016-17 and are forecasted to take effect in 2017-18.
37. The reduction relates to changes in program expenditure.
38. The decrease relates to reduction in expected asset acquisitions.

Mackay Hospital and Health Service

Overview

The Mackay Hospital and Health Service (HHS) is an independent statutory body overseen by an appointed Hospital and Health Board. The Mackay HHS is responsible for the delivery of public hospital and health 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, and includes Proserpine and the Whitsundays.

The Mackay HHS is responsible for the direct management of eight hospitals and multipurpose health services together with other community health facilities within the HHS's geographical boundaries, including:

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

The Mackay HHS aims to deliver outstanding health care services to its communities through its people and partners. The Mackay HHS is working to achieve its 2020 vision 'Delivering Queensland's Best Rural and Regional Health Care', through 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 navigation of the health system for patients, and services matched to community health needs. The demand for services in the Mackay HHS continues to grow as more people choose public services over private services in the region. The population also continues to age, with the over 70 age group having the greatest percentage projected increase over the coming years. The Mackay HHS is also one of the largest employers in the region, and recognises its responsibilities and impact through proactive strategies to achieve the objective of 'Inspired People'.

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 2016-17, the Mackay HHS invested in key developments to deliver enhanced services for our community including:

- reduced waiting times for specialist outpatient appointments and elective surgery
- enhanced clinical information technology systems – the Digital Hospital
- increased inpatient acute bed capacity through the opening of 12 new beds at the Mackay Base Hospital
- supporting clinicians and General Practitioners by way of Health Pathways to better navigate the local health system for assessment, management and referral of patients.

Service summary

The Mackay HHS has an operating budget of $415.1 million for 2017-18 which is an increase of $57.2 million (16 per cent) from the published 2016-17 operating budget of $357.9 million[16].

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

During 2017-18, the Mackay HHS will continue to focus on and deliver key priorities to improve access to and navigation of health services, drive advancements in optimal clinical care, patient experiences and outcomes; build on collaborative and productive partnerships; and help patients spend less time in the hospital through innovative, integrated and financially viable service delivery models. Key initiatives include:

- implementing and optimising the nurse navigator roles
- advancing the foundational work of the Mackay Institute of Research and Innovation, to be a leader in health service research
- delivering and optimising clinical information technology solutions - Digital Hospital releases
- taking steps to address key population health risk factors, by working with partners including the Primary Health Network and the community
- responding to community health priorities, such as mental health
- expansion of the Mackay Base Hospital cardiac catheter laboratory to a five day service.

Service performance

Performance statement

Mackay Hospital and Health Service

Service area objective

To deliver public hospital and health services for the Mackay and its surrounding communities.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	99%	100%
• Category 2 (within 10 minutes)		80%	82%	80%
• Category 3 (within 30 minutes)		75%	62%	75%
• Category 4 (within 60 minutes)		70%	77%	70%
• Category 5 (within 120 minutes)		70%	97%	70%

Mackay Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
• All categories		..	72%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	74%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	98%	>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	4	<2	0.4	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	66.3%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	15.8%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		70%	64%	70%
• Category 2 (90 days)		70%	67%	70%
• Category 3 (365 days)		90%	94%	90%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	74%	75%
• Category 2 (90 days)		New measure	67%	70%
• Category 3 (365 days)		New measure	92%	92%
Median wait time for treatment in emergency departments (minutes)	8	20	19	20
Median wait time for elective surgery (days)	9	25	40	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,752	$4,736	$4,625
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	1,069	1,069
• Category 2 (90 days)		New measure	1,154	1,154
• Category 3 (365 days)		New measure	361	361
Number of Telehealth outpatient occasions of service events	13	New measure	6,539	7,805

Mackay Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Total weighted activity units (WAU):	10, 14			
• Acute Inpatient		27,430	34,781	37,560
• Outpatients		9,509	11,276	10,374
• Sub-acute		1,972	1,985	1,991
• Emergency Department		8,480	9,226	9,352
• Mental Health		3,302	3,629	3,645
• Prevention and Primary Care		1,764	2,205	1,715
Ambulatory mental health service contact duration (hours)	15	>27,854	27,421	>27,854

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017. The Target/Estimate excludes Ear, Nose and Throat (ENT) services.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. The Target/Estimate excludes ENT services.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non-Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months. The 2017-18 Target Estimate is based on achieving 98 per cent category 1, 95 per cent category 2 and 95 per cent category 3 patients seen within clinically recommended time for elective surgery.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs

associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.

14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated. The decrease from 2016-17 Estimated Actual outpatient Queensland WAUs to 2017-18 is a result of a non-recurrent investment in 2016-17 to reduce the number of patients waiting longer than clinically recommended for an outpatient appointment.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.
16. The operating budget figure of $415.1M disclosed in the service summary represents the total expenditure funded from HHS income of $406.8M and the balance of $8.3 from HHS retained earnings.

Staffing[1, 2, 3]

Mackay Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Mackay Hospital and Health Service	4, 5	2,000	2,142	2,160

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The variance between FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual is primarily due to the increase in activity. Activity at present is in excess of the target by 18 per cent.
4. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
5. The increase in the 2017-18 budgeted FTE amounts from either 2016-17 budget or 2016-17 Estimated Actual is due to the update of the financial and Queensland Weighted Activity Units which will see an increase in activity which will result in the FTEs increasing to 2,160.

Income statement

Mackay Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,7,13	342,026	372,861	394,814
Grants and other contributions		7,174	7,256	5,746
Interest		66	66	66
Other revenue	2,8	4,478	7,628	6,128
Gains on sale/revaluation of assets		..	..	..
Total income		**353,744**	**387,811**	**406,754**
EXPENSES				
Employee expenses	3,9	34,538	37,605	38,469
Supplies and Services:				
Other supplies and services	4,10	91,276	123,754	126,246
Department of Health contract staff	11,14	210,520	206,716	221,573
Grants and subsidies		14	16	9
Depreciation and amortisation	5,12	20,521	27,656	26,917
Finance/borrowing costs		..	..	..
Other expenses		857	942	964
Losses on sale/revaluation of assets	6	218	922	896
Total expenses		**357,944**	**397,611**	**415,074**
OPERATING SURPLUS/(DEFICIT)		**(4,200)**	**(9,800)**	**(8,320)**

Balance sheet

Mackay Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	15,22	54,125	48,397	38,951
Receivables	16,23	12,436	9,154	8,658
Other financial assets		..	..	..
Inventories		2,231	3,745	3,811
Other	17	228	627	635
Non-financial assets held for sale		..	..	..
Total current assets		**69,020**	**61,923**	**52,055**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18,24,27	476,010	407,465	411,851
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**476,010**	**407,465**	**411,851**
TOTAL ASSETS		**545,030**	**469,388**	**463,906**
CURRENT LIABILITIES				
Payables	19,25	12,531	15,347	16,505
Accrued employee benefits	20	717	1,153	1,276
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	372	372
Total current liabilities		**13,248**	**16,872**	**18,153**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**13,248**	**16,872**	**18,153**
NET ASSETS/(LIABILITIES)		**531,782**	**452,516**	**445,753**
EQUITY				
TOTAL EQUITY	**21,26,28**	**531,782**	**452,516**	**445,753**

Cash flow statement

Mackay Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	29,33	341,860	376,312	396,038
Grants and other contributions		7,174	7,256	5,746
Interest received		66	66	66
Other	30,34,37	9,806	15,913	14,470
Outflows:				
Employee costs		(34,538)	(37,532)	(38,346)
Supplies and services	31,35	(306,391)	(340,858)	(355,512)
Grants and subsidies		(14)	(16)	(9)
Borrowing costs		..	..	..
Other		(857)	(1,473)	(1,504)
Net cash provided by or used in operating activities		**17,106**	**19,668**	**20,949**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	(26)	(26)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	38	(2,773)	(7,342)	(7,353)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(2,773)**	**(7,368)**	**(7,379)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	39	2,773	2,968	3,901
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	32,36	(20,521)	(27,656)	(26,917)
Net cash provided by or used in financing activities		**(17,748)**	**(24,688)**	**(23,016)**
Net increase/(decrease) in cash held		**(3,415)**	**(12,388)**	**(9,446)**
Cash at the beginning of financial year		**57,540**	**60,785**	**48,397**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**54,125**	**48,397**	**38,951**

Explanation of variances in the financial statements

Income statement

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

1. The increase from the 2016-17 Budget to the 2016-17 Estimated Actuals relates to additional funding provided through amendments to the Service Agreement between Mackay Hospital and Health Service (HHS) and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation.
2. The increase from 2016-17 Budget to the 2016-17 Estimated Actuals relates to increases in recognition and receipting of recoverables e.g. Salary & wages and Salary & wages for WorkCover.
3. The increase from 2016-17 Budget to 2016-17 Estimated Actuals recognises those employees of the Mackay HHS. Owing to the increase in activity and relevant enterprise bargaining increases has seen the figure increase from the original Budget. Due to opening of new beds and the filling of senior medical officers vacant positions.
4. The Increase from the 2016-17 Budget to the 2016-17 Estimated Actuals is due mainly to the additional staff in contractors. The use of the contracted staff is for covering vacant positions whilst waiting for permanent staff to be appointed. Additional to this is the full-time equivalent (FTE) being used for special projects being funded out of surpluses from prior years. Contracted staff increase is also being used in projects (mainly the Digital Hospital) which are also funded out of surpluses from prior years. Additional to FTE increase will be increases in expenditure in Drugs, Clinical Supplies, Food, Other Supplies and Telecommunications due in part to the increase in activity and the projects.
5. The Increase from the 2016-17 Budget to the 2016-17 Estimated Actual 2016-17 is due to the componentisation of the major buildings throughout the Mackay HHS. Additional to this is building works being done utilising prior year surpluses as well as some accelerated depreciation to buildings in order to be replaced.
6. The increase from the 2016-17 Budget to the 2016-17 Estimated Actual relates to the revaluation of the land in Mackay HHS, which resulted in a decrement of $1.35 million.

Major variations between 2016-17 Budget and 2017-18 Budget include:

7. The increase from the 2016-17 Budget to the 2017-18 Budget relates to additional funding provided through the Service Agreement between Mackay HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining, block funded services, teaching, training and research funding and own source funding.
8. The increase from 2016-17 Budget to 2017-18 Budget relates to increases in recognition and receipting of recoverables e.g. Salary & wages and Salary & wages for WorkCover.
9. The increase from 2016-17 Budget to 2017-18 Budget recognises those employees of the Mackay HHS. Owing to the increase in activity and relevant enterprise bargaining increases has seen the figure increase from the original Budget. Due to opening of new beds and the filling of senior medical officers vacant positions.
10. The increase from the 2016-17 Budget to the 2017-18 Budget is due mainly to the additional staff in Contractors. The use of the contracted staff is for covering vacant positions whilst waiting for permanent staff to be appointed. Additional to this is the FTE being used for special projects being funded out of surpluses from prior years. Contracted staff increase is also being used in projects (mainly the Digital Hospital) which are also funded out of surpluses from prior years. Additional to FTE increase will be increases in expenditure in Drugs, Clinical Supplies, Food, Other Supplies and Telecommunications due in part to the increase in activity and the projects.
11. The increase from 2016-17 Budget to 2017-18 Budget is due to enterprise bargaining, additional 12 beds coming on line and increase in activity.
12. The Increase from the 2016-17 Budget to the 2017-18 Budget is due to the componentisation of the major buildings throughout Mackay HHS. Additional to this is buildings works being done utilising prior year surpluses as well as some accelerated depreciation to buildings in order to be replaced.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

13. The increase from the 2016-17 Estimated Actuals to the 2017-18 Budget relates to additional funding provided through the Service Agreement between Mackay HHS and the Department of Health. 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 increase from 2016-17 Estimated Actuals to 2017-18 Budget is due to Enterprise Bargaining, additional 12 beds coming on line and increase in activity.

Balance sheet

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

15. The decrease from the 2016-17 Budget to the 2016-17 Estimated Actual relates to the projected deficit for the 2016-17 Estimated Actual.
16. The decrease from the 2016-17 Budget to the 2016-17 Estimated Actuals. Current Receivables is due to a reduction in Accrued Funding Revenue. Due mainly to reduction in recoupment of expenditure against capital projects, these projects have since finished and reflect the impact in Estimated Actuals.
17. The increase from the 2016-17 Budget to the 2016-17 Estimated Actual relates to the recognition of inventories relating to imprest cupboards on the wards.
18. The decrease from the 2016-17 Budget to the 2016-17 Estimated Actuals relates to the completion of works across Mackay Hospital and Health Service (HHS). This will also recognise the decrement in the Land valuations which was noted in the Income Statement expenses.
19. The increase from the 2016-17 Budget to the 2016-17 Estimated Actual relates to the Payroll held prior to Department of Health recouping for the monthly period.
20. The increase from the 2016-17 Budget to the 2016-17 Estimated Actual relates to the increase in full-time equivalents (FTE) as highlighted in the Income Statement Note:3.
21. The decrease from the 2016-17 Budget to the 2016-17 Estimated Actuals relates to the recognition of a deficit position for 2016-17 based around projects utilising prior year surpluses.

Major variations between 2016-17 Budget and 2017-18 Budget include:

22. The decrease from the 2016-17 Budget to the 2017-18 Budget refers to the projected deficit for the financial year 2018.
23. The decrease from the 2016-17 Budget to the 2017-18 Budget in Current Receivables is due to a reduction in Accrued Funding Revenue. Due mainly to reduction in recoupment of expenditure against capital projects, these projects have since finished and reflect the impact in Estimated Actuals.
24. The decrease from the 2016-17 Budget relates to the 2017-18 Budget completion of works across Mackay HHS. This will also recognise the decrement in the Land valuations which was noted in the Income Statement expenses.
25. The increase from the 2016-17 Budget to the 2017-18 Budget relates to the Payroll held prior to Department of Health recouping for the monthly period.
26. The decrease from the 2016-17 Budget to the 2017-18 Budget relates to the recognition of a deficit position for 2017-18 based around projects utilising prior year surpluses.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

27. The increase from the 2016-17 Estimated Actual to the 2017-18 Budget relates to the recognition of completed building works in 2016-17 and the result of the annual revaluation programme.
28. The decrease from the 2016-17 Estimated Actuals to the 2017-18 Budget relates to the recognition of a deficit position for 2017-18 based around projects utilising prior year surpluses.

Cash flow statement

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

29. The increase from the 2016-17 Budget to the 2016-17 Estimated Actuals relates to additional funding provided through amendments to the Service Agreement between Mackay Hospital and Health Service (HHS) and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements and depreciation.
30. The increase from 2016-17 Budget to the 2016-17 Estimated Actuals relates to increases in recognition and receipting of recoverables e.g. Salary & wages and Salary & wages for WorkCover.
31. The Increase from the 2016-17 Budget to the 2016-17 Estimated Actuals is due mainly to the additional staff both in contractors and QH contracted staff. The use on the contracted staff is for covering vacant positions whilst waiting of permanent staff to be appointed. Additional to this is the full-time equivalents (FTE) being used for special projects being funded out of prior year surpluses. This is also the reason for the QH contracted staff increase these are also being used in projects (mainly the Digital Hospital) which are also funded out of prior year surpluses. Additional to FTE increase will be increases in expenditure in Drugs, Clinical Supplies, Food, Other Supplies and Telecommunications.
32. The increase from 2016-17 Budget to 2016-17 Estimated Actuals in equity withdrawals relates to the increase in depreciation. As stated in Notes 5, 12 and 14.

Major variations between 2016-17 Budget and 2017-18 Budget include:

33. The increase from the 2016-17 Budget to the 2017-18 Budget relates to additional funding provided through amendments to the Service Agreement between Mackay HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements, depreciation revenue and Own Source Revenue.
34. The increase from 2016-17 Budget to the 2017-18 Budget relates to increases in recognition and receipting of recoverables e.g. Salary & wages and Salary & wages for WorkCover.
35. The Increase from the 2016-17 Budget to the 2017-18 Budget relates to the additional staff both in contractors and QH contracted staff. The use on the contracted staff is for covering vacant positions whilst waiting of permanent staff to be appointed. Additional to this is the FTE being used for special projects being funded out of prior year surpluses. This is also the reason for the QH contracted staff increase these are also being used in projects (mainly the Digital Hospital) which are also funded out of prior year surpluses. Additional to FTE increase will be increases in expenditure in Drugs, Clinical Supplies, Food, Other Supplies and Telecommunications.
36. The increase from 2016-17 Budget to 2017-18 Budget in equity withdrawals relates to the increase in depreciation. As stated in Notes 5, 12 and 14.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

37. The increase from 2016-17 Estimated Actuals to 2017-18 Budget relates to increases in recognition and receipting of recoverable e.g. Salary & wages and Salary & wages for WorkCover.
38. The increase from 2016-17 Estimated Actual to 2017-18 Budget relates to additional Health Technology Equipment Replacement Program
39. The increase from 2016-17 Estimated Actuals to 2017-18 Budget relates to the increase in the commissioning of assets to be transferred from the Department of Health to Mackay HHS via contributed equity.

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 approaching $2.7 billion and 15,750 staff, Metro North HHS is responsible for the delivery of public hospitals and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a catchment population of 957,590 people residing in a geographic 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 change the face of health care through compassion, commitment, innovation and connection. This renewed vision will enable the HHS to focus on key risks set to impact our HHS including growth in service demand, an ageing population, workforce capability and capacity, quality and safety, healthcare fragmentation, community confidence and asset management and renewal. The Metro North HHS strategic objectives 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 strategic objectives contribute to the Queensland Government's objectives of delivering quality frontline services and Queensland Health's strategic direction to improve access to quality and safe healthcare in its different form and settings. To achieve these objectives, MNHHS 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
- 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
- providing models of service delivery that are fiscally responsible.

Metro North HHS will prioritise new initiatives across a range of areas including improving care for our older and frail patients. We will continue initiatives in our management of patients with chronic diseases, children and women's health and mental health.

Service summary

The Metro North HHS has an operating budget of $2.666 billion for 2017-18 which is an increase of $280 million (11.7 per cent) from the published 2016-17 operating budget of $2.386 billion.

Major deliverables for 2017-18 include:

- continuation of the Herston Quarter Redevelopment Project
- increasing inpatient acute bed capacity at Redcliffe Hospital by relocating cancer care and renal services to the Moreton Bay Integrated Care Centre
- gastroenterology expansion and refurbishment at Royal Brisbane and Women's Hospital
- new mental health step-up step-down facility at Nundah
- Caboolture Hospital Emergency Department expansion
- detailed planning for the Caboolture Hospital redevelopment
- nuclear medicine hot lab expansion at Royal Brisbane and Women's Hospital.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	99%	100%
• Category 2 (within 10 minutes)		80%	76%	80%
• Category 3 (within 30 minutes)		75%	62%	75%
• Category 4 (within 60 minutes)		70%	79%	70%
• Category 5 (within 120 minutes)		70%	96%	70%
• All categories		..	72%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	68%	>80%

Metro North Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	95%	>98%
• Category 2 (90 days)		>95%	96%	>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	4	<2	0.8	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	62.5%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	15.1%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		55%	49%	55%
• Category 2 (90 days)		45%	62%	62%
• Category 3 (365 days)		70%	89%	89%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	81%	81%
• Category 2 (90 days)		New measure	60%	60%
• Category 3 (365 days)		New measure	82%	82%
Median wait time for treatment in emergency departments (minutes)	8	20	18	20
Median wait time for elective surgery (days)	9	25	28	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,659	$4,682	$4,435
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	10,970	11,299
• Category 2 (90 days)		New measure	9,722	10,014
• Category 3 (365 days)		New measure	5,341	5,501
Number of Telehealth outpatient occasions of service events	13	New measure	7,619	8,712
Total weighted activity units (WAU):	10, 14			
• Acute Inpatient		221,178	267,791	278,896
• Outpatients		72,385	72,277	78,181

Metro North Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
• Sub-acute		16,351	21,104	21,098
• Emergency Department		34,883	39,962	41,045
• Mental Health		26,237	32,160	32,150
• Prevention and Primary Care		9,198	10,305	9,881
Ambulatory mental health service contact duration (hours)	15	>163,929	152,980	>162,950

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.

14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Metro North Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Metro North Hospital and Health Service	4, 5	14,300	15,250	15,750

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. The 2016-17 Budget was based on a prior financial outlook which has improved with an increased Commonwealth growth outlook and departmental investment through the recent amendment window into services which have an FTE impact. These include Ear, Nose and Throat (ENT), Gastro and Elective Surgery. FTE levels in the second half of the 2016-17 financial year are also impacted by: the ramp up of the state wide Finance System Renewal Project, which Metro North hosts; the scaling up of dental services transferred from the University of Queensland; and by the Herston Quarter development project.
5. The increase from 2016-17 Estimated Actual to 2017-18 Budget reflects increase in clinical activity and full year impacts of new services outlined in note 4 above.

Income statement

Metro North Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,7	2,357,686	2,542,263	2,642,583
Grants and other contributions	2,8	19,451	17,354	17,788
Interest		667	565	579
Other revenue	3,9	7,737	5,220	5,350
Gains on sale/revaluation of assets		832	50	51
Total income		**2,386,373**	**2,565,452**	**2,666,351**
EXPENSES				
Employee expenses	4,10,13	1,762,910	1,821,477	1,893,251
Supplies and Services:				
Other supplies and services	5,11	523,820	640,867	669,470
Department of Health contract staff		..	..	..
Grants and subsidies		1,786	3,096	3,173
Depreciation and amortisation	6,12,14	89,928	82,412	92,330
Finance/borrowing costs		..	..	..
Other expenses		4,337	4,337	4,445
Losses on sale/revaluation of assets		3,592	3,592	3,682
Total expenses		**2,386,373**	**2,555,781**	**2,666,351**
OPERATING SURPLUS/(DEFICIT)		**..**	**9,671**	**..**

Balance sheet

Metro North Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	15,20,24	90,445	73,945	42,800
Receivables	16,21	42,406	81,920	85,189
Other financial assets		..	..	..
Inventories		19,991	19,843	20,048
Other		4,676	9,264	9,550
Non-financial assets held for sale		..	..	..
Total current assets		**157,518**	**184,972**	**157,587**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	17,22	1,201,905	1,322,478	1,306,777
Intangibles		1,703	1,728	864
Other		172	..	..
Total non-current assets		**1,203,780**	**1,324,206**	**1,307,641**
TOTAL ASSETS		**1,361,298**	**1,509,178**	**1,465,228**
CURRENT LIABILITIES				
Payables	18	69,550	81,497	83,488
Accrued employee benefits		65,321	66,875	72,351
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		1,209	1,295	1,295
Total current liabilities		**136,080**	**149,667**	**157,134**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**136,080**	**149,667**	**157,134**
NET ASSETS/(LIABILITIES)		**1,225,218**	**1,359,511**	**1,308,094**
EQUITY				
TOTAL EQUITY	**19,23,25**	**1,225,218**	**1,359,511**	**1,308,094**

Cash flow statement

Metro North Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	26,31	2,352,684	2,575,507	2,635,658
Grants and other contributions	27,32	19,451	17,354	17,788
Interest received		667	565	579
Other		47,460	44,943	45,073
Outflows:				
Employee costs	28,33,37	(1,757,668)	(1,816,235)	(1,887,775)
Supplies and services	29,34,38	(564,601)	(675,379)	(707,719)
Grants and subsidies		(1,786)	(3,096)	(3,173)
Borrowing costs		..	..	..
Other		(4,337)	(4,337)	(4,445)
Net cash provided by or used in operating activities		**91,870**	**139,322**	**95,986**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		832	50	51
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	30,35,39	(68,989)	(83,356)	(69,993)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(68,157)**	**(83,306)**	**(69,942)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	36,40	23,144	27,292	35,141
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	41	(82,412)	(82,412)	(92,330)
Net cash provided by or used in financing activities		**(59,268)**	**(55,120)**	**(57,189)**
Net increase/(decrease) in cash held		**(35,555)**	**896**	**(31,145)**
Cash at the beginning of financial year		**126,000**	**73,049**	**73,945**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**90,445**	**73,945**	**42,800**

Explanation of variances in the financial statements

Income statement

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

1. The increase from 2016-17 budget 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 for Ear Nose Throat (ENT) Long Wait Outpatient reduction, increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
2. Decrease is due to revised estimates of Commonwealth community program grants and general state grants.
3. Decrease in expected sales proceeds of Property, plant and equipment.
4. The increase from 2016-17 budget 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 associated with increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
5. Increased supplies and services due to increased clinical consumables as a result of additional activity.
6. Depreciation decrease is due to timing of depreciation expense forecast to match Service Agreement windows. By 30 June 2017 there is expected to be a minimal depreciation variance to budget.

Major variations between 2016-17 Budget and 2017-18 Budget include:

7. The increase from 2016-17 budget 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 for Ear Nose Throat (ENT) Long Wait Outpatient reduction, increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
8. Decrease is due to revised estimates of Commonwealth community program grants and general state grants.
9. Decrease in expected sales proceeds of Property, plant and equipment.
10. The increase from 2016-17 budget 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 associated with increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
11. Increased supplies and services due to increased clinical consumables as a result of additional activity.
12. Depreciation increase is due to commissioning of Metro North Hospital and Health Service (HHS) Infrastructure investments including Information Communication Technology, Caboolture Hospital Carpark, Caboolture Hospital Emergency Department Expansion and Nuclear Medicine Hot-Laboratory Expansion at Royal Brisbane and Women's Hospital.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

13. The increase is due to enterprise bargaining of 2.5 per cent as part of the Government's state wage policy.
14. Depreciation increase is due to commissioning of HHS Infrastructure investments including Caboolture Hospital Carpark, Caboolture Hospital Emergency Department Expansion and Nuclear Medicine Hot-Laboratory Expansion at Royal Brisbane and Women's Hospital.

Balance sheet

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

15. Decrease in cash is due primarily to timing of activity growth funding receipts.
16. The increase in receivables is due to the realignment with audited actuals closing balances from 30 June 2016.
17. The increase in property, plant and equipment is due principally to comprehensive building revaluations.
18. The increase in payables is due to the realignment with audited actuals closing balances from 30 June 2016.
19. The increase in equity is due primarily to increase in asset revaluation reserve as a result of comprehensive building revaluations.

Major variations between 2016-17 Budget and 2017-18 Budget include:

20. The decrease in cash is due to HHS Infrastructure investments including Nuclear Medicine Hot-Laboratory Expansion at Royal Brisbane and Women's Hospital and flow through of audited actuals closing balance at 30 June 2016.
21. The increase in receivables is due to the realignment with audited actuals closing balances from 30 June 2016.
22. The increase in property, plant and equipment is due to a combination of comprehensive building revaluations, additional Investments from the Queensland Priority Capital Program and new MN Investments including Nuclear Medicine Hot-Laboratory Expansion at Royal Brisbane and Women's Hospital.
23. The increase in equity is due primarily to increase in asset revaluation reserve as a result of comprehensive building revaluations.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

24. The decrease in cash is due to HHS Infrastructure investments including Information Communication Technology and Nuclear Medicine Hot-Laboratory Expansion at Royal Brisbane and Women's Hospital.
25. The decrease in equity relates to equity withdrawal of depreciation funding to the department exceeding the value of investment funding provided by the department.

Cash flow statement

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

26. The increase from 2016-17 budget 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 for Ear Nose Throat (ENT) Long Wait Outpatient reduction, increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
27. Decrease is due to revised estimates of Commonwealth community program grants and general state grants.
28. The increase from 2016-17 budget 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 associated with increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
29. Increased supplies and services due to increased clinical consumables as a result of additional activity.
30. The increase is due to additional investment in the Health Technology Equipment Replacement program and new HHS investments including Nuclear Medicine Hot-Laboratory Expansion and Ashworth House Refurbishment.

Major variations between 2016-17 Budget and 2017-18 Budget include:

31. The increase from 2016-17 budget 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 for Ear Nose Throat (ENT) Long Wait Outpatient reduction, increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
32. Decrease is due to revised estimates of Commonwealth community program grants and general state grants.
33. The increase from 2016-17 budget 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 associated with increased dental treatment at the University of Queensland Oral Health Centre in Herston and the commencement of the Herston Quarter redevelopment.
34. Increased supplies and services due to increased clinical consumables as a result of additional activity.
35. The increase is due to new HHS Investments including Nuclear Medicine Hot-Laboratory Expansion at Royal Brisbane and Women's Hospital and Ashworth House Refurbishment.
36. The increase is due to additional funding for the Health Technology Equipment Replacement Program.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

37. The increase is for enterprise bargaining of 2.5 per cent as part of the Government's state wage policy.
38. Increased supplies and services due to increased clinical consumables as a result of additional activity.
39. Decrease is a result of the majority of spend on HHS Funded Initiatives due to be completed in 2016-17 principally, Caboolture Demountable and Caboolture 32 Bed ward.
40. The increase is due to additional funding for the Health Technology Equipment Replacement Program.
41. Increase due to increase in depreciation funding which is returned as an equity withdrawal to the department.

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 the following facilities

- Princess Alexandra Hospital
- Beaudesert Hospital
- Logan Hospital
- North Stradbroke Island emergency clinic
- Queen Elizabeth II Jubilee (QEII) Hospital
- Redland Hospital
- Wynnum Health Service

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.

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.

Metro South HHS delivers a full suite of specialties from nine clinical streams — Addiction and Mental Health Services, Aged Care and Rehabilitation Services, Cancer Services, Emergency Services, Medicine and Chronic Disease Services, Oral Health Services, Patient Flow Program, Surgical Services, and Women's and Children's Services.

Metro South HHS is committed to contributing to the Queensland Government's objectives for the community to deliver quality frontline services and advancing its priorities for health and ambulance delivery. This will be achieved by our 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

and 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 $2.315 billion for 2017-18 which is an increase of $121 million (5.5 per cent) from the published 2016-17 operating budget of $2.194 billion.

Some of the major deliverables for Metro South HHS in 2017-18 include:

- opening of Stage 2 of the Southern Queensland Centre of Excellence at Inala
- opening of the Wynnum-Manly Community Health Centre (Gundu-Pa) which will offer expanded specialist outpatient, primary health care, oral health and BreastScreen services and
- commencement of oral health services from the new Woolloongabba Community Health Centre, which will be the largest dental clinic south of the Brisbane River.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	62%	80%
• Category 3 (within 30 minutes)		75%	58%	75%
• Category 4 (within 60 minutes)		70%	76%	70%
• Category 5 (within 120 minutes)		70%	94%	70%
• All categories		..	66%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	67%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• 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	4	<2	0.9	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	55.6%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	14.7%	<12%

Metro South Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		45%	31%	45%
• Category 2 (90 days)		35%	47%	47%
• Category 3 (365 days)		60%	82%	82%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	75%	75%
• Category 2 (90 days)		New measure	67%	70%
• Category 3 (365 days)		New measure	85%	85%
Median wait time for treatment in emergency departments (minutes)	8	20	21	20
Median wait time for elective surgery (days)	9	25	28	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,912	$4,757	$4,890
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	9,008	9,370
• Category 2 (90 days)		New measure	10,280	10,751
• Category 3 (365 days)		New measure	4,751	5,136
Number of Telehealth outpatient occasions of service events	13	New measure	3,265	3,856
Total weighted activity units (WAU):	10, 14			
• Acute Inpatient		198,627	207,122	212,627
• Outpatients		52,480	63,232	64,093
• Sub-acute		22,011	24,956	24,608
• Emergency Department		37,994	39,950	40,087
• Mental Health		19,491	24,430	24,430
• Prevention and Primary Care		9,739	10,841	9,486
Ambulatory mental health service contact duration (hours)	15	>191,027	153,492	>174,933

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3% annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.

4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
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13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Metro South Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Metro South Hospital and Health Service	4, 5, 6, 7	12,021	12,655	12,604

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual reflects commissioning of new services and additional activity purchased from the HHS through amendments to the 2016-17 Service Agreements throughout the year.
5. The 2016-17 Budget was prepared while the funding agreement between the Department of Health 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 QEII Hospital, increased Endoscopy services, additional Backlog Maintenance Remediation Program work undertaken and winter bed management strategy funding.
7. The 2017-18 Budget has been based on funded activity levels less non-recurrent services undertaken during 2016-17.

Income statement

Metro South Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,8	2,166,456	2,238,454	2,282,675
Grants and other contributions	2,9,15	25,204	42,208	29,871
Interest		716	793	809
Other revenue		1,762	2,062	2,103
Gains on sale/revaluation of assets		..	..	..
Total income		**2,194,138**	**2,283,517**	**2,315,458**
EXPENSES				
Employee expenses	3,10,16	1,498,309	1,530,721	1,576,019
Supplies and Services:				
Other supplies and services	4,11	610,118	652,107	650,699
Department of Health contract staff		..	..	..
Grants and subsidies	5,12,17	2,822	3,499	327
Depreciation and amortisation	13,18	74,332	74,332	78,332
Finance/borrowing costs		..	..	..
Other expenses	6,14	6,641	7,918	8,121
Losses on sale/revaluation of assets		1,916	1,916	1,960
Total expenses		**2,194,138**	**2,270,493**	**2,315,458**
OPERATING SURPLUS/(DEFICIT)	**7**	**..**	**13,024**	**..**

Balance sheet

Metro South Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	19,23	93,339	77,371	75,639
Receivables		51,072	51,404	52,270
Other financial assets		..	..	..
Inventories		15,465	16,838	16,983
Other		2,246	3,237	3,377
Non-financial assets held for sale		..	..	..
Total current assets		**162,122**	**148,850**	**148,269**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	20,24	1,191,660	1,302,671	1,300,983
Intangibles		124	216	163
Other		..	..	..
Total non-current assets		**1,191,784**	**1,302,887**	**1,301,146**
TOTAL ASSETS		**1,353,906**	**1,451,737**	**1,449,415**
CURRENT LIABILITIES				
Payables	21,25	71,101	63,835	63,828
Accrued employee benefits	22,26,27	57,868	60,678	67,152
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**128,969**	**124,513**	**130,980**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**128,969**	**124,513**	**130,980**
NET ASSETS/(LIABILITIES)		**1,224,937**	**1,327,224**	**1,318,435**
EQUITY				
TOTAL EQUITY		**1,224,937**	**1,327,224**	**1,318,435**

Cash flow statement

Metro South Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		2,169,238	2,236,831	2,285,431
Grants and other contributions		25,204	42,208	29,871
Interest received		716	793	809
Other		31,576	31,876	31,917
Outflows:				
Employee costs		(1,492,160)	(1,524,572)	(1,569,545)
Supplies and services		(652,072)	(694,061)	(681,098)
Grants and subsidies		(2,822)	(3,499)	(327)
Borrowing costs		..	..	..
Other		(11,337)	(12,818)	(12,817)
Net cash provided by or used in operating activities		**68,343**	**76,758**	**84,241**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	28,30,32	(30,527)	(68,228)	(35,536)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(30,527)**	**(68,228)**	**(35,536)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	29,31,33	17,282	50,271	27,895
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(74,332)	(74,332)	(78,332)
Net cash provided by or used in financing activities		**(57,050)**	**(24,061)**	**(50,437)**
Net increase/(decrease) in cash held		**(19,234)**	**(15,531)**	**(1,732)**
Cash at the beginning of financial year		**112,573**	**92,902**	**77,371**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**93,339**	**77,371**	**75,639**

Explanation of variances in the financial statements

Income statement

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

1. Funding agreements for the 2016-17 year were still under negotiation between the Department of Health and Metro South Hospital and Health Service when the 2016-17 budget was prepared. Finalisation of funding adjustments has contributed to a $39 million increase in estimated actuals consisting of enterprise bargaining agreements funding, new services at Queen Elizabeth Hospital, funding for Winter Bed Management Strategy, National Partnership Agreement funding for Oral Health long waits, reduction in funding for the National Disability Initiative Scheme, reprovision of funds for Backlog Maintenance Remedial Program and the Community Wellbeing Program. Contract amendments made later in the year included further increases of $24 million with the majority relating to a pro-rated effect of additional activity and funding from the Department of Health for Endoscopy Long Waits.
2. The increase in Grants and other contributions is primarily due to the reclassification from departmental revenue to grants of $12 million for the Community Aids, Equipment and Assistive Technologies Initiative (CAEATI) and Vehicle Options Subsidy Scheme (VOSS) funded by Department of Community Services. Additional grants of $5 million commenced in 2016-17 from the Motor Accident Insurance Commission and Royal Australian and New Zealand College of Psychiatrists.
3. The increase in estimated actual Employee Expenses against budget includes expenditure to deliver the services and activities outlined in Note 1. Additional Enterprise Bargaining was also further increased with the finalisation of the funding agreement with the Department of Health.
4. The increase in estimated actual Supplies and Services against budget includes expenditure to deliver the services and activities outlined in Note 1. The increase of services for both CAEATI and VOSS within the Medical Aids Subsidy Scheme has also attributed to increases within Clinical Supplies.
5. The increase in Grants and Subsidies is a result of new grant agreements with external entities.
6. Growth in activity has resulted in an increase in estimated actual Other Expenses against budget which relates to an increase in the sundry expenses, predominately interpreter services.
7. The 2016-17 surplus is primarily due higher activity levels and a reclassification of community based services to activity based funding. A revision of the national weighted activity unit target has also made a positive contribution.

Major variations between 2016-17 Budget and 2017-18 Budget include:

8. The 2017-18 funding agreement for Metro South Hospital and Health Services includes a revised activity targets and additional growth which has resulted in an increase $70 million. Comprising $32 million for Enterprise Bargaining Agreements and $16 million of non-labour inflationary funding, along with $11 million for new services at Queen Elizabeth Hospital and $2 million of other minor increases. These increases are offset by a $15 million reduction in funding relating to the Backlog Maintenance Remedial Program ceasing.
9. The increase is attributed to new grant agreements with the Motor Accident Insurance Commission and Royal Australian and New Zealand College of Psychiatrists.
10. The $66 million increase for employee expenses includes $32 million of enterprise bargaining agreements for 2017-18, along with the increase in attributed to revised activity targets and additional growth for 2017-18.
11. The $41 million increase in budget for supplies and services is associated with delivering the revised activity targets and additional growth for 2017-18.
12. The decrease in grants and subsidies is a result of un-finalised agreements for 2017-18.
13. The increase is due to both asset acquisitions and building revaluations.
14. Other Expenses increases relate to sundry expenses predominately within interpreter services associated with revised activity targets and additional growth for 2017-18.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

15. The decrease in Grants and other contributions is primarily due to the reclassification in revenue of $12 million for the CAEATI and VOSS funded by Department of Community Services, funding for the 2017-18 is not yet confirmed.
16. The increase in Employee Expenses includes expenditure to deliver the services and activities outlined in Note 1. Enterprise Bargaining Agreements are included in the initial 2017-18 funding agreement with the department.

17. The decrease in grants and subsidies is a result of un-finalised agreements for 2017-18.
18. The increase is the result from build revaluations and asset acquisitions.

Balance sheet

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

19. The decrease is due to a less than budgeted opening position relating to 2015-16 operating result.
20. The increase relates to land and building revaluation in addition to planned asset acquisitions.
21. The decrease relates to timing of payables to the Department of Health.
22. The increase relates to employee expenses with a flow on impact from Enterprise Bargaining Agreements.

Major variations between 2016-17 Budget and 2017-18 Budget include:

23. The decrease is due to a less than budgeted opening position relating to 2015-16 operating result.
24. The increase relates to land and building revaluation in addition to planned asset acquisitions.
25. The decrease relates to timing of payables to the Department of Health.
26. The increase is due to an additional end of year accrual day for salaries and wages.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

27. The increase is due to an additional end of year accrual day for salaries and wages.

Cash flow statement

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

28. The increase in payments is due to new capital projects funded by equity and general trust funds.
29. The increase is due to additional funding for new capital projects

Major variations between 2016-17 Budget and 2017-18 Budget include:

30. The increase is due to additional capital projects in 2017-18 budget.
31. The increase is due to additional funding for the Health Technology Equipment Replacement Program.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

32. The decrease is due to completion of projects in 2016-17.
33. The decrease is due to completion of capital projects in 2016-17.

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 of 300,000 kilometres within north western Queensland and the Gulf of Carpentaria. Mount Isa Hospital is the main referral centre.

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

- Burketown Health Centre
- Camooweal Health Centre
- Cloncurry Multi-Purpose Health Service
- Dajarra Health Clinic
- Doomadgee Hospital
- McKinlay Shire Multi-Purpose Health Service
- McKinlay Health Clinic
- Mornington Island Hospital
- Mount Isa Hospital
- Normanton Hospital

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

The North West Hospital and Health Board is committed to be Queensland's leading Hospital and Health Service delivering excellence in rural and remote healthcare. North West HHS has five strategic objectives including:

- providing quality health care for our patients, which are well-coordinated, efficient and sustainable. We will continuously improve our systems, processes and practice
- working with our health partners and local communities to ensure our people can access the health services they need
- supporting our people and developing their skills so they can perform at their best
- supporting new thinking and fresh ideas that help us achieve our vision
- meeting statutory requirements through good governance principles.

These strategic objectives contribute to the Queensland Government's objectives of delivering quality frontline services and Queensland Health's strategic direction to improve access to quality and safe healthcare in its different forms and settings.

Service summary

The North West HHS has an operating budget of $172.5 million for 2017-18 which is an increase of $16.2 million (10.4 per cent) from the published 2016-17 operating budget of $156.3 million.

During 2017-18, the North West HHS will focus efforts to continue to:

- achieve the Queensland Emergency Access Target with 90 per cent of patients treated and discharged within four hours
- maintain elective surgery zero long waits
- maintain endoscopy zero long waits
- maintain zero outpatient long waits
- employ the highest number of nurse practitioners in Queensland across a variety of clinical specialty areas, including renal, heart failure, cardiac, emergency department, diabetes, maternal and child health, as well as five rural and remote nurse practitioners

- use Telehealth services to connect specialist services with our communities. The program has experienced 38 per cent growth this year.

The recent signing of a Tripartite agreement with Western Queensland Primary Health Network and Gidgee Healing (Community Controlled Aboriginal Heath Service) will support integrated care to improve health outcomes of the population of the Lower Gulf.

The following key objectives will also be a key focus for the North West HHS during 2017-18:

- 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	96%	100%
• Category 2 (within 10 minutes)		80%	97%	80%
• Category 3 (within 30 minutes)		75%	91%	75%
• Category 4 (within 60 minutes)		70%	85%	70%
• Category 5 (within 120 minutes)		70%	98%	70%
• All categories		..	90%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	89%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	98%	>98%
• Category 2 (90 days)		>95%	100%	>95%

North West Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
• 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	4	<2	1.2	<2
Percentage of specialist outpatients waiting within clinically recommended times:	5			
• Category 1 (30 days)		40%	63%	98%
• Category 2 (90 days)		70%	93%	95%
• Category 3 (365 days)		90%	98%	95%
Percentage of specialist outpatients seen within clinically recommended times:	6			
• Category 1 (30 days)		New measure	76%	98%
• Category 2 (90 days)		New measure	88%	95%
• Category 3 (365 days)		New measure	99%	95%
Median wait time for treatment in emergency departments (minutes)	7	20	16	20
Median wait time for elective surgery (days)	8	25	38	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	9, 10	$5,707	$6,102	$6,581
Other measures Number of elective surgery patients treated within clinically recommended times	11			
• Category 1 (30 days)		New measure	194	203
• Category 2 (90 days)		New measure	245	251
• Category 3 (365 days)		New measure	188	192
Number of Telehealth outpatient occasions of service events	12	New measure	3,850	4,606
Total weighted activity units (WAU):	9, 13			
• Acute Inpatient		6,712	7,877	8,290
• Outpatients		3,572	3,549	3,683
• Sub-acute		365	531	561
• Emergency Department		7,032	5,482	5,503
• Mental Health		55	155	156
• Prevention and Primary Care		350	488	350
Ambulatory mental health service contact duration (hours)	14	>8,133	6,209	>8,133

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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.

2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
6. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
7. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
8. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
10. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
11. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
12. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
13. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.
14. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

North West Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
North West Hospital and Health Service	4, 5	669	693	702

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. Increases in FTEs from the 2016-17 Budget to the 2016-17 Estimated Actual reflect funding for new positions through the Service Agreement updates.
5. Increases in FTEs from the 2016-17 Estimated Actuals to the 2017-18 Budget reflect positions that are funded in the 2017-18 Service Agreement.

Income statement

North West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,3,7	152,483	165,267	169,721
Grants and other contributions	2,4	2,726	2,017	2,017
Interest		21	7	7
Other revenue		1,046	760	760
Gains on sale/revaluation of assets		1	..	..
Total income		**156,277**	**168,051**	**172,505**
EXPENSES				
Employee expenses		80,992	86,417	88,649
Supplies and Services:				
Other supplies and services		66,730	71,591	73,717
Department of Health contract staff		..	..	..
Grants and subsidies	5,8	..	678	365
Depreciation and amortisation		8,152	8,511	8,379
Finance/borrowing costs		..	..	..
Other expenses	6,9	150	547	1,081
Losses on sale/revaluation of assets		253	307	314
Total expenses		**156,277**	**168,051**	**172,505**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

North West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	10,14	(868)	2,066	2,361
Receivables	11,15	855	7,328	7,342
Other financial assets		..	..	..
Inventories		1,025	960	971
Other		(2)	12	11
Non-financial assets held for sale		..	..	..
Total current assets		**1,010**	**10,366**	**10,685**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		119,556	115,610	121,349
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**119,556**	**115,610**	**121,349**
TOTAL ASSETS		**120,566**	**125,976**	**132,034**
CURRENT LIABILITIES				
Payables	12,16	8,628	5,254	5,573
Accrued employee benefits	13,17	51	2,928	2,928
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		559	..	..
Total current liabilities		**9,238**	**8,182**	**8,501**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**9,238**	**8,182**	**8,501**
NET ASSETS/(LIABILITIES)		**111,328**	**117,794**	**123,533**
EQUITY				
TOTAL EQUITY	18	**111,328**	**117,794**	**123,533**

Cash flow statement

North West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	19,22	152,284	165,067	169,517
Grants and other contributions	20,23	2,726	2,017	2,017
Interest received		21	7	7
Other		5,277	4,991	4,991
Outflows:				
Employee costs		(80,992)	(86,417)	(88,649)
Supplies and services		(70,720)	(75,616)	(77,744)
Grants and subsidies	24,27	..	(678)	(365)
Borrowing costs		..	..	..
Other	25,28	(150)	(547)	(1,081)
Net cash provided by or used in operating activities		**8,446**	**8,824**	**8,693**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		1	(18)	(19)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	21,26	(1,218)	(1,984)	(1,554)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(1,217)**	**(2,002)**	**(1,573)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		1,218	1,243	1,554
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(8,152)	(8,152)	(8,379)
Net cash provided by or used in financing activities		**(6,934)**	**(6,909)**	**(6,825)**
Net increase/(decrease) in cash held		**295**	**(87)**	**295**
Cash at the beginning of financial year		**(1,163)**	**2,153**	**2,066**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**(868)**	**2,066**	**2,361**

Explanation of variances in the financial statements

Income statement

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

1. The increase relates to adjustment of service agreement value.
2. The decrease is attributed to a change in Medicare billing practices for non-admitted patients.

Major variations between 2016-17 Budget and 2017-18 Budget include:

3. The increase relates to adjustment of service agreement value.
4. The decrease is attributed to a change in Medicare billing practices for non-admitted patients.
5. The increase relates to grant funding agreement for community rehabilitation projects.
6. The increase is attributed to various costs pressures including audit fees and bad debts.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

7. The increase relates to adjustment of service level agreement value.
8. The decrease relates to grant funding agreement with health care partners in North West communities.
9. The increase is attributed to various costs pressures including audit fees and bad debts.

Balance sheet

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

10. The increase relates to the additional funding revenue provided by the Department of Health.
11. The increase is attributed to the forecast end of year funding accrual.
12. The decrease is a result of improved creditor payment timeframes.
13. The increase relates to timing for the transfer of leave liabilities.

Major variations between 2016-17 Budget and 2017-18 Budget include:

14. The increase relates to the additional funding revenue provided by the Department of Health and the forecast end of year balanced position.
15. The increase is attributed to the forecast end of year funding accrual.
16. The decrease is a result of improved creditor payment timeframes.
17. The increase relates to timing for the transfer of leave liabilities.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

18. The increase is attributed to government investment in property plant and equipment.

Cash flow statement

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

19. The increase relates to adjustment of service agreement value.
20. The decrease is attributed to a change in Medicare billing practices for non-admitted patients.
21. The increase is due to investment in capital projects.

Major variations between 2016-17 Budget and 2017-18 Budget include:

22. The increase relates to adjustment of service agreement value.
23. The decrease is attributed to a change in Medicare billing practices for non-admitted patients.
24. The increase relates to grant funding agreement for community rehabilitation projects.
25. The increase is attributed to various costs pressures including audit fees and bad debts.

26. The increase is due to investment in capital projects.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

27. The decrease relates to grant funding agreement with health care partners in North West communities.
28. The increase is attributed to various costs pressures including audit fees and bad debts.

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 seven Multi-Purpose Health Services (MPHSs), four community clinics, nine general practices and two aged care facilities.

- Augathella MPHS
- Dirranbandi MPHS
- Injune MPHS
- Mitchell MPHS
- Mungindi MPHS
- Quilpie MPHS
- Surat MPHS
- Bollon Community Clinic
- Morven Community Clinic
- Thargomindah Community Clinic
- Wallumbilla Community Clinic
- Waroona Aged Care Facility
- Westhaven Aged Care Facility
- Augathella Doctors Surgery
- Charleville Health Clinic
- Cunnamulla Medical Practice
- Dirranbandi Medical Centre
- Injune Medical Practice
- Mitchell Medical Practice
- Mungindi Doctors Surgery
- Quilpie Medical Practice
- Surat Medical Practice
- Dirranbandi Medical Centre
- Injune Medical Practice

Service summary

The South West HHS has an operating budget of $141.6 million for 2017-18 which is an increase of $5.8 million (4.3 per cent) from the published 2016-17 operating budget of $135.8 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.

During 2017-18, the South West HHS will focus efforts to:

- strengthen access to health services, and expand models of care across the region
- increase investment in preventative health
- provide endoscopy rural generalist model with advanced skills
- implement skin checks across all sites within the South West
- develop and implement an integrated health system through strategic partnerships with the primary health care sector
- implement a paediatric development model of care in partnership with the Lady Cilento Children's Hospital
- implement HOPE Projects (Harmony Opportunity Potential and Empowerment) for Cunnamulla and Charleville
- implement integrated primary care centre services in Cunnamulla between SWHHS and Cunnamulla Aboriginal Corporation for Health (CACH)
- increase investment in public surgical services of ophthalmology, urology and orthopaedics
- improve patient safety and quality

- support staff in professional development opportunities to strengthen the workforce through:
  - implementation of the Nursing recognition program
  - implementation of nurse navigator roles across the HHS
  - participation of community and allied health leaders in the Queensland Health Emerging Clinical Leaders Course
  - establishment of Aboriginal and Torres Strait Islander Liaison Roles for Roma, Charleville and St George
  - implementation of Learning on Line program.

The next stage of the $70 million Roma Hospital development is also well underway. This is one of the largest single government investments in Roma in many years and will be a huge boost for the local community.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	89%	100%
• Category 2 (within 10 minutes)		80%	85%	80%
• Category 3 (within 30 minutes)		75%	90%	75%
• Category 4 (within 60 minutes)		70%	92%	70%
• Category 5 (within 120 minutes)		70%	99%	70%
• All categories		..	94%	..
Median wait time for treatment in emergency departments (minutes)	2	20	8	20
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	94%	>98%
• Category 2 (90 days)		>95%	97%	>95%
• Category 3 (365 days)		>95%	100%	>95%
Median wait time for elective surgery (days)	4	25	91	25

South West Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	5	>80%	95%	>80%
Efficiency measures[6]				
Other measures Number of elective surgery patients treated within clinically recommended times:	7			
• Category 1 (30 days)		New measure	143	150
• Category 2 (90 days)		New measure	169	170
• Category 3 (365 days)		New measure	792	820
Number of Telehealth outpatient occasions of service events	8	New measure	2,826	3,019
Total weighted activity units (WAU):	9, 10			
• Acute Inpatient		4,759	4,773	4,802
• Outpatients		1,542	1,519	1,532
• Sub-acute		618	618	618
• Emergency Department		2,730	2,730	2,730
• Mental Health		131	131	131
• Prevention and Primary Care		430	430	430
Ambulatory mental health service contact duration (hours)	11	>5,410	4,173	>5,410

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
5. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
6. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
7. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
8. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
9. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.

10. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17.
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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

South West Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. actual	2017-18 Budget
South West Hospital and Health Service	4	722	777	777

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. The FTE increase from the 2016-17 Budget is largely due to:
   - Conversion of medical contractor staff to permanent status to reduce cost of external (Locum) usage;
   - Provision for operational services increase to cover training, leave and recruitment overlap in a rural setting;
   - Increasing staff numbers due to Service Agreement inclusion of Nursing projects i.e. Charleville Health Clinic, Nurse Navigator program, Nursing and Midwifery Exchange Program, Nurse Magnet/Pathways Program.

Income statement

South West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,6,10	127,952	130,493	133,711
Grants and other contributions		7,532	7,368	7,368
Interest		16	..	..
Other revenue	2	277	536	536
Gains on sale/revaluation of assets		..	..	..
Total income		**135,777**	**138,397**	**141,615**
EXPENSES				
Employee expenses	3,7	8,118	9,341	9,365
Supplies and Services:				
Other supplies and services	4,8,11	49,632	46,882	46,078
Department of Health contract staff		70,544	73,429	78,558
Grants and subsidies		..	..	..
Depreciation and amortisation		6,319	6,319	6,236
Finance/borrowing costs		..	..	..
Other expenses	5,9	1,094	1,276	1,308
Losses on sale/revaluation of assets		70	150	70
Total expenses		**135,777**	**137,397**	**141,615**
OPERATING SURPLUS/(DEFICIT)		**..**	**1,000**	**..**

Balance sheet

South West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets		16,076	17,304	17,169
Receivables		1,109	2,016	2,053
Other financial assets		..	..	..
Inventories		693	713	717
Other		10	40	42
Non-financial assets held for sale		..	..	..
Total current assets		**17,888**	**20,073**	**19,981**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	12,13,14	101,712	90,669	86,151
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**101,712**	**90,669**	**86,151**
TOTAL ASSETS		**119,600**	**110,742**	**106,132**
CURRENT LIABILITIES				
Payables		9,691	9,316	9,616
Accrued employee benefits		211	275	275
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		46	..	..
Total current liabilities		**9,948**	**9,591**	**9,891**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**9,948**	**9,591**	**9,891**
NET ASSETS/(LIABILITIES)		**109,652**	**101,151**	**96,241**
EQUITY				
TOTAL EQUITY		**109,652**	**101,151**	**96,241**

Cash flow statement

South West Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	15,20,23	127,898	131,561	133,650
Grants and other contributions		7,532	7,368	7,368
Interest received		16	..	..
Other		4,972	5,231	5,231
Outflows:				
Employee costs	16,21	(8,118)	(9,277)	(9,365)
Supplies and services	17,22,24	(124,675)	(124,649)	(129,135)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(1,094)	(1,028)	(1,308)
Net cash provided by or used in operating activities		**6,531**	**9,206**	**6,441**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	18,25	(1,465)	(5,889)	(1,718)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(1,465)**	**(5,889)**	**(1,718)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	19,26	1,465	2,153	1,378
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(6,319)	(6,319)	(6,236)
Net cash provided by or used in financing activities		**(4,854)**	**(4,166)**	**(4,858)**
Net increase/(decrease) in cash held		**212**	**(849)**	**(135)**
Cash at the beginning of financial year		**15,864**	**18,153**	**17,304**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**16,076**	**17,304**	**17,169**

Explanation of variances in the financial statements

Income statement

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

1. The increase is due to reimbursements for Pharmaceutical Benefits Scheme (PBS) drugs, and amendments to the Service Agreement between South West Hospital and Health Service (HHS) and the Department of Health.
2. The increase is due to specific purpose funding to implement telehealth service models and development of rural generalist nurse program in 2016-17.
3. The increase is due to the appointment of additional senior medical officers in 2016-17.
4. The changes are due to increases in contracted radiology services, with decreases in travel expenses and contractors expense.
5. The increase is due to facility fees incurred for the provision of medical services at private practices.

Major variations between 2016-17 Budget and 2017-18 Budget include:

6. The increase is due to reimbursements for PBS drugs, deferrals of funding from 2016-17 to 2017-18, enterprise bargaining funding, amendments to the service agreement between South West HHS and the Department of Health.
7. The increase is due to the appointment of additional senior medical officers in 2016-17.
8. Overall impact is a decrease in medical locum contractors and others supplies and services. Partially offset by an increase in outsourced radiology services.
9. The increase is due to facility fees incurred for the provision of medical services at private practices.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

10. The increase is due to deferrals of funding from 2016-17 to 2017-18, enterprise bargaining funding, amendments to the service agreement between South West HHS and the Department of Health.
11. The changes are due to increases in contracted radiology services, with decreases in travel expenses and contractors expense.

Balance sheet

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

12. The decrease is due to the roll forward process for revalued asset balances and write downs.

Major variations between 2016-17 Budget and 2017-18 Budget include:

13. The decrease is due to the annual depreciation of assets, roll forward process for revalued asset balances and write downs.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

14. The decrease is due to the annual depeciation on assets.

Cash flow statement

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

15. The increase is due to additional inflow from accounts receivable, reimbursements for PBS drugs and amendments to the service agreement between South West Hospital and Health Service (HHS) and the Department of Health.
16. The increase is due to the appointment of additional senior medical officers in 2016-17.
17. The change is due to an increase in payments to Department of Health for employed clinical staff to deliver approved programs under the service agreement, partially offset by a reduction in contracted clinical staff.
18. This is related to the timing of budgeted works for Charleville and Cunnamulla occurring in the subsequent year. The utilisation of a larger percentage of our HTER funding in the first year of the program 2016-17 rather than in 2017-18.

19. This is related to the utilisation of a larger percentage of our HTER funding in the first year of the program 2016- 17 rather than in 2017-18. The HTER program is funded via Equity Injections.

Major variations between 2016-17 Budget and 2017-18 Budget include:

20. The increase is due to additional inflow from accounts receivable, reimbursements for PBS drugs and amendments to the service agreement between South West HHS and the Department of Health.
21. The increase is due to the appointment of additional senior medical officers in 2016-17
22. The change is due to enterprise bargaining funding, increase in staffing levels to deliver approved clinical programs under the service agreement, and a decrease in other supplies and services.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

23. The increase is due to additional inflow from accounts receivable, reimbursements for PBS drugs and amendments to the service agreement between South West HHS and the Department of Health.
24. The change is due to enterprise bargaining funding, increase in staffing levels to deliver approved clinical programs under the service agreement, and a decrease in other supplies and services.
25. This is related to the timing of budgeted works for Charleville and Cunnamulla occurring in the subsequent year. The utilisation of a larger percentage of our HTER funding in the first year of the program 2016-17 rather than in 2017-18.
26. This is related to the utilisation of a larger percentage of our HTER funding in the first year of the program 2016-17 rather than in 2017-18. The HTER program is funded via Equity Injections.

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:

- Sunshine Coast University Hospital
- Caloundra Hospital
- Glenbrook Residential Aged Care Facility
- Gympie Hospital
- Maleny Soldiers Memorial Hospital
- Nambour General Hospital.

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

The Sunshine Coast HHS also provides a comprehensive range of community and primary health services across its catchment.

The Sunshine Coast HHS is a dynamic health service provider that operates in an environment where quality patient care is paramount. Our vision, as a health service, is to provide health and wellbeing through exceptional care.

The Sunshine Coast HHS strategic objectives are:

- better care and experience for individuals
- better outcomes for our local population
- better use of resources for healthcare
- better organisational capability.

The Sunshine Coast HHS has aligned its future planning to the Queensland Government's objectives for the community: creating jobs and a diverse economy; delivering quality frontline services; and building safe, caring and connected communities. This will be achieved through:

- further development of tertiary services at the Sunshine Coast University Hospital
- further development and enhancement of the expected tertiary health care provider level initiatives at the Sunshine Coast Health Institute, a skills, academic and research centre, in partnership with University of the Sunshine Coast, TAFE Queensland East Coast and a medical school partner
- implementing models of care/service delivery that include workforce innovation, service redesign and new technologies to improve access, safety and consistent care across all Sunshine Coast HHS services and locations
- continuing direct engagement and involvement of staff in the planning and preparing for the expanded range of tertiary services that will be provided following the next stage of the university hospital
- further embedding community and consumer engagement in service planning and evaluation.

The Sunshine Coast HHS's most significant challenge is meeting service demands associated with its rapidly growing and ageing population. The commencement of services at Sunshine Coast University Hospital and its ongoing planned growth to its built capacity, together with the redevelopments of Nambour and Caloundra Hospitals, as well as the extension of the clinical service capability of Gympie Hospital, will change the way services are delivered across the health service. This exciting opportunity has supported the HHS to introduce innovative models of care that will better meet the diverse health care needs of its community.

Service summary

The Sunshine Coast HHS has an operating budget of $1.155 billion for 2017-18 which is an increase of $158 million (15.9 per cent) from the published 2016-17 operating budget of $996.8 million.

Services commenced at the $1.8 billion Sunshine Coast University Hospital in March 2017 with approximately 450 beds and will increase to its built capacity of 738 beds by 2021. The new hospital brings new clinical capability, capacity and an increase in self- sufficiency in health care on the Sunshine Coast. When the Sunshine Coast University Hospital is fully commissioned, it is estimated that up to 10,000 patients each year will no longer have to travel to Brisbane for complex treatment.

The health service expanded its teaching and health research capability with the operational commencement of the Sunshine Coast Health Institute in January 2017.

The commissioning of Sunshine Coast University Hospital has led changes to both Nambour and Caloundra Hospitals and the services they provide. Both sites will be redeveloped to ensure the effective delivery of patient centric and contemporary models of care.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	78%	80%
• Category 3 (within 30 minutes)		75%	62%	75%
• Category 4 (within 60 minutes)		70%	71%	70%
• Category 5 (within 120 minutes)		70%	92%	70%
• All categories		..	69%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	72%	>80%

Sunshine Coast Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	96%	>98%
• Category 2 (90 days)		>95%	96%	>95%
• Category 3 (365 days)		>95%	98%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	4	<2	0.6	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	64.6%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	13.7%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		80%	56%	80%
• Category 2 (90 days)		55%	40%	70%
• Category 3 (365 days)		70%	76%	90%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	81%	81%
• Category 2 (90 days)		New measure	60%	70%
• Category 3 (365 days)		New measure	82%	90%
Median wait time for treatment in emergency departments (minutes)	8	20	21	20
Median wait time for elective surgery (days)	9	25	29	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$5,231	$4,735	$5,598
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	3,244	3,568
• Category 2 (90 days)		New measure	4,600	5,060
• Category 3 (365 days)		New measure	2,076	2,283
Number of Telehealth outpatient occasions of service events	13	New measure	2,162	2,599
Total weighted activity units (WAU):	10, 14			
• Acute Inpatient		81,628	83,246	93,457
• Outpatients		19,633	18,271	20,904

Sunshine Coast Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
• Sub-acute		7,411	7,418	9,218
• Emergency Department		17,401	17,402	20,281
• Mental Health		8,511	8,678	9,810
• Prevention and Primary Care		4,424	4,752	4,307
Ambulatory mental health service contact duration (hours)	15	>67,780	58,910	>67,780

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Est Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.

14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Sunshine Coast Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Sunshine Coast Hospital and Health Service		5,700	5,550	6,540

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement.*
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.

Income statement

Sunshine Coast Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,9,18	976,283	982,705	1,122,805
Grants and other contributions	2,10	12,966	11,976	11,936
Interest		102	96	99
Other revenue	3,11,19	1,407	3,315	6,871
Gains on sale/revaluation of assets		..	..	..
Total income		**990,758**	**998,092**	**1,141,711**
EXPENSES				
Employee expenses	4,12,20	637,185	596,917	727,950
Supplies and Services:				
Other supplies and services	5,13,21	294,980	325,061	302,910
Department of Health contract staff		..	..	..
Grants and subsidies		120	178	162
Depreciation and amortisation	14,22	46,534	46,534	76,060
Finance/borrowing costs	6,15,23	13,091	14,835	34,591
Other expenses	7,16	3,718	13,770	12,374
Losses on sale/revaluation of assets		1,130	797	756
Total expenses		**996,758**	**998,092**	**1,154,803**
OPERATING SURPLUS/(DEFICIT)	**8,17,24**	**(6,000)**	**..**	**(13,092)**

Balance sheet

Sunshine Coast Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	25,43	60,078	88,232	64,136
Receivables	26,35	12,831	15,559	15,937
Other financial assets		..	..	..
Inventories	27,36	4,335	5,891	5,999
Other		504	791	832
Non-financial assets held for sale		..	..	..
Total current assets		**77,748**	**110,473**	**86,904**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	28,37	1,493,647	1,620,891	1,603,804
Intangibles	29,38,44	44,512	18,236	21,547
Other		..	..	..
Total non-current assets		**1,538,159**	**1,639,127**	**1,625,351**
TOTAL ASSETS		**1,615,907**	**1,749,600**	**1,712,255**
CURRENT LIABILITIES				
Payables	30,39	37,884	49,785	50,815
Accrued employee benefits	31,45	23,709	21,674	23,538
Interest bearing liabilities and derivatives	32,40,46	..	6,459	7,048
Provisions		..	..	..
Other		..	1	1
Total current liabilities		**61,593**	**77,919**	**81,402**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	33,41,47	..	451,223	444,175
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**451,223**	**444,175**
TOTAL LIABILITIES		**61,593**	**529,142**	**525,577**
NET ASSETS/(LIABILITIES)		**1,554,314**	**1,220,458**	**1,186,678**
EQUITY				
TOTAL EQUITY	**34,42**	**1,554,314**	**1,220,458**	**1,186,678**

Cash flow statement

Sunshine Coast Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	48,58,69	975,004	1,006,630	1,122,121
Grants and other contributions	49,59	12,898	11,867	11,825
Interest received		102	96	99
Other	50,60,70	19,805	21,713	25,913
Outflows:				
Employee costs	51,61,71	(632,636)	(593,548)	(726,086)
Supplies and services	52,62,72	(316,895)	(336,208)	(320,872)
Grants and subsidies		(120)	(178)	(162)
Borrowing costs	53,63,73	(13,091)	(14,835)	(34,591)
Other	54,64	(3,828)	(13,948)	(12,740)
Net cash provided by or used in operating activities		**41,239**	**81,589**	**65,507**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		(139)	(172)	(172)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	55,65,74	(27,939)	(19,644)	(14,950)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(28,078)**	**(19,816)**	**(15,122)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	56,66,75	6,145	4,342	8,038
Outflows:				
Borrowing redemptions	57,67,76	..	(2,303)	(6,459)
Finance lease payments		..	..	..
Equity withdrawals	68,77	(46,534)	(46,534)	(76,060)
Net cash provided by or used in financing activities		**(40,389)**	**(44,495)**	**(74,481)**
Net increase/(decrease) in cash held		**(27,228)**	**17,278**	**(24,096)**
Cash at the beginning of financial year		**87,306**	**70,954**	**88,232**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**60,078**	**88,232**	**64,136**

Explanation of variances in the financial statements

Income statement

Major variations between 2016-17 Budget and 2016-17 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 of Health for the commencement of services at the new Sunshine Coast University Hospital and enterprise bargaining agreements.
2. The decrease in grants and other contributions relates to a revision of the accrual of transition care expenditure reimbursements receivable from the Commonwealth Government and the reclassification of Home and Community Care revenues from grants and other contributions to user charges.
3. The increase in other revenue relates to full year revenues from staff car parking fees (ultimately charged by Exemplar Health) at the new Sunshine Coast University Hospital. There is an equal and offsetting increase in expenses associated with this revenue when fees collected are paid to Exemplar Health by the health service.
4. The decrease in employee expenses relates to the re-phasing of onboarding of employees as part of the staged phased commencement of services at the new Sunshine Coast University Hospital.
5. 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 of Health for the new Sunshine Coast University Hospital including contractor costs re-classified from capital expenditure to operating expenditure for the construction of information and communications technology assets, clinical supplies, computer related expenses and the service maintenance agreement with Exemplar Health.
6. The increase in finance/borrowing costs relates to revised expenses for the Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability. Budgeted expenditure in 2017-18 represents a full year whereas budgeted expenditure in 2016-17 was only part year.
7. The increase in other expenses relates to costs reclassified from supplies and services under the service agreement between the Sunshine Coast Hospital and Health Service and Exemplar Health for the new Sunshine Coast University Hospital.
8. A deficit is no longer expected in 2016-17 due to effective financial controls and savings flowing from the re-phasing of employee on-boarding as part of the phased commencement of services at the new Sunshine Coast University Hospital.

Major variations between 2016-17 Budget and 2017-18 Budget include:

9. 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 of Health for growth at the new Sunshine Coast University Hospital and enterprise bargaining agreements.
10. The decrease in grants and other contributions relates to a revision of the accrual of transition care expenditure reimbursements receivable from the Commonwealth Government and the reclassification of Home and Community Care revenues from grants and other contributions to user charges.
11. The increase in other revenue relates to full year revenues from staff car parking fees (ultimately charged by Exemplar Health) at the new Sunshine Coast University Hospital. There is an equal and offsetting increase in expenses associated with this revenue when fees collected are paid to Exemplar Health by the health service.
12. The increase in employee expenses relates to the full year impact of additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health for continued on-boarding of employees as part of the phased commencement of services at the new Sunshine Coast University Hospital, and enterprise bargaining agreements. Budgeted expenditure in 2017-18 represents a full year of expanded services whereas budgeted expenditure in 2016-17 was only part year.
13. The increase in other supplies and services relates to the full year impact of additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health for the new Sunshine Coast University Hospital including contractor costs re-classified from capital expenditure to operating expenditure for the construction of information and communications technology assets, clinical supplies, communications/computer related expenses and the service maintenance agreement with Exemplar Health. Budgeted expenditure in 2017-18 represents a full year of expanded services whereas budgeted expenditure in 2016-17 was only part year.
14. 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.

15. The increase in finance/borrowing costs relates to interest expenses for the Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

16. The increase in other expenses relates to costs reclassified from other supplies and services under the service agreement between the Sunshine Coast Hospital and Health Service and Exemplar Health for the Sunshine Coast University Hospital.

17. The deficit budgeted in 2017-18 relates to amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health to fund non-recurrent expenditure as part of the commencement of services at the new Sunshine Coast University Hospital. The deficit will be partially funded from cash reserves accumulated from operating surpluses in previous years.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

18. 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 of Health for growth at the new Sunshine Coast University Hospital and enterprise bargaining agreements.

19. The increase in other revenue relates to revenues from staff car parking fees at the new Sunshine Coast University Hospital. There is an equal and offsetting increase in expenses associated with this revenue when fees collected are paid to Exemplar Health by the health service.

20. The increase in employee expenses relates to the full year impact of additional expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health for continued on-boarding of employees as part of the phased commencement of services at the new Sunshine Coast University Hospital, and enterprise bargaining agreements. Budgeted expenditure in 2017-18 represents a full year of expanded services whereas budgeted expenditure in 2016-17 was only part year.

21. The decrease in other supplies and services relates to a reduction in expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health for reduced services outsourced to Ramsay Health Care for patients transferred to the Sunshine Coast University Private Hospital.

22. 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.

23. The increase in finance/borrowing costs relates to interest expenses for the Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability. Budgeted expenditure in 2017-18 represents a full year whereas expenditure in 2016-17 is only part year.

24. The deficit in 2017-18 relates to amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health to fund non-recurrent expenditure as part of the commencement of services at the new Sunshine Coast University Hospital. The deficit will be partially funded from cash reserves accumulated from operating surpluses in previous years.

Balance sheet

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

25. The increase in cash assets relates to the unspent portion of funding received for the final quarterly service payment for 2016-17 to Exemplar Health for the Sunshine Coast University Hospital. The payment of this expenditure is scheduled in 2017-18.

26. The increase in receivables relates to higher expected claims for reimbursement from the Commonwealth Government under the Pharmaceutical Benefits Scheme.

27. The increase in inventories relates to higher expected holdings of clinical supplies due to growth associated with the new Sunshine Coast University Hospital.

28. The increase in property, plant and equipment relates to a higher expected value of property, plant and equipment transferred from the Department of Health to the Sunshine Coast Hospital and Health Service for the new Sunshine Coast University Hospital.

29. The decrease in intangibles relates to the re-phasing of the timing of construction of information and communications technology assets as part of the commencement of services at the new Sunshine Coast University Hospital and the re-classification of a portion of capital expenditure as operating expenditure.

30. The increase in payables relates to the accrual of the final quarterly service payment for 2016-17 to Exemplar Health for the Sunshine Coast University Hospital.

31. The decrease in accrued employee benefits relates to a downward revision of the growth in estimated salaries and wages payable at year end.

32. The increase in interest bearing liabilities and derivatives relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

33. The increase in interest bearing liabilities and derivatives relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

34. The decrease in total equity relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

Major variations between 2016-17 Budget and 2017-18 Budget include:

35. The increase in receivables relates to higher expected claims for reimbursement from the Commonwealth Government under the Pharmaceutical Benefits Scheme.

36. The increase in inventories relates to higher expected holdings of clinical supplies due to growth associated with the new Sunshine Coast University Hospital.

37. The increase in property, plant and equipment relates to a higher expected value of property, plant and equipment transferred from the Department of Health to the Sunshine Coast Hospital and Health Service for the new Sunshine Coast University Hospital.

38. The decrease in intangibles relates to the re-phasing of the timing of construction of information and communications technology assets as part of the commencement of services at the new Sunshine Coast University Hospital and the re-classification of a portion of capital expenditure as operating expenditure.

39. The increase in payables relates to the accrual of the final quarterly service payment for 2017-18 to Exemplar Health for the Sunshine Coast University Hospital.

40. The increase in interest bearing liabilities and derivatives relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

41. The increase in interest bearing liabilities and derivatives relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

42. The decrease in total equity relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

43. The decrease in cash assets relates to payment of the final quarterly service payment for 2016-17 to Exemplar Health in 2017-18 for the Sunshine Coast University Hospital and the draw-down of cash reserves to fund the deficit budgeted in 2017-18.

44. The increase in intangibles relates to capital expenditure on information and communications technology assets as part of the phased commencement of services at the new Sunshine Coast University Hospital.

45. The increase in accrued employee benefits relates to an increase in estimated salaries and wages payable due to an additional accrual day, enterprise bargaining agreements and employee growth.

46. The increase in interest bearing liabilities and derivatives relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

47. The decrease in interest bearing liabilities and derivatives relates to the partial redemption of the interest bearing liability used to fund a portion of the Sunshine Coast University Hospital assets.

Cash flow statement

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

48. The increase in user charges and fees relates to the receipt of 2015-16 funding from the Department of Health during 2016-17 and to additional funding provided under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health for growth associated with the commencement of services at the new Sunshine Coast University Hospital, and enterprise bargaining agreements.

49. The decrease in grants and other contributions relates to a reduction in transition care expenditure reimbursements from the Commonwealth Government and the reclassification of Home and Community Care revenues from grants and other contributions to user charges.

50. The increase in other operating inflows relates to revenues from staff car parking fees at the new Sunshine Coast University Hospital. There is an equal and offsetting increase in expenses associated with this revenue when fees collected are paid to Exemplar Health by the health service.

51. The decrease in employee costs relates to the re-phasing of on-boarding of employees as part of the phased commencement of services at the new Sunshine Coast University Hospital

52. 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 of Health for the new Sunshine Coast University Hospital including clinical supplies, communications/computer related expenses and the service maintenance agreement with Exemplar Health. Budgeted outflows in 2017-18 represent a full year of expanded services whereas outflows budgeted in 2016-17 were only part year.

53. The increase in borrowing costs relates to revised interest expenses for the Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

54. The increase in other operating outflows relates to costs reclassified from supplies and services under the service agreement between the Sunshine Coast Hospital and Health Service and Exemplar Health for the new Sunshine Coast University Hospital.

55. The decrease in payments for non-financial assets relates to the re-phasing of the timing of completion of information and communications technology assets as part of the commencement of services at the new Sunshine Coast University Hospital and the re-classification of a portion of cash flows from investing activities to operating activities.

56. The decrease in equity injections relates to delayed expenditure under the Health Technology Equipment Replacement program in 2016-17. Equity injections originally budgeted in 2016-17 will now be received in 2017-18.

57. The increase in borrowing redemptions relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

Major variations between 2016-17 Budget and 2017-18 Budget include:

58. 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 of Health for the new Sunshine Coast University Hospital and enterprise bargaining agreements.

59. The decrease in grants and other contributions relates to a reduction in transition care expenditure reimbursements from the Commonwealth Government and the reclassification of Home and Community Care revenues from grants and other contributions to user charges.

60. The increase in other operating inflows relates to revenues from staff car parking fees at the new Sunshine Coast University Hospital. There is an equal and offsetting increase in expenses associated with this revenue when fees collected are paid to Exemplar Health by the health service.

61. 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 of Health for the continued on-boarding of employees as part of the phased commencement of services at the new Sunshine Coast University Hospital, and enterprise bargaining agreements. Budgeted outflows in 2017-18 represent a full year of expanded services whereas outflows budgeted in 2016-17 were only part year.

62. 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 of Health for the new Sunshine Coast University Hospital including contractor costs re-classified from capital expenditure to operating expenditure for the construction of information and communications technology assets, clinical supplies, communications/computer related expenses and the service maintenance agreement with Exemplar Health.

63. The increase in borrowing costs relates to interest expenses for the Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

64. The increase in other operating outflows relates to costs reclassified from supplies and services under the service agreement between the Sunshine Coast Hospital and Health Service and Exemplar Health for the new Sunshine Coast University Hospital.

65. The decrease in payments for non-financial assets relates to the re-phasing of the timing of construction of information and communications technology assets as part of the commencement of services at the new Sunshine Coast University Hospital and the re-classification of a portion of cash flows from investing activities to operating activities.

66. The increase in equity injections relates to the impact of delayed expenditure under the Health Technology Equipment Replacement program in 2016-17. Equity injections originally budgeted in 2016-17 will now be received in 2017-18.

67. The increase in borrowing redemptions relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

68. 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 funding received for depreciation expense is returned to the Department of Health as an equity withdrawal.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

69. 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 of Health for the new Sunshine Coast University Hospital and enterprise bargaining agreements.

70. The increase in other operating inflows relates to revenues from staff car parking fees at the new Sunshine Coast University Hospital. There is an equal and offsetting increase in expenses associated with this revenue when fees collected are paid to Exemplar Health by the health service.

71. 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 of Health for the continued on-boarding of employees as part of the phased commencement of services at the new Sunshine Coast University Hospital and enterprise bargaining agreements.

72. The decrease in supplies and services relates to a reduction in expenditure funded under amendments to the service agreement between the Sunshine Coast Hospital and Health Service and the Department of Health for reduced services outsourced to Ramsay Health Care for patients transferred to the Sunshine Coast University Private Hospital.

73. The increase in borrowing costs relates to interest expenses for the Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

74. The decrease in payments for non-financial assets relates to lower capital expenditure on information and communications technology assets relative to 2016-17 as part of the commencement of services at the new Sunshine Coast University Hospital.

75. The increase in equity injections relates to the impact of delayed expenditure under the Health Technology Equipment Replacement program in 2016-17. Equity injections originally budgeted in 2016-17 will now be received in 2017-18.

76. The increase in borrowing redemptions relates to the transfer of Sunshine Coast University Hospital assets which are partially funded under an interest bearing liability.

77. 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 funding received for depreciation expense is returned to the Department of Health as an equity withdrawal.

Torres and Cape Hospital and Health Service

Overview

Torres and Cape Hospital and Health Service (HHS) is the largest provider of public healthcare services across 180,000 square kilometres of the most northern and remote areas of Queensland including 18 islands in the Torres Strait. The health service delivers care to some 26,000 residents, two thirds of whom are Aboriginal or Torres Strait Islanders.

The Torres and Cape HHS operates four hospitals (two of which provide multi-purpose aged care services) and 31 primary health centres that provide accident and 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.

The health service employs over around 900 employees and supports a wide range of healthcare providers including outreach teams and visiting specialist services from other hospital and health services as well as non-government providers including Apunipima Cape York Health Council, the Northern Queensland Primary Health Network and the Royal Flying Doctor Service.

The health service's vision is to have 'healthy people and healthy communities' and aims to achieve this by working with local communities to plan health care, strengthening primary care services to eliminate preventable disease and manage chronic conditions and building the health service's cultural capability. The health service's strategic intent is to:

- deliver integrated care models that connect primary and acute services to provide a seamless heath care journey
- deliver more services within our region through the use of technology, and expanding our partnerships with other health providers
- progress regionalisation of the workforce to better support front line services within our communities.

The Torres and Cape HHS vision aligns with the Queensland Government's objectives for the community of delivering quality frontline services and building safe, caring and connected communities.

Service summary

The Torres and Cape HHS has an operating budget of $202.9 million for 2017-18, which is an increase of $1.7 million (0.9 per cent) from the published 2016-17 operating budget of $201.2 million.

In 2017-18, Torres and Cape HHS will:

- invest a further $25.3 million in health infrastructure works in the Torres Strait and Cape York including redevelopment of Thursday Island Hospital
- continue transition of primary health services to community control in up to four more communities and strengthen collaboration in other communities
- support the pilot implementation of a shared electronic health record for primary and community health care across the Torres and Cape and Cairns and Hinterland regions
- improve the coordination of renal care across the Cape and establish a community peritoneal dialysis chair to better support home dialysis patients in Kowanyama and
- boost physiotherapy and occupational health services to six Cape York communities with the creation of a new allied health position.

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 imagining, primary healthcare, chronic disease management, obstetric and birthing services, maternal and child 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	85%	100%
• Category 2 (within 10 minutes)		80%	91%	80%
• Category 3 (within 30 minutes)		75%	90%	75%
• Category 4 (within 60 minutes)		70%	91%	70%
• Category 5 (within 120 minutes)		70%	98%	70%
• All categories		..	94%	
Median wait time for treatment in emergency departments (minutes)	2	20	2	20
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	84%	>98%
• Category 2 (90 days)		>95%	83%	>95%
• Category 3 (365 days)		>95%	99%	>95%
Median wait time for elective surgery (days)	4	25	29	25
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	5	>80%	93%	>80%
Efficiency measure[6]				
Other measures Number of elective surgery patients treated within clinically recommended times:	7			
• Category 1 (30 days)		New measure	31	31

Torres and Cape Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
• Category 2 (90 days)		New measure	40	40
• Category 3 (365 days)		New measure	169	169
Number of Telehealth outpatient occasions of service events	8	New measure	1,247	1,380
Total weighted activity units (WAU):	9, 10			
• Acute Inpatient		4,817	4,091	4,087
• Outpatients		1,145	1,567	1,567
• Sub-acute		432	463	463
• Emergency Department		1,974	2,039	2,039
• Mental Health		87	110	110
• Prevention and Primary Care		677	867	867
Ambulatory mental health service contact duration (hours)	11	>8,116	9,151	>8,116

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
4. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
5. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
6. An efficiency measure is being investigated for this service area and will be included in a future *Service Delivery Statement*.
7. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
8. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
9. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
10. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated. 2017-18 Target Queensland WAUs are lower than 2016-17 Estimated Actuals due to an over delivery in Non-ABF activity. Over delivery in Non-ABF activity has not been built into 2017-18 as these facilities are block-funded and activity levels vary year to year.
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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Torres and Cape Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Torres and Cape Hospital and Health Service	4, 5	899	903	926

Notes:

1. The 2016-17 Budgets reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. The increase in FTE between 2016-17 Budget and 2016-17 Estimated Actual relates to funding adjustment updates to the 2016-17 Service Agreement throughout the financial year. New non-recurrent funding was received for the implementation of the Enhanced Sexual Health/STI action plan, Rheumatic heart disease, Integrated Dental Care, Blood Borne Viruses, Transition to community control and Child and Youth Mental health. Recruitment to some of these initiatives, as well as our Wound Care and Podiatry program, has been slower than anticipated and program funds have been deferred to 2017-18.
5. The increase between the 2016-17 Budget and 2017-18 Budget relates to new program funding for Renal Nursing, Localised Allied health initiative, Multipurpose Health Service aged care beds, Enhanced Sexual Health/STI action plan, Integrated Dental Care, Recruitment Services, Rheumatic Heart Disease, Blood Borne Viruses, Transition to Community Control, Child and Youth Mental health and funding deferred from 2016-17 for Wound Care and Podiatry, Sexual Health/STI, Integrated Dental Care and Blood Borne Viruses.

Income statement

Torres and Cape Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,8,16	189,304	192,555	190,592
Grants and other contributions	2,9,17	11,136	11,297	11,521
Interest		24	2	2
Other revenue	3,10,18	689	1,495	794
Gains on sale/revaluation of assets		..	..	..
Total income		**201,153**	**205,349**	**202,909**
EXPENSES				
Employee expenses	4,11,19	9,200	13,885	14,215
Supplies and Services:				
Other supplies and services	5,12,20	71,170	85,313	76,700
Department of Health contract staff	6,13,21	108,952	93,555	99,721
Grants and subsidies		..	38	..
Depreciation and amortisation	14,22	11,326	11,326	11,552
Finance/borrowing costs		..	..	..
Other expenses	7,15,23	500	1,195	712
Losses on sale/revaluation of assets		5	37	9
Total expenses		**201,153**	**205,349**	**202,909**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Torres and Cape Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	24,32	16,423	27,421	27,999
Receivables	25,33	2,897	1,659	1,657
Other financial assets		..	..	..
Inventories	26,34,40	568	358	310
Other		96	106	106
Non-financial assets held for sale		..	..	..
Total current assets		**19,984**	**29,544**	**30,072**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	27,35,41	212,278	182,534	192,310
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**212,278**	**182,534**	**192,310**
TOTAL ASSETS		**232,262**	**212,078**	**222,382**
CURRENT LIABILITIES				
Payables	28,36,42	9,204	13,867	14,245
Accrued employee benefits	29,37,43	1,804	856	1,006
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	30,38	1,426	..	..
Total current liabilities		**12,434**	**14,723**	**15,251**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**12,434**	**14,723**	**15,251**
NET ASSETS/(LIABILITIES)		**219,828**	**197,355**	**207,131**
EQUITY				
TOTAL EQUITY	**31,39,44**	**219,828**	**197,355**	**207,131**

Cash flow statement

Torres and Cape Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	45,54,62	189,140	198,531	190,592
Grants and other contributions	46,55,63	11,136	11,301	11,525
Interest received		24	2	2
Other	47,56,64	4,592	5,578	4,697
Outflows:				
Employee costs	48,57,65	(8,604)	(13,735)	(14,065)
Supplies and services	49,58,66	(183,718)	(182,202)	(179,966)
Grants and subsidies	50,67	..	(1,112)	..
Borrowing costs		..	..	..
Other	51,59	(500)	(945)	(655)
Net cash provided by or used in operating activities		**12,070**	**17,418**	**12,130**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	(52)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	52,60,68	(1,969)	(4,751)	(2,601)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(1,969)**	**(4,803)**	**(2,601)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	53,61,69	1,969	3,765	2,601
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(11,326)	(11,324)	(11,552)
Net cash provided by or used in financing activities		**(9,357)**	**(7,559)**	**(8,951)**
Net increase/(decrease) in cash held		**744**	**5,056**	**578**
Cash at the beginning of financial year		**15,679**	**22,365**	**27,421**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**16,423**	**27,421**	**27,999**

Explanation of variances in the financial statements

Income statement

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

1. Movement relates to increased own source revenue (dental) and increased state funding through window adjustments relating to enterprise bargaining arrangements and new service programs such as the Renal Expansion, Nurse Graduates, Kowanyama Nurse and Admin, Blood Borne Viruses, Dental Innovation Care, Wound Care, Podiatry, Nurse Navigators, ATSI Sexual Health/STI Action Plan, Recruitment Services, End of life, Suicide Prevention, Healthier Drinks and Backlog Maintenance Remediation Program (BMRP) funding.
2. Movement relates to increase in own source revenue targets due to improvements in Rural and Remote Medical Benefits Scheme revenue billing.
3. Increase relates to 18 months billing of Generalist Medical Training Revenue recognised in 2016-17.
4. Increase relates to permanent recruitment of vacant medical officer roles.
5. Increase relates to an increase in locum agency staff and outside contract labour, an increase in consultancies relating to BMRP3, workplace investigations and asset revaluations, and increases in Department of Housing and Public Works (DHPW) residential lease cost and Weipa electricity costs. Recognition of the one off transfer of construction costs to DHPW for Saibai accommodation.
6. Decrease relates to the increase in locum agency nursing staff over permanent employment of Queensland Health contracted staff.
7. Increase relates to one off expenses for furnishing staff housing and additional accreditation project costs.

Major variations between 2016-17 Budget and 2017-18 Budget include:

8. Movement relates to increased own source revenue (dental) and increased state funding through window adjustments relating to enterprise bargaining arrangements and new service programs such as the Renal Expansion, Nurse Graduates, Kowanyama Nurse and Admin, Blood Borne Viruses, Dental Innovation Care, Wound Care, Podiatry, Nurse Navigators, ATSI Sexual Health/STI Action Plan, Recruitment Services, End of life, Suicide Prevention, Healthier Drinks and BMRP funding.
9. Movement relates to increase in own source revenue targets due to improvements in Rural and Remote Medical Benefits Scheme revenue billing.
10. Increase relates to 18 months billing of Generalist Medical Training Revenue recognised in 2016-17.
11. Increase relates to permanent recruitment of vacant medical officer roles and enterprise bargaining increases associated with employee expenses.
12. Increase relates to an increase in locum agency staff and outside contract labour, an increase in consultancies as part of Workplace investigations and asset revaluations and increases in DHPW residential lease and increase in electricity costs in Weipa. Offset by the decrease from the recognition of the one off transfer of construction costs to DHPW for Saibai accommodation and discontinuation of the BMRP for 2017-18.
13. Decrease relates to the increase in locum agency nursing staff over permanent employment of Queensland Health contracted staff.
14. Increases in line with expected capitalisation from BMRP, CIDU and PCP project based on estimated commissioning dates.
15. Increase relates to minor one off accreditation project expenses.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

16. Decrease relates to the reduction in BMRP, offset by increases in funding for Multipurpose Health Service high care beds at Weipa, Localised Allied Health programs and deferral of 2016-17 program funding.
17. Movement relates to Increase in own source revenue targets due to improvements in Rural and Remote Medical Benefits Scheme revenue billing.
18. Decrease relates to prior year Generalist Medical Training revenue recognised in 2016-17 that will not occur again in 2017-18.
19. Increase relates to enterprise bargaining increases associated with employee expenses.

20. Decrease relates to the decrease from the recognition of the one off transfer of construction costs to DHPW for Saibai accommodation and previous BMRP expenditure offset by increase in consultancies as part of Workplace investigations and asset revaluations and increases in residential lease and increase in electricity costs in Weipa and increase in anticipated locum staff and outside contract labour.
21. Increase relates to new program MOHRI FTE funding and enterprise bargaining increases associated with Queensland Health contracted staff.
22. Increases in line with expected capitalisation from BMRP, Capital Infrastructure Delivery Unit (CIDU) and Priority Capital Program (PCP) project based on estimated commissioning dates.
23. Decrease relates to one off expenses for furnishing staff housing not reoccurring.

Balance sheet

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

24. Increase relates to cash surpluses from the 2015-16 financial year that related to new and deferred programs, a reduction in outstanding receivables and increase in outstanding payables.
25. Decrease relates to lower expected Department of Health accrued revenue recognised as part of the end of year (EOY) technical adjustment and clearance of old receivable impairment after completion of the debt collection process.
26. Decrease relates to a reduction in stock balance due to changes in pharmacy inventory controls and imprest lists.
27. Decrease relates to valuations forecasting a minimal revaluation increment and slow uptake of revised expenditure forecast.
28. Increase relates to late settlement of Outsourced Service delivery contracts.
29. Decrease relates to the change in classification of Queensland Health employees as Torres and Cape Hospital and Health Service (HHS) employees in 2015-16.
30. Decrease due to no forecast revenue received in advance at end of year.
31. Decrease relates to valuations forecasting a minimal revaluation increment and slow uptake of allocated capital spend.

Major variations between 2016-17 Budget and 2017-18 Budget include:

32. Increase relates to cash surpluses from the 2015-16 financial year that related to new and deferred programs, a reduction in outstanding receivables and increase in outstanding payables.
33. Decrease relates to lower expected Department of Health accrued revenue recognised as part of the EOY technical adjustment and clearance of old receivable impairment after completion of the debt collection process.
34. Decreases relates to a reduction in stock balance due to changes in pharmacy inventory controls and imprest lists.
35. Decrease relates to valuations forecasting a minimal revaluation increment and slow uptake of revised expenditure forecast.
36. Increase relates to timing of the payroll accrual at June 2017 for 12 days, enterprise bargaining adjustments and late settlement of Outsourced Service delivery contracts.
37. Decrease relates to the change in classification of Queensland Health employees as Torres and Cape HHS employees in 2015-16.
38. Decrease due to no forecast revenue received in advance at end of year.
39. Decrease relates to valuations forecasting a minimal revaluation increment and slow uptake of revised expenditure forecast.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

40. Decreases relates to a reduction in stock balance due to changes in pharmacy inventory controls and imprest lists (reduced stock on hand).
41. Increase relates to capitalisation of PCP funding (split over 2 years), Aurukun upgrade, Health Technology Equipment Replacement Program (HTER) and Minor capital and the revaluation impact from Backlog maintenance related items completed in April-June 2017.
42. Increase relates to additional payables related to deferrals and new programs.
43. Increase relates to full recruitment of reclassed Torres and Cape HHS employees.

44. Increase relates to Capital contributed for the Capital Program and forecast asset revaluation increase.

Cash flow statement

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

45. Movement relates to increased own source revenue (dental) and increased state funding through window adjustments relating to enterprise bargaining arrangements and new service programs such as the Renal Expansion, Nurse Graduates, Kowanyama nurse and admin, Blood Borne Viruses, Dental Innovation Care, Wound Care, Podiatry, Nurse Navigators, ATSI Sexual Health/STI Action Plan, Recruitment Services, End of life, Suicide Prevention, Healthier Drinks and BMRP funding.
46. Movement relates to Increase in own source revenue targets due to improvements is Rural and Remote Medical Benefits Scheme revenue billing.
47. Increase relates to 18 months billing of Generalist Medical Training Revenue recognised in 2016-17.
48. Increase relates to permanent recruitment of vacant medical officer roles.
49. Decrease relates to a decrease in permanent Queensland Health staff, offset by increases in payment to locum agency staff and outside contractors and increase in consultancies as part of BMRP, Workplace investigations and asset revaluations and increases in residential lease and increase in electricity costs in Weipa and recognition of the one off transfer of construction costs to DHPW for Saibai accommodation.
50. Increase relates to return unspent program funding to fund providers.
51. Increase relates to one off expenses for Fittings, furniture and equipment (FF&E), Vehicle automated tracking.
52. Increase relates to deferral of Minor Capital and reprofiling BMRP operational funding to equity.
53. Decrease relates to timing of Health Technology Equipment Replacement Program (HTER), CIDU spend and reprofiling BMRP operational funding to equity.

Major variations between 2016-17 Budget and 2017-18 Budget include:

54. Movement relates to increased own source revenue (dental) and increased state funding through window adjustments relating to enterprise bargaining arrangements and new service programs such as the Renal Expansion, Nurse Graduates, Kowanyama nurse and admin, Blood Borne Viruses, Dental Innovation Care, Wound Care, Podiatry, Nurse Navigators, ATSI Sexual Health/STI Action Plan, Recruitment Services, End of life, Suicide Prevention, Healthier Drinks and BMRP funding.
55. Movement relates to Increase in own source revenue targets due to improvements is Rural and Remote Medical Benefits Scheme revenue billing.
56. Increase relates to 18 months billing of Generalist Medical Training Revenue recognised in 2016-17.
57. Increase relates to permanent recruitment of vacant medical officer roles and enterprise bargaining increases associated with employee expenses.
58. Decrease relates to the decrease from the recognition of the one off transfer of construction costs to DHPW for Saibai accommodation and previous BMRP expenditure.
59. Increase relates to one off expenses for FF&E, Vehicle automated tracking.
60. Increase relates to deferral of HTER and CIDU project spend into 2017-18 Financial Years.
61. Increase relates to deferral of HTER and CIDU project spend into 2017-18 Financial Years.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

62. Decrease relates to the reduction in BMRP, offset by increases in funding for Multipurpose Health Service high care beds at Weipa, Localised Allied Health programs and deferral of 2016-17 program funding.
63. Movement relates to increase in own source revenue targets due to improvements is Rural and Remote Medical Benefits Scheme revenue billing.
64. Decrease relates to prior year Generalist Medical Training revenue recognised in 2016-17 that will not occur again in 2017-18.
65. Increase relates to enterprise bargaining increases associated with employee expenses.
66. Decrease relates to the decrease from the recognition of the one off transfer of construction costs to DHPW for Saibai accommodation and previous BMRP expenditure.
67. Decrease relates to plan to fully spend program funding.

68. Increase relates to deferral of HTER and Minor Capital spend into 2017-18 Financial Years.
69. Increase relates to deferral of HTER and Minor Capital spend into 2017-18 Financial Years.

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. The 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, intensive 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 operates the following facilities:

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

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. The Townsville HHS is committed to delivering on the following strategic pillars as health services evolve to meet the needs of our community by:

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

Service summary

The Townsville HHS has an operating budget of $935.9 million for 2017-18 which is an increase of $71.6 million (8.3 per cent) from the published 2016-17 operating budget of $864.3 million.

During 2017-18 the Townsville HHS will:

- deliver services to children and adults who need day and overnight procedures including ophthalmology, ear, nose and throat, plastic and general through the recently opened Planned Procedure Unit
- complete the $6.6 million expansion of The Townsville Hospital paediatric ward
- undertake the majority of construction of the $16.5 million Palm Island Primary Care Centre, after early works in 2016-17
- complete the planning and preparation phases for enhanced functionality to the existing ieMR for the modules of closed-loop electronic medications management, theatre management, enterprise scheduling or appointments, anaesthetic record integration, and research support.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	98%	100%
• Category 2 (within 10 minutes)		80%	70%	80%
• Category 3 (within 30 minutes)		75%	68%	75%
• Category 4 (within 60 minutes)		70%	78%	70%
• Category 5 (within 120 minutes)		70%	98%	70%
• All categories		..	77%	…
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	79%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• Category 1 (30 days)		>98%	100%	>98%
• Category 2 (90 days)		>95%	95%	>95%
• Category 3 (365 days)		>95%	98%	>95%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	4	<2	1.8	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	72.3%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	14.5%	<12%

Townsville Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		98%	100%	98%
• Category 2 (90 days)		65%	90%	95%
• Category 3 (365 days)		85%	96%	95%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	97%	98%
• Category 2 (90 days)		New measure	82%	95%
• Category 3 (365 days)		New measure	74%	95%
Median wait time for treatment in emergency departments (minutes)	8	20	13	20
Median wait time for elective surgery (days)	9	25	50	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,685	$4,563	$4,621
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	3,216	3,292
• Category 2 (90 days)		New measure	3,097	3,960
• Category 3 (365 days)		New measure	1,945	2,450
Number of Telehealth outpatient occasions of service events	13	New measure	5,376	6,437
Total weighted activity units (WAU):	11, 14			
• Acute Inpatient		80,681	88,086	91,145
• Outpatients		20,659	21,251	22,010
• Sub-acute		9,084	9,679	9,679
• Emergency Department		13,989	14,850	14,943
• Mental Health		9,734	10,833	11,905
• Prevention and Primary Care		2,602	2,802	2,510
Ambulatory mental health service contact duration (hours)	15	>68,647	62,737	>68,647

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.

4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
10. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
11. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast over 12 months.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated. 2017-18 Target Queensland WAUs are lower than 2016-17 Estimated Actuals due to an over delivery in Non-ABF activity.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The target for this measure is calculated by the Department of Health to ensure consistency across the state.

Staffing[1, 2, 3]

Townsville Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Townsville Hospital and Health Service		5,073	5,133	5,180

Notes

1. The 2016-17 Budgets reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.

Income statement

Townsville Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,6,13	840,564	865,407	908,770
Grants and other contributions	2,7,14	22,172	22,382	22,748
Interest		270	305	281
Other revenue	3,8	1,235	4,059	4,060
Gains on sale/revaluation of assets		20	20	20
Total income		**864,261**	**892,173**	**935,879**
EXPENSES				
Employee expenses	4,9,15	617,161	630,161	656,384
Supplies and Services:				
Other supplies and services	5,10,16	195,254	202,166	228,106
Department of Health contract staff		..	..	..
Grants and subsidies	11,17	4,082	4,082	3,300
Depreciation and amortisation		43,623	43,623	43,623
Finance/borrowing costs		..	..	..
Other expenses	12,18	1,923	1,923	2,228
Losses on sale/revaluation of assets		2,218	2,218	2,238
Total expenses		**864,261**	**884,173**	**935,879**
OPERATING SURPLUS/(DEFICIT)		**..**	**8,000**	**..**

Balance sheet

Townsville Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	19,29,39	74,047	50,864	52,753
Receivables	20,30	17,725	21,319	22,330
Other financial assets		..	..	..
Inventories	21,31	6,290	7,300	7,386
Other	22,32	634	1,442	1,501
Non-financial assets held for sale		..	..	..
Total current assets		**98,696**	**80,925**	**83,970**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	23,33,40	795,706	747,128	734,836
Intangibles	24,34	243	5,652	5,652
Other		..	..	..
Total non-current assets		**795,949**	**752,780**	**740,488**
TOTAL ASSETS		**894,645**	**833,705**	**824,458**
CURRENT LIABILITIES				
Payables	25,35	37,227	23,118	25,319
Accrued employee benefits	26,41	16,030	20,408	21,252
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	27,36	1,212	455	455
Total current liabilities		**54,469**	**43,981**	**47,026**
NON-CURRENT LIABILITIES				
Payables	42	..	..	..
Accrued employee benefits	37	..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**54,469**	**43,981**	**47,026**
NET ASSETS/(LIABILITIES)		**840,176**	**789,724**	**777,432**
EQUITY				
TOTAL EQUITY	**28,38,43**	**840,176**	**789,724**	**777,432**

Cash flow statement

Townsville Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	44,48,51	838,150	861,049	905,642
Grants and other contributions		22,172	22,382	22,748
Interest received		270	305	281
Other		17,186	20,010	20,011
Outflows:				
Employee costs	45,49,52	(617,161)	(630,161)	(655,540)
Supplies and services	46,50,53	(209,270)	(216,182)	(242,122)
Grants and subsidies		(4,082)	(4,082)	(3,300)
Borrowing costs		..	..	..
Other		(1,923)	(1,923)	(2,228)
Net cash provided by or used in operating activities		**45,342**	**51,398**	**45,492**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		20	20	20
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	47	(8,270)	(24,692)	(11,540)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(8,250)**	**(24,672)**	**(11,520)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		8,270	15,627	11,540
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(43,623)	(43,623)	(43,623)
Net cash provided by or used in financing activities		**(35,353)**	**(27,996)**	**(32,083)**
Net increase/(decrease) in cash held		**1,739**	**(1,270)**	**1,889**
Cash at the beginning of financial year		**72,308**	**52,134**	**50,864**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**74,047**	**50,864**	**52,753**

Explanation of variances in the financial statements

Income statement

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

1. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service (HHS) and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.
2. The increase relates to increased number of grants from external agencies.
3. The increase relates to a revision of other revenue such as the treatment of recoveries.
4. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.
5. The increase relates to the purchase of increased service activity by the Department of Health.

Major variations between 2016-17 Budget and 2017-18 Budget include:

6. The increase relates to additional funding provided through the Service Agreement between Townsville HHS and the Department of Health. 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 increased number of grants from external agencies.
8. The increase relates to a revision of other revenue such as the treatment of recoveries.
9. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health for increases in service activity and enterprise bargaining agreements.
10. The increase relates to the purchase of increased service activity by the Department of Health.
11. The decrease relates to a reduction in the number of grants provided to external agencies.
12. The increase relates to revision of expenses such as audit fees and other miscellaneous operating expenses.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

13. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.
14. The increase relates to increased number of grants from external agencies.
15. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.
16. The increase relates to the purchase of increased service activity by the Department of Health.
17. The decrease relates to a reduction in number of grants provided to external agencies.
18. The increase relates to a revision of expenses such as audit fees and other miscellaneous operating expenses.

Balance sheet

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

19. The decrease relates to the provision and timing of funds from the Department of Health to the Townsville Hospital and Health Service (HHS) combined with the timing around settlement of current payables.
20. The increase is due to additional funding payable from the Department of Health to the Townsville HHS as a result of financial year technical adjustments.
21. The increase is due to additional inventory levels on hand compared to 2016-17 Budget estimate.
22. The increase relates to additional volume of prepayments compared to 2016-17 Budget estimate.
23. The decrease relates to change in the asset revaluation reserve and a change in the value of assets realised.

24. The increase relates to the investment in information technology assets.
25. The decrease relates to the timing around settlement of current payables from the Department of Health.
26. The increase relates to salaries and wages as a result of increased service activity and enterprise bargaining agreements.
27. The decrease relates to the lower unearned revenue at period end.
28. The decrease relates to change in the asset revaluation reserve and a change in the value of assets.

Major variations between 2016-17 Budget and 2017-18 Budget include:

29. The decrease relates to the provision and timing of funds from the Department of Health to the Townsville HHS combined with the timing around settlement of current payables.
30. The increase is due to additional funding payable from the Department of Health to the Townsville HHS as a result of financial year technical adjustments.
31. The increase is due to additional inventory levels on hand compared to estimated levels at period end.
32. The increase relates to additional volume of prepayments compared to estimated at peroid end.
33. The decrease relates to change in the asset revaluation reserve and a change in the value of assets realised.
34. The increase relates to the investment in information technology assets.
35. The decrease relates to the timing around settlement of current payables from the Department of Health.
36. The decrease relates to the lower unearned revenue at period end.
37. The increase relates to salaries and wages as a result of increased service activity and enterprise bargaining agreements.
38. The decrease relates to a change in asset revaluations and value of assets plus 2016-17 surplus.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

39. The increase relates to the improved cash flow from additional funding provided through the 2017-18 service agreement between Townsville HHS and the Department of Health.
40. The increase relates to the result of the annual revaluation program in 2017-18.
41. The increase relates to increases in salaries and wages from increased service activity and enterprise bargaining agreements.
42. The increase relates to an increase in other supplies and services expenditure in 2017-18.
43. The decrease it is due to forecast depreciation of Non-Current Assets offset by increase in asset revaluation reserve

Cash flow statement

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

44. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville Hospital and Health Service (HHS) and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.
45. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.
46. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.
47. The increase relates to additional Townsville HHS contribution to capital program.

Major variations between 2016-17 Budget and 2017-18 Budget include:

48. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.

49. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.

50. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

51. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.

52. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, enterprise bargaining agreements.

53. The increase relates to additional funding provided through amendments to the Service Agreement between Townsville HHS and the Department of Health. Additional funding is provided for increases in service activity, 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 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 593,000 people by 2036. This equates to an increase in excess of 136 per cent on the current population, making West Moreton the fastest growing hospital and health service in the State.

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

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

West Moreton HHS also provides school-based primary oral health care services, community mental health services for all age groups and services for alcohol, tobacco and other drug illnesses and has a range of responsibilities for prison health services including Brisbane Women's, Wolston and Brisbane Correctional facilities and the Borallon Training and Correctional Centre. Other statewide services provided by West Moreton HHS include the Queensland Centre for Mental Health research, the Queensland Centre for Mental Health Learning and the Queensland Mental Health Benchmarking Unit.

West Moreton Hospital and Health Service has six interrelated strategic directions:

- 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
- excellence in service delivery through innovation, research and lifelong learning
- providing Queenslanders with value in health services
- implement integrated governance and systems that transform the delivery of healthcare excellence now and in the future.

These strategic directions align with *My health, Queensland's future: Advancing health 2026* and support the Queensland Government's objectives for the community to deliver quality frontline services and strengthen our public health system.

West Moreton is currently undertaking a review of its Strategic Plan. The outputs of the review will drive the implementation of West Moreton's Service Blueprint. The Service Blueprint outlines West Moreton's future challenges in delivering care to a rapidly growing and diverse community.

Service summary

West Moreton HHS has an operating budget of $554.6 million for 2017-18 which is an increase of $42.3 million (8.3 per cent) from the published 2016-17 operating budget of $512.3 million.

As well as delivering core health services and key initiatives to improve patient outcomes, during 2017-18 the West Moreton HHS will:

- continue its focus to achieve strong performance against service targets including zero elective surgery long wait patients, 100 per cent of elective surgery patients and outpatients treated in time, and improvements in emergency department length of stay
- increase access to services closer to home
- grow services for children and young people
- deliver enhanced chronic care management through a population health and preventative care approach with community partners
- develop a Master Plan for future infrastructure requirements for West Moreton
- continue the implementation of an integrated electronic medical record.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	77%	80%
• Category 3 (within 30 minutes)		75%	37%	75%
• Category 4 (within 60 minutes)		70%	56%	70%
• Category 5 (within 120 minutes)		70%	86%	70%
• All categories		..	53%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	73%	>80%

West Moreton Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:	3			
• 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	4	<2	0.7	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	60.1%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	9.4%	<12%
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		98%	100%	98%
• Category 2 (90 days)		85%	90%	95%
• Category 3 (365 days)		95%	97%	95%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	98%	98%
• Category 2 (90 days)		New measure	80%	95%
• Category 3 (365 days)		New measure	92%	95%
Median wait time for treatment in emergency departments (minutes)	8	20	34	20
Median wait time for elective surgery (days)	9	25	26	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,711	$4,822	$4,798
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	2,834	2,900
• Category 2 (90 days)		New measure	1,896	1,900
• Category 3 (365 days)		New measure	2,357	2,360
Number of Telehealth outpatient occasions of service events	13	New measure	1,534	1,730
Total weighted activity units (WAU):	11, 14			
• Acute Inpatient		42,152	43,908	46,109
• Outpatients		9,370	9,118	9,650

West Moreton Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
• Sub-acute		4,489	4,601	4,594
• Emergency Department		9,810	10,111	10,521
• Mental Health		7,204	7,442	8,474
• Prevention and Primary Care		2,573	2,776	2,561
Ambulatory mental health service contact duration (hours)	15	>52,691	44,041	>52,691

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. The Cat 3 Estimated Actual is due to a significant increases in Cat 1 (51 per cent) and 2 (13 per cent) presentations being the focus of resources in the ED. Cat 4 and 5 patients are tracked to a separate area and are not as affected by the increase in Cat 1s and 2s. WMHHS is working with the Department to address this issue. 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.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
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5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
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12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on ten months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel forecast out over 12 months.

14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated. 2017-18 Target Queensland WAUs are lower than 2016-17 Estimated Actuals due to an over delivery in Non-ABF activity.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

West Moreton Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
West Moreton Hospital and Health Service	4, 5	3,037	3,090	3,243

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. The increase in FTEs from the 2016-17 Budget to the 2016-17 Est Actual is due to additional funding received through the amendment window process for the following purposes: implementation of the Mental Health Acute Care Team; growth in prisoner population requiring additional staff; addition of a Clinical Decision Unit in Ipswich Hospital Emergency Department; and recruitment to the MeCare Hospital Avoidance program.
5. The increase in FTEs for the 2017-18 Budget represents full year funding and increase in FTEs for the programs noted in point 4. In addition there is expected growth in activity resulting in an increase in frontline staff to provide the additional services. Nursing FTE will increase to meet Business Planning Framework (BPF) ratio requirements and to convert existing use of agency to permanent and casual positions. Professional and medical staff will grow as permanent positions are recruited to and the use of locums is reduced. Overall, the FTE will increase in frontline services as the new structure stabilises and expand services to meet the growing population needs.

Income statement

West Moreton Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,6,10	508,097	522,025	551,178
Grants and other contributions	2	3,409	2,611	2,674
Interest		31	31	32
Other revenue		728	641	669
Gains on sale/revaluation of assets		28	..	..
Total income		**512,293**	**525,308**	**554,553**
EXPENSES				
Employee expenses	3,7,11	393,448	379,193	420,649
Supplies and Services:				
Other supplies and services	4,8,12	99,439	132,992	111,286
Department of Health contract staff		..	..	..
Grants and subsidies		473	376	387
Depreciation and amortisation	9,13	15,241	15,241	18,416
Finance/borrowing costs		..	..	..
Other expenses		1,906	2,101	2,079
Losses on sale/revaluation of assets		1,786	1,705	1,736
Total expenses		**512,293**	**531,608**	**554,553**
OPERATING SURPLUS/(DEFICIT)	**5**	**..**	**(6,300)**	**..**

Balance sheet

West Moreton Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	14,22,29	52,438	34,342	40,571
Receivables	15,23,30	7,866	13,516	10,544
Other financial assets		..	..	..
Inventories		2,534	2,762	2,838
Other		751	562	791
Non-financial assets held for sale		..	..	..
Total current assets		**63,589**	**51,182**	**54,744**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	16,24	273,763	264,537	263,173
Intangibles	17,31	3,674	2,572	4,058
Other		..	..	..
Total non-current assets		**277,437**	**267,109**	**267,231**
TOTAL ASSETS		**341,026**	**318,291**	**321,975**
CURRENT LIABILITIES				
Payables	18,25	33,358	22,762	21,613
Accrued employee benefits	19,26	10,062	13,481	14,381
Interest bearing liabilities and derivatives		..	..	..
Provisions	20,27,32	2,000	1,120	3,162
Other	21,28	41	2,254	2,217
Total current liabilities		**45,461**	**39,617**	**41,373**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**45,461**	**39,617**	**41,373**
NET ASSETS/(LIABILITIES)		**295,565**	**278,674**	**280,602**
EQUITY				
TOTAL EQUITY		**295,565**	**278,674**	**280,602**

Cash flow statement

West Moreton Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	33,40,47	504,617	518,191	553,489
Grants and other contributions	34,41	3,409	2,611	2,674
Interest received		31	31	32
Other		10,632	10,531	10,579
Outflows:				
Employee costs	35,42,48	(392,583)	(378,328)	(419,749)
Supplies and services	36,43,49	(107,445)	(140,943)	(122,456)
Grants and subsidies		(473)	(376)	(387)
Borrowing costs		..	..	..
Other		(826)	(1,023)	541
Net cash provided by or used in operating activities		**17,362**	**10,694**	**24,723**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	37,44	3,033	(71)	(79)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	38,45,50	(11,043)	(7,383)	(5,397)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(8,010)**	**(7,454)**	**(5,476)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	39,46	3,690	5,585	5,398
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(15,241)	(15,241)	(18,416)
Net cash provided by or used in financing activities		**(11,551)**	**(9,656)**	**(13,018)**
Net increase/(decrease) in cash held		**(2,199)**	**(6,416)**	**6,229**
Cash at the beginning of financial year		**54,637**	**40,758**	**34,342**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**52,438**	**34,342**	**40,571**

Explanation of variances in the financial statements

Income statement

Major variations between 2016-17 Budget and 2016-17 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 reclassifying funding to User Charges and Fees.
3. The decrease primarily relates to the use of external labour full-time equivalents (FTEs) used being costed to Supplies and Services.
4. The increase relates to increased service activity, additional projects from retained earnings, and increased outsourcing to external providers.
5. The deficit in 2016-17 predominately relates to higher operating expenditure, costs associated with emergent Intensive Care Unit works, and to the transfer of ICT Work In Progress for ceased projects to operational expenditure in 2016-17.

Major variations between 2016-17 Budget and 2017-18 Budget include:

6. The increase relates to additional funding provided through amendments to the Service Agreement between West Moreton HHS and the department. Additional funding was provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
7. The increase mainly relates to additional expenditure associated with the increase in FTE numbers within West Moreton HHS and enterprise bargaining arrangements. FTE numbers have increased for a number of reasons including the addition of nurse navigators, increase in nursing graduate numbers, an increase in the prisoner population at correctional facilities and the opening of the Clinical Decision Unit in the Emergency Department.
8. The increase reflects the estimated cost of outsourced services to support activity demand.
9. The increase refers to an increase in the asset base.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

10. The increase relates to additional funding provided through the amendments to the Service Agreement between West Moreton HHS and the department. Additional funding was provided for increases in service activity, enterprise bargaining agreements and depreciation expense.
11. 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 a number of reasons including the addition of nurse navigators, increase in nursing graduate numbers, an increase in the prisoner population at correctional facilities and the opening of the Clinical Decision Unit in the Emergency Department.
12. The decrease relates to a return of normal supplies and service expenditure in the 2017-18 budget.
13. The increase refers to an increase in the asset base.

Balance sheet

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

14. The decrease relates to the net movement in debtors and creditors, offset by the expected deficit in 2016-17, and the expected timing of receipts and payments.
15. The increase relates to higher expected debtors - due to recognising revenue based on activity this year and the expected provision of additional activity funding above contracted amount.
16. The decrease relates to lower than expected increase in fair value of land and buildings and the transfer of $10.8 million land and building at "The Park" out of West Moreton Hospital and Health Service balance sheet to other areas in the department.
17. The decrease relates to lower than expected intangibles due to a number of ICT projects being expensed as they will be replaced with the Integrated Electronic Medical Record (iEMR) in 2017-18.

18. The decrease relates to lower expected creditors due to timing of payroll payments requiring a significantly lower payable in 2016-17 compared to 2015-16.
19. The increase refers to higher expected employee accruals at end of year - due to timing of pay periods.
20. The decrease relates to lower than expected provision for outstanding claims.
21. The increase relates to higher than expected unearned revenue.

Major variations between 2016-17 Budget and 2017-18 Budget include:

22. The decrease relates to the net movement in debtors and creditors, offset by the expected deficit in 2016-17, and the expected timing of payments and receipts.
23. The increase relates to higher expected debtors - due to expected timing of payments and recognition of revenue based on activity.
24. The decrease relates to lower than anticipated depreciation.
25. The decrease relates to lower expected creditors due to timing of payroll payments requiring a lower payable in 2017-18 compared to 2016-17.
26. The increase refers to higher expected employee accruals at end of year - Enterprise Bargaining and additional accrual day.
27. The increase relates to an expected higher level of provision for outstanding claims.
28. The increase relates to higher expected unearned revenue.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

29. The increase relates to the net movement in debtors and creditors offset by the expected deficit in 2016-17.
30. The decrease relates to lower expected debtors - due to expected timing of payments and recognition of revenue based on activity.
31. The increase relates to higher expected Information Technology projects.
32. The increase relates to higher expected provisions for outstanding claims.

Cash flow statement

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

33. The increase relates to additional funding provided through amendments to the Service Agreement between West Moreton HHS and the department. Additional funding was provided for increases in service activity and enterprise bargaining agreements.
34. The decrease relates to reclassifying funding to User Charges and Fees.
35. The decrease primarily relates to the use of external labour full-time equivalents (FTEs) used being costed to Supplies and Services.
36. The increase primarily relates to the use of external labour FTEs used being costed to Supplies & Services and to the outsourcing to external providers of activity to meet activity demand.
37. The decrease relates to lower than expected sales of assets.
38. The decrease relates to lower than expected payments for non-financial assets.
39. The increase relates to additional capital funds.

Major variations between 2016-17 Budget and 2017-18 Budget include:

40. The increase relates to additional funding provided through the amendments to the Service Agreement between West Moreton HHS and the department. Additional funding was provided for increases in service activity and enterprise bargaining agreements.
41. The decrease relates to reclassifying funding to User Charges and Fees.
42. The increase relates to an increase of FTEs to service increased activity.
43. The increase is due to costs associated with the increase in activity.
44. The decrease relates to lower than expected sales of assets.

45. The decrease relates to lower than expected payments for non-financial assets

46. The increase relates to additional capital funds.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

47. The increase relates to additional funding provided through the Service Agreement between West Moreton HHS and the department. Additional funding was provided for increases in service activity.

48. The increase relates to an increase of labour FTEs to service increased activity.

49. The decrease primarily relates to the reduction of use of external labour FTEs being costed to Supplies and Services and outsourcing to external providers.

50. The decrease relates to lower than expected payments for non-financial 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 212,000 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

The Wide Bay HHS's vision of 'Improving health, together' and the strategic plan consider and support the Queensland Government's objectives for the community to deliver quality frontline services that strengthen the public health system, and its healthcare priorities to provide patient-centred care. In this context, five pledges to our community have been developed and committed including:

- delivering sustainable, patient centred, quality health services
- engaging with our communities and partners
- developing and empowering our workforce
- encouraging innovation and excellence
- delivering value for money.

The Wide Bay HHS will actively engage in opportunity to respond to increasing demands on local public health services including clinical redesign programs, technology initiatives, new funding models, workforce development and strengthening partnerships with primary and aged care sectors.

Service summary

The Wide Bay HHS has an operating budget of $581.9 million for 2017-18 which is an increase of $57.4 million (10.9 per cent) from the published 2016-17 operating budget of $524.5 million.

As well as delivering core health services and key initiatives to improve patient outcomes, during 2017-18 the Wide Bay HHS will:

- pilot accreditation ready every day (SNAAP – Short Notice Accreditation Assessment Project), in collaboration with the Australian Council on Healthcare Standards (ACHS) and the Australian Commission of Safety and Quality in Health Care (ACSQHC)
- complete construction and commissioning of the new Emergency Department at Hervey Bay Hospital
- complete electrical upgrades at Maryborough Hospital and the new mental health step-up – step down facility in Bundaberg.

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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of patients attending emergency departments seen within recommended timeframes:	1			
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	82%	80%
• Category 3 (within 30 minutes)		75%	75%	75%
• Category 4 (within 60 minutes)		70%	73%	70%
• Category 5 (within 120 minutes)		70%	92%	70%
• All categories		..	76%	..
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	2	>80%	78%	>80%
Percentage of elective surgery patients treated within clinically recommended times:	3			
• 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	4	<2	0.5	<2
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit	5	>65%	69.7%	>65%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	5	<12%	10.8%	<12%

Wide Bay Hospital and Health Service	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of specialist outpatients waiting within clinically recommended times:	6			
• Category 1 (30 days)		98%	99%	98%
• Category 2 (90 days)		95%	99%	95%
• Category 3 (365 days)		95%	100%	95%
Percentage of specialist outpatients seen within clinically recommended times:	7			
• Category 1 (30 days)		New measure	98%	98%
• Category 2 (90 days)		New measure	93%	95%
• Category 3 (365 days)		New measure	98%	95%
Median wait time for treatment in emergency departments (minutes)	8	20	20	20
Median wait time for elective surgery (days)	9	25	32	25
Efficiency measure Average cost per weighted activity unit for Activity Based Funding facilities	10, 11	$4,926	$4,764	$4,891
Other measures Number of elective surgery patients treated within clinically recommended times	12			
• Category 1 (30 days)		New measure	1,879	1,880
• Category 2 (90 days)		New measure	1,622	1,632
• Category 3 (365 days)		New measure	1,198	1,198
Number of Telehealth outpatient occasions of service events	13	New measure	5,022	5,783
Total weighted activity units (WAU):	11, 14			
• Acute Inpatient		46,578	52,433	53,956
• Outpatients		12,743	13,206	13,264
• Sub-acute		5,542	6,782	6,374
• Emergency Department		12,164	13,968	13,965
• Mental Health		3,455	3,515	3,516
• Prevention and Primary Care		3,310	4,281	3,272
Ambulatory mental health service contact duration (hours)	15	>34,523	33,721	>34,523

Notes:

1. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017. 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. Queensland public hospital emergency departments face ongoing increases in demand, with an average 1.3 per cent annual increase in emergency department attendances, which has an effect on emergency department performance.
2. This is a measure of access and timeliness of emergency department services. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
3. This is a measure of effectiveness that shows how hospitals perform in providing elective surgery services within the recommended timeframe for each urgency category. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.

4. This is a National Performance Agreement indicator and a measure of effectiveness of infection control programs and services in hospitals. 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 methicillin resistant Staphylococcus aureus) 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 for each jurisdiction. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 31 March 2017.
5. This is a measure of access to, and timeliness of the community support system that is in place for persons who have experienced an acute psychiatric episode requiring hospitalisation. The 2016-17 Estimated Actual is for the period 1 July 2016 to 31 January 2017. Queensland has made significant progress in improving the rate of community follow up over the past five years. Increased pressure on community and inpatient mental health services has seen increases in readmission rates and is impacting the rate of follow up.
6. This is a measure of effectiveness that shows the percentage of patients who are waiting to have their first appointment (from the time of referral) with the health professional in an outpatient clinic, within the clinically recommended time. The 2016-17 Estimated Actual figure is based on patients waiting as at 30 April 2017.
7. This is a measure of effectiveness that indicates the percentage of patients seen within clinically recommended times during the reporting period. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
8. This measure indicates the amount of time for which half of all people waited in the emergency department (for all categories), from the time of presentation to being seen by a nurse or doctor (whichever was first). The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017.
9. This is a measure of effectiveness that reports on the number of days for which half of all patients wait before undergoing elective surgery. The 2016-17 Estimated Actual figures are based on actual performance from 1 July 2016 to 30 April 2017.
10. The 2016-17 Estimated Actual figure reflects 1 July to 31 December 2016 activity based costs and actual activity based funded activity. The 2017-18 Target/Estimate reflects the activity based funding less Clinical Education and Training and Specified Grants and activity within the finance and activity schedules of the 2017-18 Final Round Service Agreements Contract Offers. 2017-18 Target/Estimate for cost per Queensland WAU includes HHS activity forecast over delivery in 2016-17, funded by the Commonwealth at a marginal rate of 45 per cent. As a result, funding per Queensland WAU in 2017-18 is generally lower than the 2016-17 Target/Estimate cost per Queensland WAU. The impact of this is partially offset in some HHSs due to changes in Own Source Revenue classification between 2016-17 and 2017-18, and non- Queensland WAU investments. 2016-17 Estimated Actual cost per Queensland WAU is a point in time measure which includes the first 6 months of HHS expenditure and activity. It includes the impact of one-off investments in 2016-17.
11. A WAU is a measure of activity and provides a common unit of comparison so that all activity can be measured consistently. Service agreements between the Department of Health and HHSs and other organisations specify the activity to be provided in WAUs by service type. Refer to Box 1, page 12.
12. This is a measure of activity. The 2016-17 Estimated Actual figures are based on 10 months of actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
13. This measure tracks the growth in occasions of service for Telehealth enabled outpatient services. These services support timely access to contemporary specialist services for patients from regional, rural and remote communities, supporting the reduction in wait times and costs associated with patient travel. The 2016-17 Estimated Actual figure is based on actual performance from 1 July 2016 to 30 April 2017 forecast out over 12 months.
14. The 2016-17 Estimated Actual figures are based on 2016-17 Queensland WAU forecasts as provided by HHSs. 2017-18 Target/Estimate figures are based on the 2017-18 Final Round Service Agreements Contract Offers. All activity is reported in the same phase - Activity Based Funding (ABF) model Q19. 'Total WAUs – Interventions and procedures' has been reallocated to 'Total WAUs – Acute Inpatient Care' and 'Total WAUs – Outpatient Care' service standards. 'Total WAUs – Prevention and Primary Care' is comprised of BreastScreen and Dental WAUs. Total WAUS - Prevention and Primary Care' is a new measure for the *Service Delivery Statement*, however, it has been included in the HHS Service Agreements since 2016-17. Purchased Queensland WAUs in 2017-18 for Prevention and Primary Care are lower due to one off investments in Oral Health in 2016-17 and NPA funding not yet allocated. 2017-18 Target Queensland WAUs are lower than 2016-17 Estimated Actuals due to an over delivery in Non-ABF activity.
15. 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 Estimated Actuals for 2016-17 are for the period 1 July 2016 to 31 March 2017. It is important to note that not all activity of ambulatory clinicians is in-scope for this measure, with most review and some service coordination activities excluded. In addition, improvements in data quality have contributed to the result, with the data more accurately reflecting way in which services are delivered. The Target/Estimate for this measure is determined using a standard formula based upon available clinical staffing, HHS rurality, and historical performance. The targets for these measures have been set to be consistently calculated and are considered a stretch for many services.

Staffing[1, 2, 3]

Wide Bay Hospital and Health Service	Notes	2016-17 Budget	2016-17 Est. actual	2017-18 Budget
Wide Bay Hospital and Health Service	4, 5	2,783	2,973	3,049

Notes:

1. The 2016-17 Budget reflects the forecast Full-Time Equivalents (FTEs) as at 30 June 2017 published in the 2016-17 *Service Delivery Statement*.
2. The 2016-17 Estimated Actual reflects the estimated FTEs as at 30 June 2017.
3. The 2017-18 Budget represents the forecast FTEs and may change due to updates to the 2017-18 Service Agreement throughout the financial year.
4. Additional funding was agreed between WBHHS and the Department of Health subsequent to publication of the 2016-17 *Service Delivery Statement* and the 2016-17 Budget FTE was revised to 2,971.
5. Increase in FTEs for the 2017-18 Budget reflects funded activity purchased from WBHHS in the initial 2017-18 Service Agreement including employment of additional Nurse Navigator and Nursing Graduate positions.

Income statement

Wide Bay Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,5,9	516,090	556,826	573,182
Grants and other contributions		3,703	3,529	3,584
Interest		58	56	58
Other revenue		4,687	5,376	4,976
Gains on sale/revaluation of assets		..	89	93
Total income		**524,538**	**565,876**	**581,893**
EXPENSES				
Employee expenses	2,6	57,347	64,762	66,382
Supplies and Services:				
Other supplies and services	3,7	161,849	169,927	177,421
Department of Health contract staff	4,8,10	288,578	305,216	321,375
Grants and subsidies		..	..	..
Depreciation and amortisation		15,859	15,859	15,577
Finance/borrowing costs		..	..	..
Other expenses		733	552	566
Losses on sale/revaluation of assets		172	560	572
Total expenses		**524,538**	**556,876**	**581,893**
OPERATING SURPLUS/(DEFICIT)		**..**	**9,000**	**..**

Balance sheet

Wide Bay Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	11,13,15	4,419	11,629	12,673
Receivables	12,14	6,992	11,937	12,079
Other financial assets		..	..	..
Inventories		4,202	4,065	4,099
Other		311	463	496
Non-financial assets held for sale		..	..	..
Total current assets		**15,924**	**28,094**	**29,347**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		218,589	210,753	219,655
Intangibles		82	61	41
Other		..	..	..
Total non-current assets		**218,671**	**210,814**	**219,696**
TOTAL ASSETS		**234,595**	**238,908**	**249,043**
CURRENT LIABILITIES				
Payables		28,253	29,150	30,403
Accrued employee benefits		981	1,877	1,877
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		82	284	284
Total current liabilities		**29,316**	**31,311**	**32,564**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**29,316**	**31,311**	**32,564**
NET ASSETS/(LIABILITIES)		**205,279**	**207,597**	**216,479**
EQUITY				
TOTAL EQUITY		**205,279**	**207,597**	**216,479**

Cash flow statement

Wide Bay Hospital and Health Service	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	16,19,22	515,880	558,363	572,674
Grants and other contributions		3,703	3,529	3,584
Interest received		58	56	58
Other		18,678	19,367	18,967
Outflows:				
Employee costs	17,20	(57,347)	(64,563)	(66,382)
Supplies and services	18,21	(463,336)	(484,234)	(511,807)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(733)	(552)	(566)
Net cash provided by or used in operating activities		**16,903**	**31,966**	**16,528**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	89	93
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		(3,603)	(4,466)	(4,545)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(3,603)**	**(4,377)**	**(4,452)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		3,603	4,738	4,545
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(15,859)	(15,859)	(15,577)
Net cash provided by or used in financing activities		**(12,256)**	**(11,121)**	**(11,032)**
Net increase/(decrease) in cash held		**1,044**	**16,468**	**1,044**
Cash at the beginning of financial year		**3,375**	**(4,839)**	**11,629**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**4,419**	**11,629**	**12,673**

Explanation of variances in the financial statements

Income statement

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

1. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay Hospital and Health Service (HHS) and the Department of Health for increases in purchased service activity together with changes to Own Source Revenue estimates (especially high cost drug reimbursement).
2. Increase relates to additional Senior Medical Officers permanently recruited during 2016-17 which has been offset by a reduction in Locums.
3. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity together with additional reimbursable high cost drug expenditure offset in part by reduced expenditure on Locums.
4. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity.

Major variations between 2016-17 Budget and 2017-18 Budget include:

5. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity and Enterprise Bargaining Agreements together with changes to Own Source Revenue estimates (especially high cost drug reimbursement).
6. Increase relates to additional Senior Medical Officers permanently recruited during 2016-17 which has been offset by a reduction in Locums together with Enterprise Bargaining Agreements.
7. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity together with additional reimbursable high cost drug expenditure offset in part by reduced expenditure on Locums.
8. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity together with Enterprise Bargaining Agreements.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

9. Increase relates to Enterprise Bargaining Agreements and non-labour escalation.
10. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity together with Enterprise Bargaining Agreements.

Balance sheet

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

11. Increase is due primarily to the forecast surplus position at June 2017.
12. Increase relates to funding not yet received by Wide Bay Hospital and Health Service (HHS) from the department as a result of end of year technical adjustments including Commonwealth Growth funding.

Major variations between 2016-17 Budget and 2017-18 Budget include:

13. Increase is due primarily to the forecast surplus position at June 2017.
14. Increase relates to funding not yet received by Wide Bay HHS from the department as a result of end of year technical adjustments including Commonwealth Growth funding.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

15. Increase is due primarily to the forecast surplus position at June 2017.

Cash flow statement

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

16. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay Health and Hospital Service (HHS) and the Department of Health for increases in purchased service activity together with changes to Own Source Revenue estimates (especially high cost drug reimbursement).
17. Increase relates to additional Senior Medical Officers permanently recruited during 2016-17 which has been offset by a reduction in Locums.
18. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity together with additional reimbursable high cost drug expenditure offset in part by reduced expenditure on Locums.

Major variations between 2016-17 Budget and 2017-18 Budget include:

19. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity and Enterprise Bargaining Agreements together with changes to Own Source Revenue estimates (especially high cost drug reimbursement).
20. Increase relates to additional Senior Medical Officers permanently recruited during 2016-17 which has been offset by a reduction in Locums together with Enterprise Bargaining Agreements.
21. Increase relates to additional funding provided through amendments to the Service Agreement between Wide Bay HHS and the Department of Health for increases in purchased service activity together with additional reimbursable high cost drug expenditure offset in part by reduced expenditure on Locums.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

22. Increase relates to Enterprise Bargaining Agreements and non-labour escalation.

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 current strategic objectives are to:

- foster scientific excellence, including training researchers of the future
- build scientific, institutional and international connectivity and
- undertake research with clinical, economic 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 2017-18, QIMR Berghofer will receive $18.9 million from the Queensland Government, representing approximately 15 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 is Queensland's statutory medical research institute. The Institute interacts broadly and deeply with the State's Hospital and Health Services, others engaged in medical research and communities throughout the Queensland.

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 genomics - 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, in particular our world-leading research on immunotherapy, is having a major impact and is particularly important given our ageing population and the heavy occurrence and burden of this family of diseases. 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. In this program our malaria trials are unique and extensively used by the Gates Foundation. Our research into mental health, such as dementia, Alzheimer's and depression, is increasingly relevant due to increases 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' (B2B2B). 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 2016–2017, QIMR Berghofer:

- produced around 800 scientific papers (more than double the figure of 10 years ago) and recorded a 10-fold increase in citations of Institute papers by researchers worldwide in the past 10 years. These are indicators of the quantity and quality of the research
- developed new immunotherapies – therapies that use the body's own immune system to prevent secondary spread of cancer
- conducted studies on Zika virus using a newly developed animal model
- conducted 17 ongoing clinical trials led by our researchers and contributed to 35 third-party-sponsored ongoing clinical trials
- expanded Q-Gen Cellular Therapeutics, our TGA-certified good manufacturing practice (GMP) facility, to accommodate an increase in manufacturing of cellular therapeutics
- showed that melanoma rates in Australia are declining (a world-first), demonstrating that the primary prevention recommendations arising from the Institute's research are being implemented effectively
- added health economics to our research activities
- established The SEEDBox® (Scientific Exploitation and Entrepreneurial Development) to nurture and mature promising commercial projects, and saw the first projects transferred to the Institute's SEEDBox™ laboratory for support through to commercialisation
- welcomed BGI, one of the world's largest genomics companies, to establish its Asia-Pacific headquarters in the Institute
- introduced financial support for female researchers who are mothers with the goal of retaining women in science, thereby maximising the benefit of the public investment in their training
- introduced a novel 'Leave of Absence for Entrepreneurs' policy
- presented to more than 2,000 high school students and almost 4,000 members of the community.

In 2017–18, QIMR Berghofer will:

- develop new blood-based biomarkers for the detection and monitoring of cancers
- progress studies on Alzheimers disease using a combination of genetics and imaging (at the Herston Imaging Research Facility)
- progress a major study into malignant mesothelioma, investigating mutations, biomarkers and potential new therapeutic targets for this aggressive asbestos-related cancer
- use a Zika virus animal model to test internal and external research hypotheses and treatments
- expand the Institute's proteomics capacity to include metabolomics and lipidomics
- test at least six new anti-malaria drugs in our 'human challenge' trials performed at our Clinical Trials company, Q-Pharm
- 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
- complete the genetic analysis of 19,000 participants in the QSkin study – the world's largest study of skin cancer
- establish a start-up genomics company.

Staffing[1, 2]

The Council of the Queensland Institute of Medical Research	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
The Council of the Queensland Institute of Medical Research		561	499	536

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The staffing figures do not include visiting scientists/affiliates, students, external collaborators on site or casual staff.

Income statement

Council of the Queensland Institute of Medical Research	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
Taxes		..	..	..
User charges and fees	1,5	12,257	25,119	27,160
Grants and other contributions	2,8	82,557	71,204	82,579
Interest		731	983	797
Other revenue		5,077	4,015	4,181
Gains on sale/revaluation of assets	9	11,499	12,264	10,752
Total income		**112,121**	**113,585**	**125,469**
EXPENSES				
Employee expenses	6,10	63,083	62,955	65,827
Supplies and services	3,11	35,021	27,660	36,032
Grants and subsidies		..	..	..
Depreciation and amortisation		12,195	12,167	12,646
Finance/borrowing costs		..	..	..
Other expenses	4,7	1,822	10,794	10,714
Losses on sale/revaluation of assets		..	9	250
Total expenses		**112,121**	**113,585**	**125,469**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Council of the Queensland Institute of Medical Research	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	12,15	28,688	22,311	24,031
Receivables		5,647	4,089	4,107
Other financial assets		..	..	..
Inventories		254	252	252
Other		808	116	116
Non-financial assets held for sale		..	..	..
Total current assets		**35,397**	**26,768**	**28,506**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	13,16	116,562	135,922	134,478
Property, plant and equipment		287,312	289,591	288,743
Intangibles		207	376	291
Other		..	..	..
Total non-current assets		**404,081**	**425,889**	**423,512**
TOTAL ASSETS		**439,478**	**452,657**	**452,018**
CURRENT LIABILITIES				
Payables	14,17	22,617	35,726	34,958
Accrued employee benefits		4,303	3,960	4,066
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**26,920**	**39,686**	**39,024**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		884	763	786
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**884**	**763**	**786**
TOTAL LIABILITIES		**27,804**	**40,449**	**39,810**
NET ASSETS/(LIABILITIES)		**411,674**	**412,208**	**412,208**
EQUITY				
TOTAL EQUITY		**411,674**	**412,208**	**412,208**

Cash flow statement

Council of the Queensland Institute of Medical Research	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	18,24	12,257	26,326	27,141
Grants and other contributions	19,30	82,557	71,204	82,579
Interest received		731	993	797
Taxes		..	..	..
Other		5,077	4,678	4,182
Outflows:				
Employee costs	25,31	(63,083)	(62,854)	(65,698)
Supplies and services	20,32	(34,443)	(28,368)	(36,486)
Grants and subsidies		..	5,698	(128)
Borrowing costs		..	..	..
Other	21,26	(1,822)	(10,567)	(10,266)
Net cash provided by or used in operating activities		**1,274**	**7,110**	**2,121**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed	22,27,33	12,000	..	25,000
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	23,28,34	(8,847)	(5,235)	(11,963)
Payments for investments	29,35	(8,423)	(8,584)	(13,438)
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(5,270)**	**(13,819)**	**(401)**
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		**(3,996)**	**(6,709)**	**1,720**
Cash at the beginning of financial year		**32,684**	**29,020**	**22,311**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**28,688**	**22,311**	**24,031**

Explanation of variances in the financial statements

Income statement

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

1. Increased contract research and commercialisation income in 2016-17 Estimated Actual compared to 2016-17 Budget, due to the ongoing success of projects and initiatives in these areas.
2. The 2016-17 Estimated Actual forecasts a reduction in grant and fundraising income compared to the 2016-17 Budget, reflecting the highly competitive environment for both National Health and Medical Research Council (NHMRC) funding and community donations.
3. Lower spending on supplies in the 2016-2017 Estimated Actual in line with the reduction in research grant income compared to 2016-17 Budget.
4. 2016-17 Estimated Actual reflects the increased level of expenses associated with increased commercialisation and contract research activity.

Major variations between 2016-17 Budget and 2017-18 Budget include:

5. The 2017-18 Budget reflects an increase in contract research compared to the 2016-17 Budget with a continued focus on securing value from commercial contracts.
6. The 2017-18 Budget reflects salary increases of 2.5 per cent forecast for the new Enterprise Agreement and higher expected salary support for researchers due to reduced availability of NHMRC fellowships.
7. 2017-18 Budget reflects the increased level of expenses associated with increased commercialisation and contract research activity.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

8. The 2017-18 fundraising targets, including bequest income and major gifts, are budgeted to increase from the 2016-17 Estimated Actual with additional initiatives and campaigns planned. In addition, an increase in capital grants for scientific equipment is budgeted for 2017-18.
9. Investment returns for 2017-18 are budgeted to reduce returning to long term trend levels compared to the forecast higher return investment return in 2016-17 Estimated Actual.
10. The 2017-18 Budget reflects salary increases in line with the current Enterprise Agreement as well as higher expected salary support for researchers due to reduced availability of NHMRC fellowships.
11. Increased supplies and services in the 2017-18 Budget arise predominantly due to additional budgeted income invested in research activities.

Balance sheet

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

12. The decrease in the 2016-17 Estimated Actual cash balance is due to management of cash balances to optimise Other Financial Assets. Higher than budgeted operating cashflow has generated the ability to maintain longer-term financial assets.
13. The expected higher market value of QIMR Berghofer's long term investments reflects an expected positive market performance in the 2016-17 Estimated Actuals combined with lower than budgeted redemptions.
14. The higher 2016-17 Estimated Actual Payables balance is driven by an increase in the balance of unexpended grant, contract research and associated collaboration payments payable as at the end of year compared to the 2016-17 Budget.

Major variations between 2016-17 Budget and 2017-18 Budget include:

15. The decrease in the 2017-18 Budget cash balance reflects a lower balance of operating funds to be held in on-call accounts at the end of the year being broadly in line with that forecast for 2016-17.
16. The expected higher market value of QIMR Berghofer's long term investments in the 2017-18 Budget reflects the higher opening balance than previous Budget and increased income, offset in part by redemptions to fund research in the 2017-18 Budget year.

17. The higher 2017-18 Budget Payables balance is driven by an increase in the balance of unexpended grant and contract research revenue at the end of year. The 2017-18 Budget balance of payables is line with the level forecast for 2016-17.

Cash flow statement

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

18. Increased contract research and commercialisation income in 2016-17 Estimated Actual compared to 2016-17 Budget, due to the ongoing success of projects and initiatives.
19. The 2016-17 Estimated Actual forecasts a reduction in grant and fundraising income compared to the 2016-17 Budget, reflecting the competitive environment for both NHMRC funding and community donations.
20. Lower spending on supplies in the 2016-2017 Estimated Actual are in line with the reduction in research grant income compared to 2016-17 Budget.
21. 2016-17 Estimated Actual reflects the increased level of expenses associated with increased commercialisation and contract research activity.
22. The 2016-17 Estimated Actual requires no redemptions from long term investments to fund QIMR Berghofer's research and capital expenditure requirements due to higher net operating cashflows and availability of short term cash investments.
23. Capital expenditure requirements in 2016-17 Estimated Actuals are $3.3m lower than 2016-17 Budget due to postponement of building works and lower capital grant funding.

Major variations between 2016-17 Budget and 2017-18 Budget include:

24. The 2017-18 Budget reflects an increase in contract research compared to the 2016-17 Budget with a continued focus on securing value from commercial contracts.
25. The 2017-18 Budget reflects salary increases in line with the current Enterprise Agreement and higher expected salary support for researchers due to reduced availability of NHMRC fellowships.
26. 2017-18 Budget reflects the increased level of expenses associated with increased commercialisation and contract research activity.
27. Increased redemptions from long term investments are expected to be required to fund the Institute's research and capital expenditure requirements for Budget 2017-18 due to the competitive environment for NHMRC grants and fellowships.
28. 2017-18 Budget includes additional capital expenditure, including Building Renewal expenditure and additional investment in state of the art equipment for research.
29. Payments for Investments will increase in 2017-18 Budget in line with the expected increase in income.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

30. The 2017-18 fundraising targets, including bequest income and major gifts, are budgeted to increase from the 2016-17 Estimated Actual with additional initiatives and campaigns planned. In addition, an increase in capital grants for scientific equipment is budgeted for 2017-18.
31. The 2017-18 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.
32. Increased supplies and services in the 2017-18 Budget arise predominantly due to additional grant funds to be expended on research activities.
33. Increased redemptions from long term investments are expected to be required to fund the Institute's research and capital expenditure requirements for Budget 2017-18.
34. 2017-18 Budget includes additional capital expenditure including ongoing Building Renewal expenditure and additional investment in state of the art equipment for research.
35. Payments for Investments will increase in 2017-18 Budget in line with the expected increase in income.

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: Queenslanders working together to improve mental health and wellbeing.

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 improve the mental health and wellbeing of Queenslanders 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 encouraging and fostering activities that increase the mental health and wellbeing of all Queenslander with a particular focus on the lives of people with lived experience of mental illness and problematic alcohol and other drug use and people affected by suicide.

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 $9.0 million in 2017-18 reflecting minimal variation with the published 2016-17 operating budget of $8.8 million.

During 2016-17, the Commission:

- reported on the implementation of the Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019 and associated whole-of-government action plans including 193 specific actions implemented by 22 State Government agencies
- commenced a review of the Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019
- released the Queensland Aboriginal Torres Strait Islander Social and Emotional Wellbeing Action Plan 2016-18 and the Queensland Rural and Remote Action Plan 2016-18
- provided $0.9 million for 24 initiatives in the Stronger Community Mental Health and Wellbeing Grants program to enable locally-led implementation of the Queensland Mental Health, Drug and Alcohol Strategic Plan 2014-2019
- supported research to develop models for expanding the EdLinQ Program and MATES in Construction project
- completed research into tailored suicide prevention initiatives for people from culturally and linguistically diverse backgrounds
- commenced a project in south west Queensland to design and implemented a place-based approach to suicide prevention
- increased community awareness of mental health issues including through increased participation in Mental Health Week and World Suicide Prevention Day activities
- commenced 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
- continued to input into the implementation of the Mental Health Act 2016 with a focus on ensuring the principles in the Act are reflected in practice
- responded to the Public Service Commission independent review of the performance of the Commission and contributed to the *Queensland Mental Health Commission Act 2013*
- implemented efficiencies to business administration systems to ensure resources are focused on outcomes.

During 2017-18, the Commission will:

- publish a renewed Queensland Mental Health, Drug and Alcohol Strategic Plan and updated action plans focused on improving mental health and wellbeing and, reducing the impact of mental illness, problematic alcohol and other drug use and suicide
- initiate research to review the rights protection framework for Queenslanders with a mental illness
- support mental health and wellbeing hubs based in the Central Highlands, Logan and North Queensland
- design and commence implementation of an initiative to better coordinate quality mental health literacy training across Queensland
- strengthen engagement with people with lived experience and partnerships with non-government peaks and local governments.

Service Performance

Performance statement

Queensland Mental Health Commission

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 and review the whole-of-government strategic plan for mental health, alcohol and other drugs and facilitate, monitor and report on its implementation
- undertake and facilitate reviews, research and reports that support better outcomes for people experiencing mental health difficulties, mental illness and problematic alcohol and other drug use as well as people impacted by suicide
- coordinate, facilitate and support mental health awareness and promotion activities
- engage and enable the mental health alcohol and other drug sectors by establishing and supporting state wide mechanisms that are collaborative, representative, transparent and accountable.

Queensland Mental Health Commission	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Stakeholder satisfaction with:				
• opportunities to provide those with lived experience, support person and provider perspectives on mental health and substance misuse issues	1, 2	75%	51%	75%
• extent to which those with lived experience and provider perspectives are represented in strategic directions articulated by the Commission to improve the system	1	75%	59%	75%
• the range of stakeholders involved in developing and implementing solutions	1	75%	41%	75%
Efficiency measure[3]				

Notes:

1. In 2016-17, the Commission continued to engage an independent organisation to evaluate its effectiveness. An annual survey was conducted in mid-2016 the data from which was compared to results from previous years. Incremental improvement is reflected across most areas. The 75 per cent satisfaction level is a five year target and the actual figures reflect a three year result. The Commission is progressively increasing the range and depth of consultation and collaboration in specific projects and also focusing more strongly on those with lived experience and vulnerable groups. The use of social media to improve community understanding of our role and to seek feedback has been very positive and continues to expand the Commission's reach.
2. Support persons include families, carers and other supports.
3. An efficiency measure is being developed for this service area and will be included in a future *Service Delivery Statement*.

Staffing[1]

Queensland Mental Health Commission	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Queensland Mental Health Commission	1	18	18	18

Notes:

1. Full-Time Equivalents (FTEs) as at 30 June.

Income statement

Queensland Mental Health Commission	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees		..	..	..
Grants and other contributions		8,695	8,695	8,870
Interest		150	150	150
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		**8,845**	**8,845**	**9,020**
EXPENSES				
Employee expenses		2,491	2,491	2,548
Supplies and Services:				
Other supplies and services		3,320	3,320	3,375
Department of Health contract staff		..	..	..
Grants and subsidies		3,005	3,005	3,068
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		29	29	29
Losses on sale/revaluation of assets		..	..	..
Total expenses		**8,845**	**8,845**	**9,020**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Queensland Mental Health Commission	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	1	1,632	2,355	2,355
Receivables		81	110	110
Other financial assets		..	..	..
Inventories		..	..	..
Other		20	..	..
Non-financial assets held for sale		..	..	..
Total current assets		**1,733**	**2,465**	**2,465**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	2	5	121	121
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**5**	**121**	**121**
TOTAL ASSETS		**1,738**	**2,586**	**2,586**
CURRENT LIABILITIES				
Payables		211	231	231
Accrued employee benefits		59	59	59
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		55	72	72
Total current liabilities		**325**	**362**	**362**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		85	13	13
Total non-current liabilities		**85**	**13**	**13**
TOTAL LIABILITIES		**410**	**375**	**375**
NET ASSETS/(LIABILITIES)		**1,328**	**2,211**	**2,211**
EQUITY				
TOTAL EQUITY	3	**1,328**	**2,211**	**2,211**

Cash flow statement

Queensland Mental Health Commission	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		..	..	..
Grants and other contributions		8,695	8,695	8,870
Interest received		150	150	150
Other		..	..	..
Outflows:				
Employee costs		(2,491)	(2,491)	(2,548)
Supplies and services		(3,320)	(3,320)	(3,375)
Grants and subsidies		(3,005)	(3,005)	(3,068)
Borrowing costs		..	..	..
Other		(29)	(29)	(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	4	**1,632**	**2,355**	**2,355**
Cash transfers from restructure		..	..	..
Cash at the end of financial year	5	**1,632**	**2,355**	**2,355**

Explanation of variances in the financial statements

Balance sheet

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

1. Increase reflects planned consultancy work and associated costs not delivered in the current year.
2. Increase reflects depreciation costs against accommodation fitout assets transferred from the previous tenant.
3. The increase reflects $230,000 of accommodation fitout assets transferred from the previous tenant and a $653K increase in cash at bank resulting from planned consultancy work and associated costs not delivered in the current year.

Cash flow statement

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

4. Increase reflects planned consultancy work and associated costs not delivered in the previous year.
5. Increase reflects planned consultancy work and associated costs not delivered in the current year.

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 and high standards of service delivery from health practitioners and health service organisations
- delivering robust and accountable business operations and fostering a culture of transparency, accountability and continual improvement
- maintaining public confidence in the management of complaints and other matters relating to the provision of health services.

Key factors impacting on the OHO include:

- continued increases in contacts, which impact the ability to meet legislated timeframes
- increases in the number of matters resulting in immediate action
- increases in the number of matters referred to the Director of Proceedings
- increases in the number of matters heard before the Queensland Civil and Administrative Tribunal
- delays in or prohibitions against receiving information from other government bodies due to legislative barriers
- reinvestigation of some transferred matters to ensure sufficiency of evidence and adequate consideration of public interest factors.

During 2016-17 the Health, Communities, Disability Services and Domestic and Family Violence Prevention Committee conducted an inquiry into the performance of the Health Ombudsman's functions pursuant to section 179 of the *Health Ombudsman Act 2013*. The Parliamentary Committee tabled its report and accompanying recommendations on 16 December 2016, with the Queensland Government's subsequent response tabled on 16 March 2017.

Service summary

The OHO has an operating budget of $14.6 million for 2017-18, which is the same as the published 2016-17 operating budget.

The OHO 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 2016-17 include:

- development and review of operational workflows, practices and procedures to support staff in providing efficient and effective service delivery
- identification and management of immediate actions
- oversight and reporting on AHPRA and the Boards
- progressing Phase 3 of the case management system database
- scoping of a legal case management system to support litigation practises
- proposing legislative amendments to improve the effective operation of the OHO and the coregulatory system in Queensland
- preliminary work to produce nationally-consistent health service complaint data with AHPRA, as recommended by the Parliamentary Committee.

During 2017-18 the OHO will:

- continue identification and management of immediate actions and its oversight and reporting on AHPRA and the Boards
- complete Phase 3 of the case management system database
- continue development of the legal case management system to support litigation practises
- implement any legislative principles resulting from amendments to the *Health Ombudsman Act 2013* and the *Health Practitioner Regulation National Law (Queensland) 2009*
- support the Government in its work to consider and progress of recommendations from the Parliamentary Committee's inquiry report.

Service Performance

Performance Statement

Office of the Health Ombudsman

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

- 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, takes 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service standards *Effectiveness measures* Percentage of complaints received and accepted within 7 days	1	100%	69%	80%
Percentage of complaints assessed within timeframes	2	100%	50%	80%
Percentage of complaints finalised within timeframes	3	100%	96%	100%
Percentage of investigations finalised within 12 months	4	100%	32%	80%
Percentage of clients satisfied with the complaint management process	5	New measure	67%	80%
Percentage of disciplinary matters in which Queensland Civil and Administrative Tribunal (QCAT) decides there is a case to answer	6	New measure	100%	90%
Percentage of immediate action decisions upheld by QCAT at review hearings	7	New measure	100%	90%
Efficiency measure[8]				

Notes:

1. This is a measure of effectiveness that shows the timeliness of services provided. The high volume of contacts impacted on the office's ability to process matters within the seven calendar day timeframe. The Office of the Health Ombudsman (OHO) continues to review and improve on established effective business systems and processes. The 2017-18 Target/Estimate has been revised following consideration of performance to date, the ongoing review of systems and processes, and the continued increase in contacts.
2. This is a measure of effectiveness that indicates the timeliness of services provided. This service standard reports the complexity of matters, and delays in receiving information from parties and in sourcing independent clinical advice required to appropriately and effectively assess the matters has impacted on timeframes. The 2017-18 Target/Estimate has been revised following assessment of the OHO's performance and business needs since its commencement in July 2014.
3. This is a measure of effectiveness, related to the quality of services provided within the required timeframe. Resolution timeframes continue to improve and it is anticipated that the target will be met in 2017-18.
4. This is a measure of effectiveness, related to the quality of services provided within the required timeframe. This service standard reports the percentage of investigations that are effectively managed and finalised within a 12 month period. Approximately 17.87 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 that are transferred to the office by Australian Health Practitioner Regulation Agency (AHPRA) have also required re-investigation prior to completion. The 2017-18 Target/Estimate has been revised due to the percentage of matters with which the OHO cannot proceed due to QPS or Coroner involvement, and the number of transferred matters requiring re-investigation.
5. This is a new measure of effectiveness that shows the quality of services provided to clients. This service standard reports the level of client satisfaction for the complaint management service. The client satisfaction survey captures opinion trends in relation to a range of service quality measures, which are used to inform improvement initiatives. Values are compiled and averaged to obtain an overall satisfaction score.
6. This service standard acts as a measure of the effectiveness of OHO investigations and prosecutions in bringing disciplinary proceedings before QCAT. This includes the sufficiency of evidence and that public interest factors are appropriately taken into account. Matters are referred to the Director of Proceedings (DoP) following an investigation or immediate action taken by the Health Ombudsman; the DoP must then decide whether to refer the matter to QCAT for it to exercise its jurisdiction to hear and decide the matter. Only two disciplinary matters have been decided in 2016-17, which is expected to increase in 2017-18.
7. This service standard acts a measure of the effectiveness of OHO investigations and prosecutions. When immediate action is taken, a practitioner can appeal to QCAT to review the decision. QCAT will decide whether the immediate action is upheld, amended or overturned. No immediate action decision appeals were heard by QCAT in 2016-17, which is expected to increase in 2017-18.
8. An efficiency measure is being investigated and will be included in a future *Service Delivery Statement*.

Staffing[1]

Office of the Health Ombudsman	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Office of the Health Ombudsman	2	121	140	140

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Increase due to engagement of additional in investigators and case officers to manage the increasing number of complaints received.

Income statement

Health Ombudsman	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
INCOME				
User charges and fees	1,4	4,500	..	4,500
Grants and other contributions	2,5	9,868	18,443	9,868
Interest		245	80	245
Other revenue		5	5	5
Gains on sale/revaluation of assets		..	..	..
Total income		**14,618**	**18,528**	**14,618**
EXPENSES				
Employee expenses	3,6	12,381	16,206	12,381
Supplies and Services:				
Other supplies and services		2,079	2,164	2,085
Department of Health contract staff		..	..	..
Grants and subsidies		..	..	..
Depreciation and amortisation		136	136	130
Finance/borrowing costs		..	..	..
Other expenses		22	22	22
Losses on sale/revaluation of assets		..	..	..
Total expenses		**14,618**	**18,528**	**14,618**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Balance sheet

Health Ombudsman	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CURRENT ASSETS				
Cash assets	7,9	3,877	1,585	1,635
Receivables		235	283	283
Other financial assets		..	..	..
Inventories		..	..	..
Other		106	109	109
Non-financial assets held for sale		..	..	..
Total current assets		**4,218**	**1,977**	**2,027**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		201	234	104
Intangibles		..	..	..
Other		64	33	33
Total non-current assets		**265**	**267**	**137**
TOTAL ASSETS		**4,483**	**2,244**	**2,164**
CURRENT LIABILITIES				
Payables		180	147	147
Accrued employee benefits		352	558	558
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**532**	**705**	**705**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		106	156	156
Total non-current liabilities		**106**	**156**	**156**
TOTAL LIABILITIES		**638**	**861**	**861**
NET ASSETS/(LIABILITIES)		**3,845**	**1,383**	**1,303**
EQUITY				
TOTAL EQUITY	**8,10**	**3,845**	**1,383**	**1,303**

Cash flow statement

Health Ombudsman	Notes	2016-17 Budget $'000	2016-17 Est. Act. $'000	2017-18 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	11,16	4,380	(120)	4,420
Grants and other contributions	12,17	9,868	18,443	9,868
Interest received		245	80	245
Other		5	5	5
Outflows:				
Employee costs	13,18	(12,381)	(16,206)	(12,381)
Supplies and services		(2,079)	(2,164)	(2,085)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(22)	(22)	(22)
Net cash provided by or used in operating activities		**16**	**16**	**50**
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		**16**	**16**	**50**
Cash at the beginning of financial year		**3,861**	**1,569**	**1,585**
Cash transfers from restructure		..	..	..
Cash at the end of financial year	**14,15**	**3,877**	**1,585**	**1,635**

Explanation of variances in the financial statements

Income statement

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

1. The decrease of $4.5 million is due to the initial amount of regulatory funding determined by the Minister for Health provided to the Office of the Health Ombudsman by Australian Health Practitioner Regulation Agency being included in the Grants and other contributions funding.
2. The increase of $8.575 million is due to funding being provided by the Department of Health directly to the Office of the Health Ombudsman as well as extra funding from the Department of Health to ensure business continuity for the 2016-17 financial year.
3. The increase in employee expenses is due to additional investigator and case management officers to continue to manage the increasing number of complaints received.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

4. The increase is due to one-off funding and the Department of Health funding arrangements yet to be finalised.
5. The decrease is due to one-off funding and the Department of Health funding arrangements yet to be finalised.
6. The decrease in employee expenses is due to one off funding arrangements.

Balance sheet

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

7. The decrease in cash assets is due to the Office expending our grant funding to keep up with the continual growth of complaints received.
8. The decrease in total equity is due to the Office expending our grant funding to keep up with the continual growth of complaints received.

Major variations between 2016-17 Budget and 2017-18 Budget include:

9. The decrease in cash assets is due to the Office expending our grant funding to keep up with the continual growth of complaints received.
10. The decrease in total equity is due to the Office expending our grant funding to keep up with the continual growth of complaints received.

Cash flow statement

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

11. The decrease is due to the initial amount of regulatory funding determined by the Minister for Health provided to the Office of the Health Ombudsman by Australian Health Practitioner Regulation Agency being included in the Grants and other contributions funding.
12. The increase of $8.575 million is due to funding being provided by the Department of Health directly to the Office of the Health Ombudsman as well as extra funding from the Department of Health to ensure business continuity for the 2016-17 financial year.
13. The increase in employee expenses is due to additional investigator and case management officers to continue to manage the increasing number of complaints received.
14. The decrease in cash at the end of financial year is due to the Office expending our grant funding to keep up with the continual growth of complaints received.

Major variations between 2016-17 Budget and 2017-18 Budget include:

15. The decrease in cash at the end of financial year is due to the Office expending our grant funding to keep up with the continual growth of complaints received.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

16. The increase is due to one off funding and the Department of Health funding arrangements yet to be finalised.

17. The decrease is due to one off funding and the Department of Health funding arrangements yet to be finalised.
18. The decrease is due to one off funding and the Department of Health funding arrangements yet to be finalised.

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

Queensland Budget 2017-18

Service Delivery Statements

budget.qld.gov.au