South West Hospital and Health Service

2014 ANNUAL REPORT 2015

Queensland Government

Communication objective

This Annual Report aims to:

- describe our performance by communicating our achievements and performance for 2014–15; and
- be accountable and transparent by enabling the Minister for Health and the Queensland Parliament to assess our efficiency and effectiveness.

Public availability statement

Copies of this publication can be obtained at:
www.health.qld.gov.au/southwest
or by phoning **(07) 4505 1544**.

Additional information to accompany this annual report can be accessed at **http://publications.qld.gov.au**

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South West Hospital and Health Service Annual Report 2014–15

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Letter of compliance

The Honourable Cameron Dick
Minister for Health and Minister for Ambulance Services
Member for Woodridge

c-o Queensland Health
Level 19, 147 – 163 Charlotte Street
Brisbane Qld 4000

8 September 2015

Dear Minister

I am pleased to present the Annual Report 2014–15 for the South West Hospital and Health Service.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*; and
- the detailed requirements set out in the annual report requirements for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can be found on pages 36–37 of this annual report or accessed at:
www.health.qld.gov.au/southwest/

Yours sincerely

Lindsay Godfrey
Board Chair
South West Hospital and Health Service

Acknowledgement to traditional owners

The South West Hospital and Health Service respectfully acknowledges the traditional owners and custodians both past and present of the land we service.

The South West Hospital and Health Service is committed to the Closing the Gap Initiative targets to:

- close the gap in life expectancy within a generation (by 2031); and
- halve the gap in mortality rates for Indigenous children under five by 2018.

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Executive message

From the Board Chair and Health Service Chief Executive

It is with a great sense of pride that we present the third annual report of the South West Hospital and Health Service (HHS).

In doing so, we can reflect on the many achievements we have made in realising our vision – to be a respected innovative leader and partner organisation that is committed to improving and maintaining health outcomes and the well-being of our patients, our staff and our communities.

Since 1 July 2012, we have been on a challenging yet exciting journey as we have continued to evolve as a statutory body with our key focus being to provide person-centred care within a robust quality and safety framework. The mandate given to us by the government has provided opportunities to make a real difference at the local level in the delivery of health care. The South West Hospital and Health Board is committed to delivering on its strategic plan and a number of achievements have been made throughout the year.

As part of our commitment to collaboratively plan and deliver services with other health care providers, we have made significant progress in partnering with two of our local Aboriginal medical services – the Charleville and Western Areas Aboriginal and Torres Strait Islanders Community Health (CWAATSICH) and the Cunnamulla Aboriginal Corporation for Health (CACH). Innovative models are being explored and implemented to work together to pool our needs and offer a more diverse clinical package than could be achieved individually. One of the key focuses is to improve health outcomes in chronic disease.

We have seen significant improvements made in access to services and being able to provide them as close as possible to home during 2014–15. For instance, in response to increasing demands across the region, the South West HHS has started a public urology service at Roma Hospital. The South West HHS is committed to improving health services for its community and the introduction of the urology service is exciting as it can be offered to patients from across our region and obviate the need for them to travel to Toowoomba or Brisbane.

Similarly, funding for a public ophthalmology service was received and we have also been able to provide this much needed service. Our aim is to increase the number of services provided locally and we can expect to see an increase in these over the next year.

Another milestone was achieved on 1 July 2014, when clinic service operations in Bollon transitioned from Frontier Services to the South West HHS. The Bollon Community Clinic then became the fourth outpatients clinic in the South West alongside Morven, Thargomindah and Wallumbilla.

One of the greatest issues facing the delivery of health care in the South West is our geography. Again this year, considerable effort was placed into expanding telehealth across the region so our patients could access more services. We are now seeing some great opportunities with telehealth in addressing the tyranny of distance and bringing clinical services closer to home.

Another challenge has been our ability to secure a sustainable medical workforce. We continue to work closely with Queensland Country Practice in workforce redesign to develop medical models that will provide communities with regular doctors. As part of this work we have engaged with our communities and we are confident that this work will result in greater sustainability and vitality with a focus on integrated patient care.

An exciting development which began in the early part of this year was an initiative to build stronger communities in Charleville and Cunnamulla. Meetings held in both centres and supported by local councils, Aboriginal medical services and the South West HHS gave communities a voice as they discussed the challenges of unemployment, substance misuse, poor health outcomes and the subsequent impacts on their towns. Subsequently, the H.O.P.E. (hope, opportunity, pride and empowerment) project was born with the aim of developing a collaborative approach among stakeholders to create a blueprint for the future implementation of strategies to make a difference for young people in their communities. Work is progressing with the state and federal governments to identify policy changes and targeted programs that can be introduced to make a real difference and provide opportunities for people living in those areas.

During the year, the South West HHS worked closely with North West HHS and Central West HHS to tender for the role of Primary Health Network (PHN) in Western Queensland. The three hospital and health services formed a consortium, the Western Queensland Primary Care Collaborative Pty Ltd (WQ PCC) and were successful in being awarded the task of rebuilding the primary health care system in Western Queensland.

The WQ PCC will replace the Medicare Local as from 1 July 2015. The focus is on integrating primary and acute care services to improve the co-ordination of patient care across the region. The WQ PCC will partner with multiple health providers to undertake whole of health planning to better manage our diverse and sparsely populated region.

Over the past year, considerable work was undertaken in readiness for the transfer of land and building assets from 1 July 2015. South West HHS has the oldest state health infrastructure and is continuing to work with the State Government to secure funding to upgrade facilities to ensure our health services and infrastructure are improved.

The Community Advisory Networks (CANs) across the South West continued their great work in ensuring we are informed of matters concerning local services. It is a privilege to work and engage with our CANs as they are very much part of our overall team and our success with all our stakeholders depends on these important relationships. We thank you for your enormous efforts and enthusiasm.

Throughout the year, the board hosted a number of community forums as it moved its meetings around the South West. These forums provided a valuable opportunity to listen to the voice of communities and better understand and respond to their needs. The board is committed to community engagement and hearing about local health services first hand. Having the best health care in the bush will ensure our communities are sustained.

The service ended the year in a sound financial position. During the year we were able to reinvest funds carried forward from previous years in focusing on high quality healthcare by undertaking refurbishments at a number of emergency departments and upgrading staff accommodation. Financial sustainability is an ongoing challenge with the devolution of functions from the Department of Health since the establishment of the service as a statutory body. Efforts continue to have costs of delivering primary and acute care in a rural setting accurately determined as well as the capacity, capability and infrastructure required.

Our workforce is our most valuable asset and it is through the dedication and commitment of all our staff we have made significant progress. Our goal is to empower and continue to develop our workforce so that they are able to deliver service excellence and become the best in the class. To them we say thank you for your care, compassion and tremendous efforts over the past 12 months. We also thank our patients for the opportunity to serve them, along with our communities and stakeholders who have provided fantastic support.

Our staff excellence awards were a highlight of the year when fellow staff members had the opportunity to nominate their colleagues for various awards. The staff excellence awards aim to recognise and reward staff for the dedication that they show every day by serving the health needs of our communities. It is wonderful to see the great work of staff acknowledged and celebrated. Everything we do in the South West is done as a team and we recognise that everyone plays a crucial role in our success.

In May, we farewelled and thanked board members Michael Cowley and Lyn Kajewski as they completed their term of appointment and in June we welcomed new board members Claire Alexander and Alex Donoghue. We thank all the board members for the knowledge, commitment and contribution they bring to the table where the focus is our patients, their journey and experience.

The South West HHS strives to be a leader in the delivery of rural and remote health care and a contributor to viable, vibrant and energetic communities.

We commend our annual report to you and have pleasure in sharing the wonderful achievements made throughout 2014–15 in providing the best health care possible to our patients.

Lindsay Godfrey
Board Chair

Glynis Schultz
Health Service Chief Executive

The role of South West HHS

The South West HHS is a rural and remote public health service committed to providing quality, dependable, safe and sustainable healthcare.

The area covers more than 310,000 square kilometres and is bordered by three states and covers 21 per cent of Queensland. Services are provided to a population of 26,000 via 17 individual facilities.

Fast facts

703.67 staff (FTE)

$126 million Investment in care

Sites

4 Hospitals

7 Multipurpose health service centres

4 Community clinics

2 Aged care facilities

7,439 Hospital admissions

1,761 Ambulance arrivals

32,481 Emergency presentations

60,205 Outpatient services

1,386 Surgical operations

259 Births

15,573 Mental health client contacts

32,303 Oral health client contacts Weighted Occasions of Service (WOOS)

9,736 X-ray and ultrasound

9,744 Pharmacy

131 Clients requiring language support appointments

Injune Multipurpose health service centre

Nuriyn Centre Roma

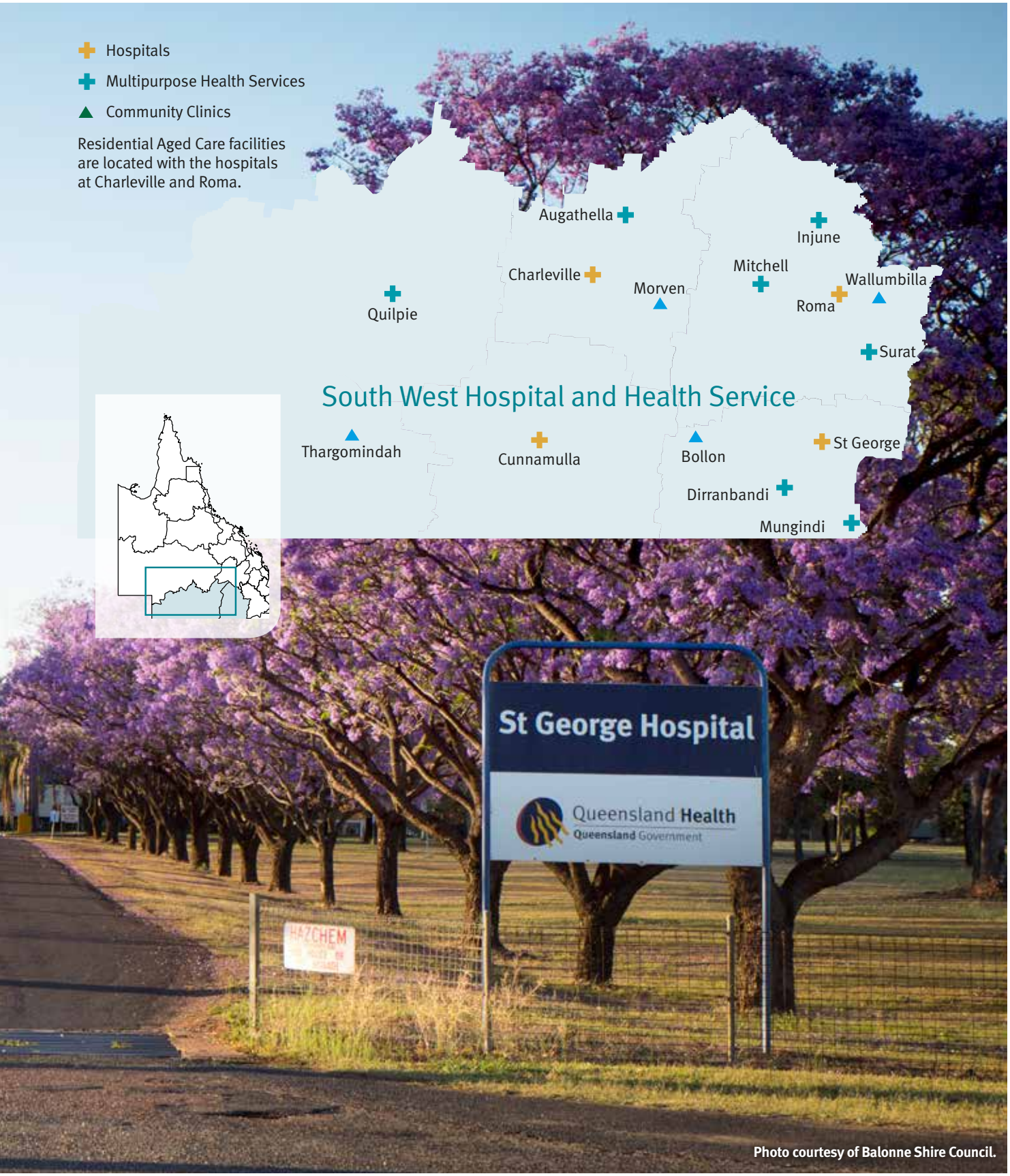


Photo courtesy of Balonne Shire Council.

Justin Cognet said the telehealth services on offer are expanding all the time.

Strategy

Increased capacity and usage of telehealth reducing the need for patients to travel.

Fast facts

776 non-admitted patients accessed telehealth services in the period July 2014–April 2015, this represents a 77% increase from the comparative period in 2013–14.

More than four times as many people are accessing health services via videoconference at Charleville Hospital since the appointment there of a dedicated telehealth clinical nurse.

As the telehealth clinical nurse at Charleville Hospital it is Justin Cognet's role to organise the specialist appointments and navigate patients through the telehealth process.

"When I started, there were around eight patients a month using the telehealth system in the hospital. Within three months, this has risen to 35-40 a month," he said.

"Telehealth is opening up a whole new world for health care in the bush by providing specialist care without the need for travel."

Mr Cognet said patients in the past had to take days off work and from their lives to travel to Brisbane or Toowoomba for what could be just a 10-minute specialist appointment. "Now we can do all that right here in Charleville with the help of modern technology," he said.

Mr Cognet believes the increase in usage is due to people becoming more aware of the service. "Telehealth is a growing service right across the South West now that we also have dedicated telehealth clinical nurses in Roma and St George," he said.

And new ways of using the service are constantly being explored.

For instance, Charleville Midwife Rob Scheerer is using telehealth so his Cunnamulla clients can dial in for their 28-week check-up with the obstetrician at Charleville Hospital without having to leave their town.

"That is saving those pregnant women from a two-hour drive each way," Mr Cognet said.

"The feedback we are receiving is really positive as they love having access to the obstetrician without having to travel."

Strategy

The "person" is the centre of our planning and delivery of services in all we say and do.

Fast facts

92% of Roma Hospital and 95% of St George Hospital patients felt they were treated with respect and dignity while they were in hospital.

The Department of Health *2014 Small Hospitals Patient Experience Survey* questioned patients about the care and treatment provided by the medical and nursing staff, their medication management and the quality of information provided to them. They were asked about their discharge process and their overall experience within the facility.

The results for this survey were released on 7 April 2015 and showed a high level of positivity generally for South West HHS health facilities. Roma Hospital's results indicated that 93% of patients were satisfied with the care they received, while St George results indicated 95% patient satisfaction.

Other facilities also received strong support from respondents but did not have sufficient responses like Roma and St George to calculate weighted averages. Facilities included in the survey were Roma, Charleville, St George, Cunnamulla, Quilpie, Injune, Augathella, Dirranbandi, Mitchell, Mungindi and Surat.

Main functions

The South West HHS is an independent statutory body controlled by a local Hospital and Health Board appointed by the Governor in Council.

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.

The service was established under the *Hospital and Health Boards Act 2011* which prescribes the functions and powers of a Hospital and Health Service. As a statutory body, the board is accountable through the Hospital and Health Board Chair to the Minister for Health for local performance, delivering local priorities and meeting national standards.

The main function is to deliver health services as agreed in the service agreement with the Department of Health.

Other key functions include:

- To ensure the operations of the service are carried out efficiently, effectively and economically
- To enter into a service agreement with the chief executive
- To comply with the health service directives that apply to the service
- To contribute to and implement state-wide service plans that apply to the service and undertake further service planning that aligns with the state-wide plans
- To monitor and improve the quality of health services delivered by the service, including, for example, by implementing national clinical standards
- To develop local clinical governance arrangements for the service
- To undertake minor capital works and major capital works approved by the chief executive, in the health service area
- To maintain land, buildings and other assets owned by the service
- To cooperate with other providers of health services, including the Department of Health and other providers of primary healthcare, in planning for and delivering health services
- To cooperate with local primary healthcare organisations to arrange for the provision of health services to public patients in private health facilities
- To manage the performance of the service against the performance measures stated in the service agreement
- To provide performance data and other data to the chief executive
- To consult with health professionals working in the service, health consumers and members of the community about the provision of health services.

The service is:

- Subject to the *Financial Accountability Act 2009*, *Statutory Bodies Financial Arrangements Act 1982* and *Public Service Act 2008*
- A unit of public administration under the *Crime and Corruption Act 2001*
- A body representing the State and with the privileges and immunities of the State
- A legal entity that can sue and be sued in its corporate name.

South West HHS Clinical Services

A range of services and programs are provided through the various facilities. Not all facilities provide all services and some services may be provided only in a limited capacity, during emergencies. Some outpatient services are provided by visiting clinicians and/or through telehealth.

Surgical: ophthalmology, general surgery, urology, gynaecology and dental.

Medical: cardiology, pharmacy and clinical pharmacology, paediatrics and palliative care services.

Women's and newborn: gynaecology, obstetric service, paediatric services and breast health.

Critical care: emergency medicine.

Aged care: residential aged care services provided at Waroona and Westhaven.

Subacute services: palliative care, rehabilitation, transition care, hospital in the home, psychogeriatric, geriatric evaluation and management, acquired brain injury, intellectual and physical disability.

Mental health services: child and adolescent psychiatry, alcohol, tobacco and other drug services, geriatric psychiatry and community mental health services.

Oral health services: general practice oral health services for children and adults. Dental general anaesthetic services for children and adults.

Community and allied health: 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 and school-based health nursing; sexual health service; speech therapy; occupational therapy; nutrition and dietitian services; health promotion programs; physiotherapists; social worker; podiatrist; continence and diabetes management and education; cardiac, rehabilitation and cardiology; mobile women's health nurse and community hospital interface program.

Operating environment

As an independent statutory body governed by the South West Hospital and Health Board, we are responsible to the Minister for Health and local community.

Our obligations and responsibilities are set out in the *Hospital and Health Boards Act 2011* and the *Financial Accountability Act 2009* and subordinate legislation. The service is responsible for specific statutory functions in accordance with Section 19 of the *Hospital and Health Boards Act 2011*.

South West HHS is responsible for the direct management of the facilities within its geographical boundaries including hospitals, multipurpose health services (MPHS), residential aged care services and community clinics:

- Augathella MPHS
- Bollon Community Clinic
- Charleville Hospital
- Cunnamulla Hospital
- Dirranbandi MPHS
- Injune MPHS
- Mitchell MPHS
- Morven Community Clinic
- Mungindi MPHS
- Quilpie MPHS
- Roma Hospital
- St George Hospital
- Surat MPHS
- Thargomindah Community Clinic
- Wallumbilla Community Clinic
- Waroona Residential Aged Care Facility
- Westhaven Residential Aged Care Facility.

We operate according to a service agreement with the Department of Health, which identifies the services to be provided, the funding arrangements for our services, the defined performance indicators and targets to ensure outcomes are achieved, and how the Department of Health will manage our performance and reporting requirements.

The service agreement establishes the funding arrangements. The main sources of funding that contribute to our service agreement budget are:

- State funding
- Commonwealth funding
- Grants and contributions
- Own source revenue.

As part of the service's commitment to providing enhanced health outcomes for its patients, a number of arrangements are in place with other primary care providers, including Aboriginal medical services, the Royal Flying Doctor Service and a number of private allied health service providers. The service has also been actively involved in the South West Health Partnership Council which was facilitated by the former Darling Downs South West Queensland Medicare Local (DDSWQML) where primary healthcare partners work together to improve service delivery coordination and develop opportunities.

Linkages are also maintained with local government representatives within the region. There are six local government areas within the service. The service values these partnerships as they help us to understand and respond to local needs and provide a platform for improved integration of services across the service.

The service interfaces with a number of government departments and agencies to provide services to the community. The Home and Community Care Program, jointly funded by the Queensland and Australian governments, provides basic maintenance and support services to help frail older people and younger people with disabilities. The Department of Communities provides funding for the Charleville and District Healthy Ageing Program, which supports older people to develop and manage healthy ageing programs in their communities. Community Aged Care Packages (CACPs) are individually planned and coordinated packages of care tailored to help older community members to continue living in their own homes.

Strategic risks

The service identified a number of strategic risks at the beginning of the 2014–15 financial year which have the potential to impact on the ability of the service to achieve its purpose. These include:

Workforce: the capacity and capability of the workforce is insufficient to meet service needs.

Change: the quantity and significance of major changes, including the national health reform, transfer of land and assets and prescribed employer status, may have a considerable impact on the capacity of the South West HHS.

Financial: maintaining financial integrity, and delivering services within the national efficient price to a diverse and widely dispersed population.

Infrastructure: the age and condition of the infrastructure poses a financial risk and may be a rate limiting factor in delivering contemporary models of care.

Health Status: recognise the burden of disease and low health literacy and tyranny of distance in the South West that contribute to reduced health outcomes.

Charleville Hospital case load midwives Rob Scheerer and Nicola Rigby.

Strategy

Increased capacity and usage of telehealth reducing the need for patients to travel.

Fast fact

In 2014–15 90% of Aboriginal and Torres Strait Islander women across the South West HHS attended five or more antenatal visits.

Caseload midwifery is a program that allows expectant mothers to receive care throughout their pregnancy, birth and after their birth from the same midwife.

Charleville midwife Rob Scheerer said caseload midwifery had been very successful in Charleville because women were able to birth with a known midwife who was not a stranger and who helped to make them comfortable. Charleville caseload midwives also offer the service to Cunnamulla women birthing at Charleville Hospital.

"Pregnancy and labour are very intimate for women and, as midwives, we want to support them as best we can, and the caseload model allows us to do that," Mr Scheerer said. "Under the caseload model, by the time a woman is ready for labour, she will have a strong relationship with her midwife and that helps to make her comfortable and empowered during the birth. The model also includes extensive antenatal support and in-home visits and support for up to six weeks after the birth."

Mr Scheerer said the benefits of caseload midwifery had been extensive because it gave women continuity in their care and they knew what to expect from their midwife.

"Continuity of care decreases caesarean section rates, the need for medical interventions, postnatal depression rates, the risk of pre-term birth, special care nursery admissions and the need for pain relief, such as an epidural," he said.

"We have received really positive feedback from our mothers and we are starting to see more local mothers choose to have their babies in Charleville, which is a great reflection on our service."

Roma Hospital Director of Medical Services Dr Deepak Doshi and Theatre Nurse Jenny Gilbert.

Strategy

Service models are refined to improve access to services locally.

Fast fact

8% increase in number of surgical procedures.

The South West HHS has opened a new public urology service at the Roma Hospital in response to increasing regional demand.

Urology is a surgical specialty which deals with urinary tract disorders involving the bladder, kidneys and adrenal glands as well as diseases involving the male reproductive organs such as the prostate.

Roma Hospital Director of Medical Services, Dr Deepak Doshi said the South West HHS was committed to improving access to health services for the community.

"At present there is no waiting list for urological surgical procedures and I would encourage everyone to take advantage of this new service," he said. "It is now up to the community to utilise these services so we will be able to keep them in the bush."

Operating environment

Strategic opportunities

The strategic opportunities that have been identified are:

Addressing the tyranny of distance through the increased use of telehealth to enable new models of health care and management.

Enhancing community and consumer engagement in service planning, service delivery, performance monitoring and evaluation.

Connecting people by fostering strong working internal and external relationships.

Adapting to changing circumstances, encouraging persistence, reflecting and sharing through our experiences, our successes and our failures and reassessing and responding to challenges, and Implementation of the Queensland Rural and Remote Health Service Framework, 2014.

The strategic challenges that have been identified are:

- The compound effect of differential rates of population growth in the South West, population ageing, population dispersion and below average health status present a significant challenge for the catchment as well as a major opportunity for service development.
- The changing nature of disease and injury, in particular the increase in chronic disease across all ages; and
- Consumer, community and government expectations regarding access to and performance of health services.

Machinery of government changes

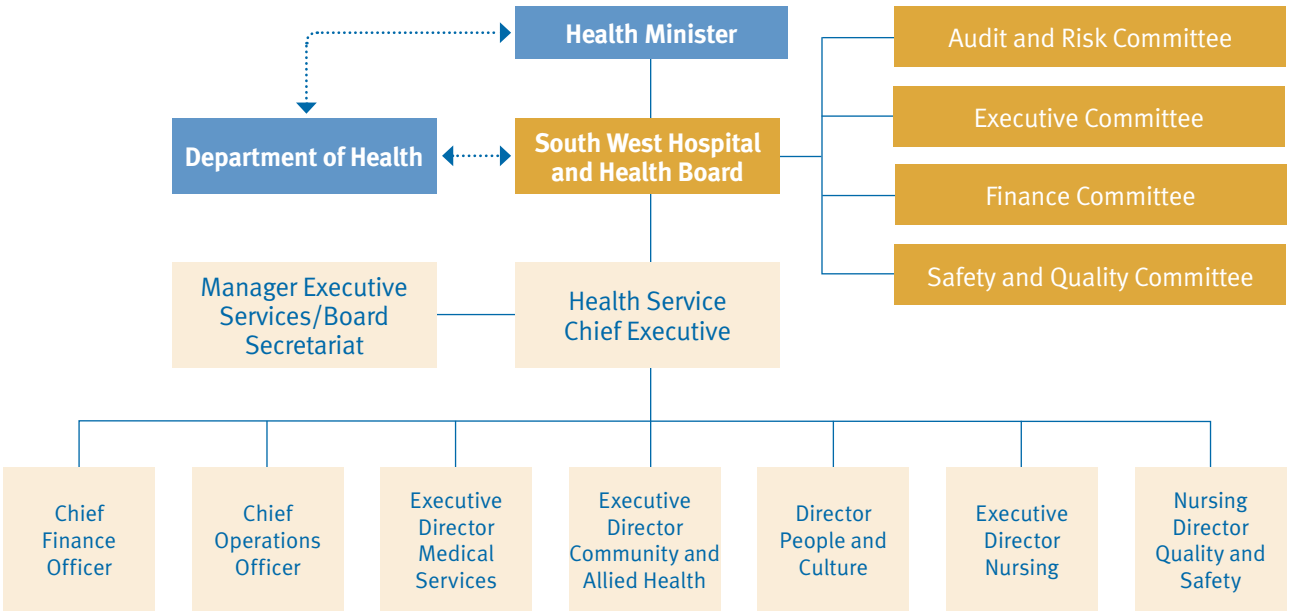
The Government established a Government Employee Housing (GEH) Project which focused on efficient and effective management and maintenance of the government's property assets. The project saw government employee housing centralised under the management and ownership of the Department of Housing and Public Works (DHPW).

The South West HHS transferred ownership of twenty-six properties under the GEH Project in 2014.

Organisation structure

Good governance is fundamental to achieving outcomes by setting up effective mechanisms and moving beyond compliance to focus on the achievement of objectives.

Governance encompasses the framework of processes, policies and systems by which we are directed, controlled and held to account. Governance occurs through various mechanisms, including the organisational structure and culture, policies, processes for delegating authority, and governance committees and their respective responsibilities and authority.



The newly delivered Dental Drover (pictured) also has been heading out west and has completed outreach to school students in Thargomindah and Quilpie, with Cunnamulla scheduled for completion by the end of September.

Strategy

Oral health services contribute to improving the physical and emotional wellbeing of clients and reducing the risk of secondary conditions related to poor oral health.

This commitment to improving oral health services has resulted in dental waiting lists being slashed in Roma and Charleville.

South West HHS Principal Dentist, Dr Mark Dohlad said the public dental services in both towns over the past year had recorded one of their busiest periods. He said the implementation of new policies and the addition of several new staff had enabled the dental services to perform well above target.

Dr Dohlad said the whole dental team have been focusing on reducing wait times and improving the patient experience.

"Just one example of the improved patient focus is our implementation of post treatment calls to check on patients after major work," he said.

"It has never been easier to see the dentist," he said.

Dr Dohlad said the team was also working to ensure no lag in follow-up appointments.

"We are trying to make it as easy as possible for people to access our dental services because good oral health is fundamental to overall wellbeing and quality of life," he said.

"My number one health message is that a healthy smile means a healthy you."

This year also has seen the addition of a highly experienced senior dental assistant and dental therapist to the oral health team.

Fast facts

South West HHS funded/ required WOOS for 2014–15 was 27,281 and the WOOS achieved for the 2014–15 year was 32,303.

Therefore the South West HHS has achieved 5,022 WOOS above target, which is 18.4% achieved above funded WOOS.

March 2014
162
People waiting less than 12 months
46
March 2015

March 2014
54
People waiting 1–2 years
8
March 2015

People waiting over 2 years
0

Government objectives for the community

The South West HHS Strategic Plan (2014–2018 updated) objectives and performance indicators align with the government objectives for the community:

- Creating jobs and a diverse economy
- Delivering quality frontline services
- Protecting the environment
- Building safe, caring and connected communities.

The South West HHS strategic objectives in 2015–16 focus on building on current strategies to deliver the principal themes articulated in the Queensland Government's objectives for the community to deliver quality frontline services, build safe, caring and connected communities and deliver new infrastructure through:

- building on continuous improvement and patient safety programs to embed them as part of everyday business
- attracting, retaining and developing a motivated healthcare workforce to meet our communities' future needs
- addressing and improving population health challenges and risks
- enhancing engagement and developing closer working relationships with community groups, general practice and other primary health providers to deliver mental health services.

Other whole-of-government plans/specific initiatives

In line with the National Indigenous Reform Agreement, the South West HHS continues to work to improve health outcomes for Aboriginal and Torres Strait Islander Queenslanders. The South West HHS maintains a number of partnerships with Aboriginal medical services to help improve health service coordination for Indigenous communities. It is also important that culturally responsible health services are delivered. An Aboriginal and Torres Strait Islander Cultural Practice Program is mandatory for all staff to instil in them the knowledge and skills to support culturally capable care.

Mental health and alcohol and other drug treatment services are provided by the South West HHS and these services align with the principles, priorities and outcomes in the Fourth National Mental Health Plan and the National Drug Strategy 2010–2015.

The South West HHS, in accordance with the Queensland Government's commitment to building safe, caring and connected communities, provides numerous programs to minimise alcohol, tobacco and other drug-related health, social and economic harm.

Objectives and performance indicators

The South West HHS's performance in 2014–15 has maintained or exceeded targets for each of the key performance indicators included in its service agreement with the Department of Health. Key achievements include:

- reduction in Aboriginal and Torres Strait Islander preventable hospitalisations
- exceeded utilisation of telehealth across the HHS
- significantly reduced the dental waiting list with zero patients waiting longer than two years for general dental care
- meeting targets for the backlog maintenance remediation program to support building compliance regulations
- commenced ophthalmology and urology public services to meet the needs of the community
- increase in overall activity
- improving local access to services and building relationships with community and key stakeholders.

In 2015–16 the South West HHS will focus on:

- furthering expansion of telehealth services and the use of information communication technology
- progressing master planning for the Roma Hospital campus
- delivering clinical services closer to home with additional funding to support the establishment of surgical services providing outpatient services and simple procedures two days per month. Other service improvements include cancer, ophthalmology, urology and perioperative services.

Service areas and service standards

The South West HHS operates within the Performance Management Framework for Queensland Hospitals and Health Services. This is a robust system for the reporting and monitoring of performance information and ensures the service is locally accountable for the delivery of the services and obligations outlined in their service agreement with the Department of Health.

The key performance indicators used to monitor the extent to which the service is delivering the objectives set out in the service agreement are identified under the following performance domains:

- Safety and quality
- Access
- Efficiency and financial performance.

The South West HHS:

- has two aged care facilities accredited and meeting all 44 expected outcomes
- continues to be certified against AS/NZS ISO 9001:2008 until 14 March 2017
- Accredited against the 10 National Safety and Quality Health Service (NSQHS) Standards
- In conjunction with the ISO recertification audit and the NSQHS audit, the South West HHS was audited against the National Standards for Mental Health Service (NSMHS).

The South West HHS is committed to maintaining a continuous improvement methodology to deliver safe, quality clinical services.

- Total reported medications administration incidents per 1000 accrued bed days: 6.35/1000 accrued bed days with no patient harm. State average of 4.48.
- Total reported falls per 1000 accrued bed days: 5.01/1000 accrued bed days with 4.80 being no patient harm. State average was 4.98.
- Rate of hospital acquired pressure injuries: 1.13/100 accrued bed days as compared to the State average of 1.35.
- Ensuring quality frontline services are delivered, a $3.3 million upgrade and refurbishment program is almost complete at the Charleville Hospital, as part of a $51.58 million state-wide rural hospital rectification works program.
- Another $2 million is being spent on upgrading ageing water piping at Charleville Hospital, with completion also expected by August 2015. A $3 million upgrade to the Roma Hospital including updates to essential fire and electrical safety systems was completed this financial year.

Master planning for the long-term future of the Roma and Charleville hospitals was completed in mid-2014 and a formal request submitted to government for the construction of new hospitals at each centre. This request will be considered as part of future government capital works programs. A $814,000 refurbishment of the emergency department at St George Hospital was completed in late 2014.

The upgrade includes a triage area to improve workflow and patient confidentiality. The work was funded by the South West Hospital HHS out of its 2013–14 budget community dividend.

Public Service Values

South West HHS is committed to upholding the Queensland Public Service Values. In alignment with these values our ambition is to be a high performing, impartial and productive workforce that puts our health consumers first.

Queensland's public sector has five organisational values to support this goal. The values are the building blocks for our workplace culture.

Customers first

- Know your customers
- Deliver what matters
- Make decisions with empathy

Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries

Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback

Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency

Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

Financial highlights

South West HHS achieved a strong financial outcome for the year ended 30 June 2015 recording a $3.8 million operational surplus. This represents 3% of our revenue base of $126.7 million.

This surplus will allow South West HHS to continue to reinvest into priority areas but also allow investing in strategic initiatives designed to create longer term financial sustainability.

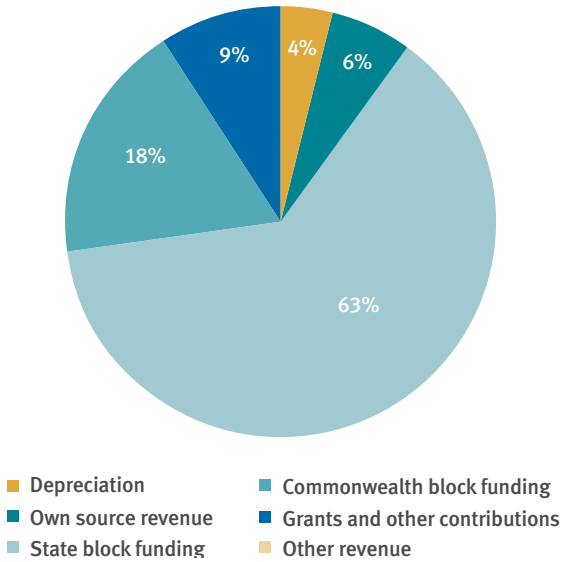
Where the funds come from

South West HHS income includes operational revenue which is sourced from five major areas:

- State Government contribution for purchased activity for block funded services
- Commonwealth contribution for purchased activity for block funded services
- Grants and contributions such as home and community care, nursing home revenue and specific purpose grants
- Depreciation and amortisation
- Own-sourced revenue generated from private practice and inpatient bed fees.

The revenue chart in Figure 1 below indicates the extent of these funding sources for 2014–15.

Figure 1: Revenue by funding source



Where the money goes

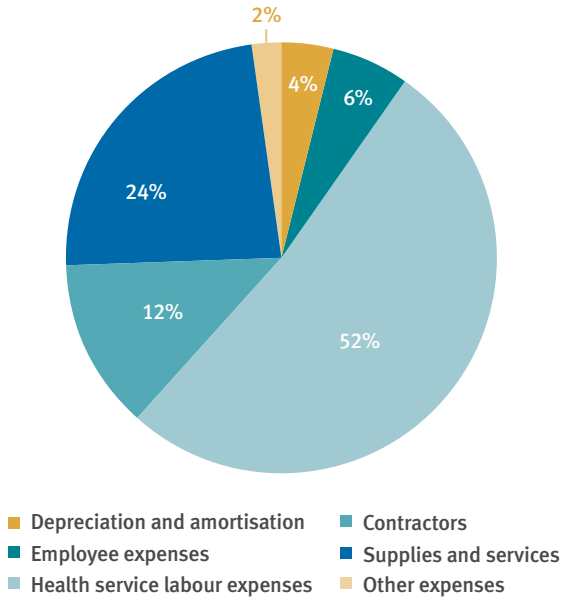
The total expenses for South West HHS were $122.9 million, averaging $337,000 per day on servicing clients in the South West HHS.

Labour is the biggest component of our budget with 71% in total. This includes employee expenses, health service labour expenses and contractors, with the majority being medical locums.

Labour expenses remained relatively constant with 689 full-time equivalents at 30 June 2015 compared to 687 at 30 June 2014.

Figure 2 provides a breakdown of expenditure of the main categories.

Figure 2: Expenditure by category



- There is a 7% increase in supplies and services (excluding contractors) from 2013–14 to 2014–15 mostly due to increases in backlog maintenance and patient travel.
- Building services increase is due to $179,000 for building condition assessments and $490,000 backlog maintenance program including electrical upgrades.
- The increase in contractors is due to two doctors resigning and backfilling with locum doctors.
- Pharmaceutical supplies in FY2014 were reported in the financial summary as an increase however drug supplies have remained consistent over the past three years.
- Patient travel increase is consistent with the increases in accommodation allowances.
- Repairs and maintenance $355,000 increase is due to backlog maintenance program.

Backlog maintenance program

$7.1 million investment over 4 years for maintenance and rehabilitation works to rejuvenate buildings and other facilities across South West HHS. 2014–15 is the second year of this program with two more years of funding available. The State Government provided this funding to fix the backlog of maintenance work. This is in addition to the services regular repairs and maintenance budget.

Community reinvestment

In spite of the result achieved by South West HHS, the financial sustainability of services of the HHS remains a close focus.

The Board approved $4 million investments, as a community reinvestment, to improve local services including:

- $1.4 million refurbishment of Injune and St George emergency departments.
- $2.6 million project to build staffing accommodation at Roma, Injune, Surat and Dirranbandi for staff attraction and retention.

Balance of the funds are shown in Figure 3.

Figure 3: Major components of supplies and services

	FY 2015 $000's	FY 2014 $000's	Change $000's
Building services	1,340	671	669
Consultants and contractors	15,377	14,291	1,086
Pharmaceutical supplies	944	913	31
Patient travel	2,396	1,779	617
Repairs and maintenance	4,501	4,146	355

Figure 4: Accumulated surplus reconciliation

	$000's	$000's
2012–13	6,019	
2013–14	1,929	
2014–15	3,841	11,789
Emergency department upgrades	1,364	
Accommodation	2,678	4,042
Balance of funds		**7,747**

Strategy

Plan and deliver infrastructure budgets on time and on budget and with value for the taxpayer.

The refurbishment and reconfiguration of the triage and emergency department area at St George Hospital has improved patient flow and privacy at a cost of $814,000.

The emergency department at Injune has been expanded and improved at a cost of about $808,000 and now offers two treatment bays and improved access from the ambulance bay and to the medical imaging unit.

South West HHS Board

The South West HHS Board is an independent statutory body appointed by the Governor-in-Council with a significant role in providing astute leadership, strategic direction, a client focus, financial accountability, ethical behaviour and effective planning.

The board is a professional skills-based board with members that possess skills and expertise in health management, primary health care, clinical areas, business management, financial management, compliance, legal and knowledge of consumer and community issues.

The board is responsible for setting the strategic direction for the service and, with the Chief Executive, will be accountable for its performance. The Chief Executive is appointed by the board and reports to the board. The board has responsibility for the delivery of hospital and health services in accordance with the terms of the service agreement.

The board is legally accountable for the South West HHS's operations and sets the policies to guide the service to achieve objectives.

Advice and recommendations are provided by the Chief Executive on key strategic issues.

The Chief Executive has a number of core responsibilities, including service planning and delivery, governance, risk management and compliance and performance and reporting. The board has judicious monitoring systems in place to monitor performance. The board operates in accordance with its terms of reference and business rules and is accountable to the Minister for Health.

The board meets on a monthly basis and its usual place of meeting is Roma.

During the 2014–15 year there were 12 board meetings. A number of extra-ordinary meetings were also held to discuss specific issues. Board decision-making is supported by board briefing papers and a number of standing items are on board agendas, such as risk, compliance and community engagement. The Chief Executive attends all board meetings, with other executives attending as required.

South West Hospital and Health Board Chair Lindsay Godfrey said: "Throughout the South West HHS, we look after 15 different communities and each of those communities are distinct and have unique needs. The CANs make sure the board understands what those needs are. The groups are our conduit to the towns so that we can tap into their local knowledge."

Board members
Committee membership

Audit and Risk Committee
- **Karen Prentis** *(Chair)*
- **Richard Moore**
- **Michael Cowley** *(01.07.14 – 17.05.15)*
- **James Hetherington**
- **Lyn Kajewski** *(01.07.14 – 17.05.15)*
- **Lesley Lalley** *(non-board external member) (01.07.14 – 23.03.15)*

Executive Committee
- **Full board**

Finance Committee
- **James Hetherington** *(Chair)*
- **Michael Cowley** *(01.07.14 – 17.05.15)*
- **Lyn Kajewski** *(01.07.14 – 17.05.15)*
- **Richard Moore**
- **Karen Prentis**
- **Lesley Lalley** *(non-Board external member) (01.07.14 – 23.03.15)*

Safety and Quality Committee
- **Heather Hall** *(Chair)*
- **Lindsay Godfrey**
- **Fiona Gaske** *(01.07.14 – 17.05.15)*
- **Dr John Scott** *(01.07.14 – 17.05.15)*

Lindsay Godfrey
Board Chair

Mr Lindsay Godfrey is the Mayor of the Paroo Shire Council and an experienced South West Queensland grazier. He is a dedicated and committed community member, serving on many industry and local groups and committees.

Mr Godfrey is a wool and beef producer from Tinnenburra, 100km south of Cunnamulla.

He and his wife Carol have been trading as Tinnenburra Pastoral Company since 1980.

Their family company currently operates a diverse range of property and farm related assets over a wide area. He was awarded the Diligent and Ethics Service Medal in 2014.

Over past years, Mr Godfrey has participated in a large number of industry, commercial and club positions.

Mr Godfrey has a Bachelor of Business (Economics and Ethics) from the University of Southern Queensland and has attended the Australian Rural Leadership Program (Course 4), and is a member of the Australian Institute of Company Directors.

Richard Moore
Board member

Richard Moore is the Queensland and Pacific Manager at the Australian Institute of Company Directors, the peak body for directors, offering education and professional development, director specific information services, and representation of directors' interests to government and regulators. He has held this position since 2004.

Richard started his career as a Geological Data Engineer in the oil and gas industry, and has more than 25 years' experience in general management, both here and overseas, including over 20 years in senior management positions.

Mr Moore is a graduate of the AICD Company Directors Course and the Harvard University Corporate Governance program.

Directorships previously held include: Townsville-Mackay Medicare Local Board; GP Partners – Brisbane North Division of General Practice; Cystic Fibrosis Queensland; Queensland Private Enterprise Centre Inc. and Defence Reserves Support Council.

Board members

Alexandra Donoghue
Board member
Appointed 26 June 2015

Mrs Alexandra Donoghue is a highly experienced, client centred and clinically sound, occupational therapist with a 15 year specialised interest in mental health-related therapy. Alexandra's specialist knowledge has led her to work in Intensive, acute and community psychiatric care both nationally and internationally. She has had the opportunity to lecture and provide tutorials to third-year occupational therapy students at University of Newcastle on the role of occupational therapy in mental health. She lives on a station between Cunnamulla and Bollon with her family.

Mrs Donoghue graduated from the University of Sydney with a Bachelor of Applied Science (Occupational Therapy) in 1994.

Alexandra has a range of specialised skills, including dialectal behaviour therapy and skills in cognitive behaviour therapy in the treatment of depression. She has provided locum occupational therapy services in the mental health area to the South West HHS at various times since 2008.

Currently, Alexandra is a private mental health professional servicing St George Medical Practice, Goondir Health Service (St George) and Dirranbandi Hospital.

Heather Hall
Board member

Ms Heather Hall has extensive experience working in the healthcare sector for community and government organisations in the South West region. During her career, Ms Hall has been recognised for her outstanding service to outback communities and for excellence and innovation in her field.

Ms Hall has more than 20 years' experience working in community healthcare. She is currently the Community Services Manager for Anglicare South Queensland Rural and previously, she worked as clinical nurse.

Ms Hall is a member of the Surat Basin Workforce Council. She has held the position of South West Board Member for Connecting Health Care in the Community, a non-GP board member for R Health, and board member for Enable Care Services.

Ms Hall holds a Bachelor of Health Science in Nursing, Certificate in Chemotherapy Nursing, Diploma of Business Management, Certificate of Palliative Care, a General Nursing Certificate and a Graduate Diploma in Business Management.

Dr John Scott
Board member
18 May 2014 – 17 May 2015;
Appointed 26 June 2015

Dr John Scott is a Brisbane-based doctor who has worked as a general practitioner in managerial roles and for a short time as a tertiary educator. He brings a wealth of medical, managerial and fiscal skills and experience to the South West.

Dr John Scott has an MBBS, a Bachelor of Economics, a Master of Applied Epidemiology, and Fellowships of the College of GPs and the Faculty of Public Health Medicine.

Dr Scott works in health service redesign as Senior Medical Advisor, Queensland Country Practice. Previously he worked as a locum in general practice in mostly rural and remote locations from 2008 to 2014, established a Centre for Young People's Health at the University of Queensland during 2006 and 2007, and from 1995 to 2005 held senior roles with Queensland Health, including Senior Executive Director of Health Services and State Manager of Public Health Services. He worked in general practice in North Queensland from 1981 to 1992 after training as a Registrar at Toowoomba where he was awarded the Diploma of Obstetrics.

In 2004–05 Dr Scott was awarded the Sidney Sax Medal of the Public Health Association of Australia.

Claire Alexander
Board member
Appointed 26 June 2015

Mrs Claire Alexander is a highly experienced, analytical and strategic professional in the specialist field of strategic financial management, in both public and private sectors. She is a certified practising accountant with extensive knowledge in accounting principles and Australian Accounting standards.

Ms Alexander graduated from Griffith University in 1995 and received a Masters of Business Administration from the University of New England and was awarded the Public Practice Certificate CPA Australia in 2012.

Claire has worked extensively with company and organisational boards, chief executive officers and audit committees. She has experienced a diverse career geographically, starting in Noosa in 2000 and providing services throughout Queensland as a financial consultant for Cook, Murweh, Boulia, Bulloo, Quilpie, Paroo and Georgetown Shire Councils.

Claire undertook finance consultancy services for Seqwater from 2009–2012 and had a number of key achievements including management of long-term financial modelling.

Currently Claire is contracted to Maranoa Regional Council and Paroo Shire Council as a Strategic Financial Consultant.

Michael Cowley
Board Member
18 May 2014 – 17 May 2015

Mr Michael Cowley is a St George local and Director of Fox and Thomas Business Lawyers. He has spent more than 15 years advising individuals, business and the rural sector on legal issues. Mr Cowley understands and appreciates the legal issues which affect rural communities and the business, and particularly agribusiness, sectors. He is a recognised leader in western Queensland on legal issues around water rights and entitlements.

Mr Cowley is one of three directors of Fox and Thomas and is the director in charge of the St George office. His practice covers a wide range of legal issues, with particular expertise in the areas of rural property and water entitlements, business structuring and succession and estate planning.

He has served on the South West HHS Board for two years and is a member of the Queensland Law Society, New South Wales Law Society, Downs and South-West Queensland Law Association and Law Australia.

Mr Cowley has a Bachelor of Commerce and Bachelor of Laws (BCom/LLB).

Lyn Kajewski
Board member
18 May 2014 – 17 May 2015

Ms Lyn Kajewski has played a strong community role in Roma, South West Queensland. She had many years experience as a local councillor and previously held the position of Deputy Mayor of Roma.

Between 2000 and 2004, Ms Kajewski served on Roma Town Council as a Councillor responsible for ambulance, tourism and the Murray-Darling Basin. She then served as Deputy Mayor between 2005 and 2008, when the town of Roma was merged with the shires of Bendemere, Booringa, Bungil and Warroo to become the Roma Regional Council. From 2009, the new council became known as the Maranoa Regional Council.

Ms Kajweski's contribution to the rural community and industry was formally recognised when she received the Roma Community Award for Contributions to Rural Industry. She was a state winner and national finalist in the Timber Communities of Australia, and was Roma's 2010 Citizen of the Year.

Board members

James Hetherington
Board member

Mr James Hetherington is a highly respected and experienced grazier within South West Queensland. He is also a dedicated and committed community member, serving on many local Dirranbandi and district advisory groups and committees.

Mr Hetherington has a Bachelor of Commerce degree from the University of Queensland in 1979.

In 1981, Mr Hetherington was appointed property manager of Nindi-Thana, one of his family's properties, and assisted with the finance, accounting and wool marketing responsibilities for the family group. Mr Hetherington was appointed director of the business in July 1999 and officially assumed the finance director and secretary positions, with full responsibility for its finance, account and wool marketing.

Mr Hetherington is currently Finance Director and Secretary of J W Hetherington Pty Ltd. As well as running his family's business venture, Mr Hetherington is also heavily involved in his local community and health services and is an active member of many organisations in the South West.

Fiona Gaske
Board member
18 May 2014 – 17 May 2015; Appointed 26 June 2015

Ms Fiona Gaske is a Councillor for Balonne Shire Council, a highly experienced Speech Pathologist and an active member of the St George community. She is a passionate advocate for public health services and the arts in rural areas. Ms Gaske was elected as a councillor in 2012 and maintains a diverse range of portfolios including public health and arts and culture as well as chairing several committees including information communication technology, parks and gardens and the local Regional Arts Development Fund committee. Ms Gaske also served as the chair of the St George Community Advisory Network for two years from its inception in 2012.

From 2008 until 2013, Ms Gaske worked as a speech pathologist in the St George Primary Health Care Unit and is a highly experienced rural generalist practitioner. She has also worked as an allied health co-ordinator in a rural setting and as a speech pathologist at the Royal Brisbane and Women's Hospital, having been chosen from her graduating year for their highly sought after Graduate Program.

Ms Gaske was published in the Disability and Rehabilitation peer-reviewed academic journal in 2004 and holds a Master of Speech Pathology Studies and a Bachelor of Music. She received a Merit-based Postgraduate Equity Scholarship and a Dean's Commendation for High Achievement while at university.

In 2014, Ms Gaske was a finalist in the Queensland Rural and Remote Women's Network Leadership Awards for Professional excellence. She currently lives in St George with her husband, Andrew and their two young children.

Karen Prentis
Board member

Ms Karen Prentis has more than 30 years of experience in the financial services industry, including senior executive roles in commercial banking, corporate services and funds management. Ms Prentis' breadth of experience has spanned the private and public sectors.

After early career appointments in the banking sector and Queensland Treasury, her focus and expertise developed predominantly in the area of corporate governance, compliance and risk management. She gained significant industry experience in senior executive positions with listed entities in the financial services industry.

Ms Prentis is an executive and external director with extensive experience in providing leadership in the development of strong corporate governance and risk management and developing and monitoring compliance structures for public and private organisations, including companies with financial services registered with ASIC.

Ms Prentis has a Bachelor of Economics from James Cook University and a Master of Administration from Griffith University Brisbane, where she was awarded the Griffith University Postgraduate HECS Award.

Board Chair Lindsay Godfrey with the CAN Chairs.

Strategy

Remain in touch with the community, undertake environmental scans and develop service capability and flexibility.

The Consumer and Community Engagement Strategy is our guiding document to assist in planning meaningful and transparent engagement with our stakeholders.

The service recognises the immense value of consulting with our communities to obtain and provide feedback on services, strategic and planning initiatives, models of care and needs that are specific to each community.

Community Advisory Network (CAN) groups have been established across all sites. Individual CANs meet on a regular basis. The chairs of each group also meet as a collective with the South West Hospital and Health Board on a regular basis.

Executive management team

The Executive Management Team (EMT) is the peak hospital and health service forum for leadership and management of the South West HHS and is responsible for championing the vision, values and strategic direction of the service.

The team ensures significant issues of shared or common interest relevant to the service's delivery of safe, cost effective and quality services are considered and addressed in a collaborative way with all relevant stakeholders.

Policy and practice requirements which are fundamental to ensuring the effective delivery of health services are also identified and addressed by the EMT.

The EMT is committed to influencing the organisation through a culture of accountability, service, safety, operational excellence and organisational learning. It operates in an environment of collective leadership, professional respect and courtesy, mutual support, innovation and teamwork.

Glynis Schultz
Health Service Chief Executive

Ms Glynis Schultz has worked in both clinical and corporate roles.

Ms Schultz has worked in the Department of Health in leadership, managerial and senior director roles, including workforce planning and development and as the Senior Director of the Office of Rural and Remote Health. In 2011, she was awarded an Australia Day Certificate of Achievement Award for her role in piloting a new workforce role.

Ms Schultz has completed academic studies in nursing science, health management, education and training and policy analysis.

Ms Schultz has a strong history and affinity with rural and remote Queensland which began with her childhood in Cloncurry in North West Queensland and she feels privileged to be able to serve the people of the South West through the delivery of health services.

Meryl Brumpton
Chief Operations Officer

Mrs Meryl Brumpton was appointed as Chief Operations Officer in November 2008. Mrs Brumpton has acted as Chief Executive Officer for more than a 12-month period, on a number of occasions. She has worked in South West Queensland in senior State Government positions for 30 years, with 16 years at Queensland Health, including three years as Manager of Queensland Health's Office of Rural Health, plus roles at TAFE Queensland and the Department of Child Safety. Mrs Brumpton has extensive experience in health, governance and managing change and is a passionate advocate for rural health services. She is a graduate of the Australian Institute of Company Directors, Associate Fellow of the Australian College of Health Service Executives and a Justice of the Peace (Qualified). Mrs Brumpton is currently completing an Executive Masters of Public Administration through the Australian and New Zealand School of Government.

EMT meetings

The EMT meets on a fortnightly basis. Three governance committees – finance, corporate governance and clinical governance – report to the EMT. These committees also hold monthly meetings.

- **Glynis Schultz**
  Health Service Chief Executive
  11.11.2013 – 30.06.2015
- **Meryl Brumpton**
  Chief Operations Officer
  17.11.2008 – 30.06.2015
- **Veronica Chung**
  Acting Chief Finance Officer
  02.02.2014 – 30.06.2015
- **Dr Tom Gibson**
  Executive Director Medical Services
  21.01.2013 – 30.06.2015
- **Chris Small**
  Executive Director of Nursing and Midwifery
  14.08.2009 – 30.06.2015
- **Josh Freeman**
  Executive Director
  Community and Allied Health
  19.08.2013 – 30.06.2015
  Permanently appointed 05.01.2015
- **Wendy Jensen**
  Director People and Culture
  26.11.2012 – 30.06.2015
- **Robyn Brumpton**
  Nursing Director Quality and Safety
  24.08.2009 – 30.06.2015

Veronica Chung
Acting Chief Finance Officer

Mrs Chung is a trained accountant with a Bachelor of Commerce (accounting major) and holds inactive registrations with CPA and CA qualifications. Mrs Chung has held senior positions with Queensland Health for 17 years, with roles including Finance Manager, Senior Director Business Development, Director of Finance, Chief Finance Officer, Senior Director Business Services and with the South West HHS as Acting Chief Operations Officer for six months and Chief Finance Officer since 2013.

For 15 years, Mrs Chung worked with Pathology and Scientific Services, which has been known as Clinical and State-wide Services since 2005. Some of Mrs Chung's achievements include the introduction of AUSLAB state-wide private practice central billing system, including the RRMBS changes; implementation of the Pathology and Biomedical Technical Service Fee for service billing for public hospitals from 1999 and development and implementation of the pathology costing and reporting module of DSS.

Mrs Chung has extensive experience in health where she has gained an understanding of governance structures in large complex organisations and this has enabled her to manage complex financial implementations. Mrs Chung has a passion for supporting quality, safe and sustainable healthcare by ensuring robust processes and adherence to Australian financial legislation and guidelines.

Christopher Small
Executive Director of Nursing

Mr Small was recruited to the Executive Director of Nursing and Midwifery position in August 2009. Prior to this appointment he worked as the Director of Nursing/Facility Manager at the Mitchell Multipurpose Health Service for a number of years.

Mr Small completed his training at the Princess Alexandra Hospital in 1992 and since this time has completed his Bachelor of Nursing, Rural and Isolated Practice and Immunisation certificate and post graduate studies in Anaesthetic Nursing and Pain Management. He is currently studying for a Masters in Business Administration.

He has a passion for delivering innovative rural health care that focuses on advanced clinical skill development to ensure evidence-based acute and emergency care is delivered. He also focuses on creative health promotion and chronic disease programs to address the broadening burden of disease in rural communities across the primary care continuum.

Mr Small has a strong interest in healthcare quality, patient safety and clinical governance and has worked across a range of positions both in public and private sectors both as clinician and manager levels.

He sits on a number of state committees that work towards ensuring the sustainability of nursing as a profession and to ensure that rural and remote issues are on relevant agendas. He has recently been appointed as a technical advisor with the Institute of Healthy Communities with their ISO accreditation team and to the Queensland Civil and Arbitration Tribunal as a panel member.

Josh Freeman
Executive Director of Community and Allied Health

Mr Freeman has a background in public and not-for-profit leadership roles. He trained as a pharmacist and holds a Bachelor of Pharmacy and Post Graduate Certificate in Medicines Management, both from the University of Otago (New Zealand). He has held leadership positions in pharmacy and allied health in New Zealand and Australia.

Mr Freeman has an understanding of governance structures in large organisations, after serving as a member of the University of Otago Senate and Health Sciences Divisional Board. He also provided leadership as board chair of a regional sporting authority in New Zealand. Mr Freeman is passionate about transformational leadership and has interests in organisational culture. He is expected to complete a Master of Business Administration degree through the University of South Australia in 2015.

Mr Freeman is a Graduate of the Australian Institute of Company Directors, is a member of the Australian Institute of Management, has completed the Queensland Health Emerging Clinical Leaders Program and has recently attended the European Summer School for Advanced Management (ESSAM) through Loughborough University (UK).

Executive management team

Dr Tom Gibson
Executive Director of Medical Services

Dr Tom Gibson was appointed as the Executive Director of Medical Services in January 2013. For the past 30 years, Dr Gibson has worked as a rural general practitioner, surgeon, obstetrician and teacher in New Zealand, as a volunteer surgeon for two years in Tanzania and also in the Kimberley, enjoying rural Australia.

Throughout his career, Dr Gibson has been involved in rural health reform and has a strong interest in how rural communities can continue to maintain the best and most appropriate health services in a time of medical, political and financial change. Throughout his career, Dr Gibson has held numerous leadership and board positions, including chairperson and founding member of the board that built and managed a rural hospital in Dannevirke, New Zealand.

Dr Gibson is a fellow of the Royal Australian College of General Practitioners, the Royal College of Surgeons of Edinburgh and the Royal New Zealand College of General Practitioners. He spent 10 years as a general practice teacher with the Royal New Zealand College of GPs and two years teaching clinical officers in Tanzania, among other teaching positions.

Wendy Jensen
Director People and Culture

Wendy Jensen has been in the role of Director People and Culture since November 2012. She has over 30 years experience with the Department of Health in a variety of management and senior leadership roles in human resources, corporate services and quality and safety management.

Ms Jensen was a recipient of an Australia Day Award in 2004 and has been recognised for her partnership work on workforce strategies through the 2003 Ministers Award for Excellence for Excellence in State/Local Government partnership programs and as a finalist for the Rural Award for Innovation at the 2002 Health Services and Aged Care National Awards for Local Government.

Ms Jensen holds a Bachelor of Business in Human Resource Management and Leadership, plus a Diploma of Occupational Health and Safety and is a graduate member of the Australian Institute of Company Directors and an associate member of the Australian Safety Institute.

Robyn Brumpton
Nursing Director Quality and Safety

As Nursing Director Quality and Safety, Robyn Brumpton provides leadership in clinical governance, including accreditation, clinical risk management, research, medico-legal process, mortality review process and clinical performance reporting for the South West HHS. Mrs Brumpton leads the quality and safety unit in the South West to ensure a culture of safety and continuous quality improvement, which includes achieving ongoing accreditation status; clinical practice standardisation; implementation and sustainability of the National Safety and Quality Healthcare Standards; and internal and external audit programs.

Mrs Brumpton has been nursing for more than 25 years and has worked in rural, metropolitan and corporate settings as a nurse, an infection control practitioner, state project officer, patient safety officer, director of nursing and executive director of nursing.

Mrs Brumpton has a Masters of Health Science (Infection Control), is an endorsed nurse immuniser and has qualifications in sterilising services.

In 2010 Mrs Brumpton was awarded the Queensland Health Leadership Award and a Queensland Health Australia Award for commitment and attention to ensuring the delivery of safe, effective and quality patient-centred care.


COPY

11 SEP 2014

Ms Sally Gorman
Director of Nursing
Charleville Hospital
PO Box 210
CHARLEVILLE QLD 4470

Dear Sally,

Director-General
Queensland Health

Cc Ms Glynis Schultz, South West Hospital and Health Service Acting Chief Executive
Mr Lindsay Godfrey, Chair, South West Hospital and Health Board

Strategy

Service delivery models are refined and coordinated to improve access to services locally.

In September, nine people presented to the Charleville Hospital emergency department after a truck carrying ammonium nitrate rolled over and exploded near Charleville.

The powerful blast caused by the accident disintegrated the truck, destroyed two fire fighting vehicles and caused catastrophic damage to the Mitchell Highway.

The patients presented with a range of injuries, with the most severely injured patient having significant burns and a serious scalp laceration. Other injuries included blast injuries, perforated ear drums, finger amputations and various lacerations.

Charleville Hospital Director of Nursing Sally Gorman in the new emergency department.

Compliance, risk and accountability

Information systems and record keeping

The South West HHS has a commitment to improving record keeping practices and complying with the *Public Records Act 2002* – Information Standard 40: Record keeping and Information Standard 31: Retention and Disposal of Public Records.

The records management procedure has been redeveloped to ensure all legislative, administrative and business requirements are met and to ensure that both clinical and corporate records management, and archiving and scheduling are addressed.

Records management is a key function of all South West HHS business activities and all employees are made aware of their roles and responsibilities regarding management of records.

Ensuring continuous improvement for records management the South West HHS has formally assigned the responsibility to an officer for records management training and internal auditing.

An education program with online modules, relevant information packs and resources is currently being developed. The implementation of an ongoing education and training program will provide appropriate training and advice for staff to enable them to meet their compliance responsibilities as outlined in the South West HHS Records Management procedure.

Work is being undertaken in all facilities across the South West HHS to cull both clinical and non-clinical records in accordance with appropriate Queensland State Archive approved schedules, to identify those records ready for destruction now or to appropriately sentence and archive records due for destruction. An approved Records Management provider is being contracted to assist with the bulk destruction of appropriate records with a view to storing in-active records that have been sentenced for destruction at a future date.

Investigations are underway to research effective storage options for non-active clinical and corporate records. Options will be explored to ensure records that are stored off-site can be readily accessed in a timely manner for effective patient care or business processes.

Public Sector Ethics Act 1994

The South West HHS is committed to upholding the values and standards of conduct outlined in the Code of Conduct for the Queensland Public Service which came into effect on 1 January, 2011. The Code of Conduct for the Queensland Public Service applies to all Queensland Health employees.

The Code of Conduct was developed under the Public *Sector Ethics Act 1994* and consists of four principles:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government
- Accountability and transparency.

Each principle is strengthened by a set of values and standards of conduct which describe the behaviour that will demonstrate that principle. Administration procedures and management practices have due regard to the ethical principles and values espoused in the Code of Conduct.

As well as ensuring the principles of the Code of Conduct are embedded, the South West HHS has adopted the whole-of-government public service values. These include: customers first; ideas into action; unleash potential; be courageous; and empower people. Compliance with the Code of Conduct and South West HHS principles are included as part of staff reviews under the performance and appraisal development process.

All Queensland Health employees are required to undertake training in the Code of Conduct for Queensland Public Services during their induction and reacquaint themselves with the code every second year. Ethical decision-making training is also provided.

Risk management

We take a proactive approach to monitoring and improving risk management practices across the service. Risk management is an integral part of the South West HHS corporate governance framework.

The service operates within the Queensland Health Integrated Risk Management Policy Framework based upon the Australian / New Zealand (AS/NZ) ISO Standard 31000:2009 for risk management.

A risk management procedure is embedded and provides a framework for identifying, managing and elevating risk. All staff are required to apply risk management practices. The framework provides for the identification of risks regardless of location and a process for raising the risk rating for local site assessment and mitigation, escalation if the risk is unable to be managed, based on whether the risk is clinical, occupational health and safety related or is a finance or business risk. All risks including clinical and non-clinical are captured and provide a total risk profile.

The board holds ultimate responsibility for risk oversight and risk management with the aim of meeting the organisation's strategic objectives. The chief executive is accountable for the effective implementation of the risk management framework in the organization. A service level risk register is maintained and risk control measures are implemented and evaluated. Managers are responsible for reporting and managing risks within their area of responsibility.

Strategic risks have been identified, assessed and captured in the board risk register for regular review, monitoring and reporting. The assessment and treatment of operational risk is monitored through executive governance committees and escalated to the board if the risk is considered strategic, very high or extreme and is unable to be treated.

The Audit and Risk Committee reviews strategic risks on a quarterly basis and a monthly risk report is provided to the board. Reports on executive and operational risks are also provided. During 2014–15 there has been an increased focus on enhancing risk reporting.

External scrutiny

The South West HHS is an independent statutory body with probity and propriety obligations. It is accountable and responsible for achieving its goals and discharging its statutory obligations. The service is subject to external scrutiny through an external audit undertaken of operations including annual financial statements by the Queensland Audit Office on behalf of the Auditor-General. All audit reports and recommendations were tabled at Audit and Risk Committee meetings for consideration and implementation.

The 2014–15 year was the third year of operation for the board and the Queensland Audit Office audited and certified the annual financial statements without qualification.

Audit and Risk Committee

The Audit and Risk Committee comes within the ambit of an 'audit committee' under the *Financial and Performance Management Standard 2009*. The board approved the terms of reference for the committee and has given due regard to Queensland Treasury's Audit Committee Guidelines. The Audit and Risk Committee meets quarterly, however extraordinary meetings are scheduled as required.

The committee is responsible for providing independent assurance and assistance to the board on:

- risk, control and compliance frameworks; and
- external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, *Auditor-General Act 2009*, *Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2009*.

The committee has an oversight role in relation to the following:

- assessing the adequacy of the annual financial statements in conjunction with the Finance Committee
- internal control
- internal audit
- external audit
- compliance.

The committee assesses the adequacy of the service's financial statements, with regard to the appropriateness of the accounting practices used; compliance with prescribed accounting standards under the *Financial Accountability Act 2009*; external audits of the service's financial statements; and information provided by the service about the accuracy and completeness of the financial statements.

The committee monitors the service's compliance with its obligation to establish and maintain an internal control structure and systems of risk management under the *Financial Accountability Act 2009*, including whether the service has appropriate policies and procedures in place; and whether the service is complying with the policies and procedures.

Audit

The committee monitors and advises the board about its internal audit function and oversees the liaison with the Queensland Audit Office in relation to the service's proposed audit strategies and plans.

The committee assesses external audit reports for the service and the adequacy of actions taken by the service as a result of the reports.

The committee monitors the adequacy of the service's management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance by the service with relevant laws and government policies.

During the year, matters addressed by the Audit and Risk Committee included:

- internal audit planning
- external audit activities
- annual financial statements
- risk management
- monitoring action plans
- risk framework and policy
- compliance framework and policy
- internal audit charter.

The board has an Internal Audit Charter that provides the functional and organisational framework within which the internal audit function operates. The charter sets out the nature, role, status, authority and responsibility of internal audits and was developed considering the Financial Accountability 2009, *Financial and Performance Management Standard 2009*, Queensland Treasury's Audit Committee Guidelines: Improving Accountability and Performance, December 2009 and International Professional Practices Framework, Institute of Internal Auditors, January 2009.

The internal audit's primary objective is to provide an independent and objective assurance to the board, via the Audit and Risk Committee, on the state of risks, internal controls, organisational governance and to provide the executive management team with recommendations to enhance current systems, processes and practices. The internal audit process also assists management and staff to effectively discharge their responsibilities through a process of systematic and independent audits.

During 2014–15, the board engaged an accounting firm with specialised experience to develop a three year strategic internal audit plan and undertake annual internal audits. This plan was developed taking into consideration the risk profile. Identified priority areas for the 2014–15 included contract management, financial reporting and performance, financial management reporting, medical recruitment and general practice governance. These audits were designed to add value and enhance the South West HHS operations. Following completion of the audits and delivery of findings, action plans were developed to address identified areas for improvements. The Audit and Risk Committee monitors progress against the action plans.

Our people

The South West Hospital and Health Service recognises that investing in people to promote a better workforce culture means the organisation will be able to overcome challenges and continue to provide high quality care for our communities.

Building a sustainable high-quality workforce to meet future health needs of South West Queensland has top priority for the board and executive management.

The people and culture unit provides services to support staff to be safe and well at work; work under fair and equitable conditions; identify and access learning and development opportunities; and to be engaged with their work and colleagues. We are committed to providing a sustainable, effective workforce reflective of the capacity and capability to meet future health needs of our communities. The unit brings together a number of services, including human resources, safety and wellbeing and our workforce development team to provide quality services to our staff.

Maintaining our workforce continues to challenge us in areas which include:

- Competition for skilled employees
- Finite budget and the impact of turnover costs
- Capacity and commitment to implement succession planning.

	2013–14		2014–15	
Turnover	%	Number	%	Number
Managerial and clerical	8.59	9	9.25	10
Medical	14.29	2	20.00	3
Nursing	7.40	24	10.39	35
Operational	22.10	34	9.67	16
Trade and artisans				
Professional and technical	8.33	4	16.98	9
Total		**73**		**73**

** Report produced for only permanent employees as per annual report requirements for Queensland Government agencies. Annual Report 2013–14 produced included temporary employees.*

During the 2014–15 year, 480 recruitment processes were undertaken.

During the year ending 30 June 2015, one employee accepted an offer of a redundancy package at a cost of $25,481.36.

Profile: The workforce profile as at 30 June 2015	
Full time equivalent (FTE) staff establishment	703.67
Headcount	875.40
Permanent separation rate	9.59%

	MOHRI Occupied FTE	MOHRI Occupied Headcount
All paypoints		
All employee types	**703.67**	**875.40**
Casual	27.80	84.40
Permanent	650.47	761.00
Temporary	25.40	30.00
Managerial and clerical		
All employee types	**135.90**	**163.80**
Casual	4.48	14.00
Permanent	119.35	134.30
Temporary	12.07	15.50
Medical including VMOs		
All employee types	**18.83**	**20.00**
Permanent	13.83	15.00
Temporary	5.00	5.00
Nursing		
All employee types	**318.35**	**400.43**
Casual	8.71	30.05
Permanent	304.84	364.88
Temporary	4.80	5.50
Operational		
All employee types	**167.85**	**222.17**
Casual	13.95	39.35
Permanent	153.90	182.82
Trade and artisans		
All employee types	**6.00**	**6.00**
Permanent	6.00	6.00
Professional and technical		
All employee types	**56.74**	**63.00**
Casual	0.66	1.00
Permanent	52.55	58.00
Temporary	3.53	4.00

The separation rate describes the number of permanent employees who separated during the year as a percentage of permanent employees.

Patrice Robinson
Paul Harris Fellow

Strategy

Flexible work arrangements promote work life balance.

Volunteering in a small rural community is a great way to meet new people and also make a positive contribution to the local town.

When Patrice Robinson, Director of Nursing/Facility Manager at St George Hospital, first moved to St George this was exactly what motivated her to join the local Rotary Club.

"I have been involved in Rotary for approximately 10 years now, having joined when I moved to St George in 2005 initially as a way to meet locals and become part of the community.

"Over this time I have learnt how well respected the organisation is and also how wide and diverse its humanitarian works are, which has given me the impetus to be more involved.

"One of the greatest things about Rotary is the camaraderie and I now have friends from all over the world that I keep in contact with," she said.

A survey in 2010 showed that the most significant barrier to volunteering was a lack of time, which is why Ms Robinson is happy with her flexible working arrangements with South West HHS that enable her to continue her decade long involvement with Rotary.

"I have been an Assistant Governor for two years and going into my third, I cover the clubs of Charleville, Roma, Mitchell and St George.

"I am a member of the St George Club and a member of the District leadership team, which requires me to travel a lot as I attend many meetings in Brisbane and Toowoomba.

"Most weekends in a month I would be travelling to attend functions for any of the clubs that I cover, or also to attend functions for either clubs in Brisbane or for leadership meetings, training, planning etc all of which are held in Brisbane or Toowoomba.

"I recently travelled down to Brisbane for a Friday night function as one of the Brisbane clubs hosted a fundraiser for the District drought relief fund, all funds raised are being distributed by the western clubs to drought affected farmers in their area.

"Having a nine day fortnight enables me to be flexible, which is important, as living in St George usually means a 4–7 hour drive to participate and be involved.

"My commitment to club visits usually means attending meetings on a week night and working Monday to Friday every week can make it difficult.

"Being able to work my day off around these commitments as they occur allows me to maintain a balance between my paid work and my volunteer work.

"Rotary is a very important part of my life and provides a great balance to my work commitments," Ms Robinson said.

Josh Freeman, South West HHS Executive Director of Community and Allied Health makes the prestigious AIM30 list.

Strategy

Develop and maintain a sustainable and contemporary workforce.

The South West HHS's Executive Director of Community and Allied Health Josh Freeman has been selected to participate in a prestigious national young managers' program.

Mr Freeman is one of 30 outstanding young Australians, including 10 Queenslanders, selected for the Australian Institute of Management-run program AIM30. The AIM30 program brings together 30 outstanding managers under 30 years of age from around Australia who have excelled in their chosen careers and already left their unique mark on the management profession. This is the third year the program has run.

AIM Young Manager Advisory Board chair Rob Soros said the breadth and depth of achievement on this year's list was extraordinary.

"This is a group of young managers and leaders who display character and maturity beyond their years," Mr Soros said.

The South West's candidate Mr Freeman has been based in Roma, for the past year and a half and manages a team of 160 people across an area 1.2 times the size of Victoria.

"Ensuring that the South West HHS provides sustainable healthcare across a vast geographical region is a big challenge."

"I am privileged to lead a team of highly dedicated and skilled staff that are committed to delivering patient-centred care and to achieving positive health outcomes," Mr Freeman said.

Mr Freeman was recognised for his leadership style which creates a team culture based on empowerment, collaboration and honesty.

Our people

Strategy

Position the South West HHS as an employer of choice.

The 2014 Staff Excellence Awards honoured the hard working employees across the South West.

Leadership and Culture Award

Recipient: Vickie Batterham, *Injune MPHS Director of Nursing*

Nominees: Kay Koina, Ann Prow, Andrew Doneman

Improved Access and Partnering Improvement Award

Joint Recipients: Ann-Margaret Jakins *Mungindi Multipurpose Health Service Director of Nursing*

Lizzie Morgan, *St George Chronic Disease Nurse*

Nominees: Annie Liston, South West HHS Child and Family Team, and the South West HHS Oral Health Team

Closing the Gap Award

Recipient: Robert Scheerer, *Charleville Hospital Caseload Midwife*

Nominees: Patricia Morris and the South West HHS Oral Health Team

Customer Service Award

Recipient: Michael Wilson, *St George Hospital Administration Officer*

Nominees: Belinda Chiconi, Dana Beck, Glenn Woods, Kylie Menear, Emma Humphreys, Samantha Herring, Elyse Absolon and Tracey Hansen

Clinical Practice Excellence Award

Recipient: Tracey Hansen, *Roma Hospital emergency department Nurse Unit Manager*

Nominees: Kylie Sutton and David Laverty

Anne Thomas, Glynis Schultz and Kylie Menear with the Health Service Executive Award.

Prevention and Promotion Award

Recipient: Dirranbandi Men's Health Night Team

Improvement Initiative Award

Recipient: Glenda Poole, *Waroona Aged Care Facility Operational Services Officer*

Nominees: Emma Humphreys, Penny Langfield and Alison Petty

Health Service Executive Award for Excellence

Joint Recipients: Anne Thomas *People and Culture Project Officer* Kylie Menear *MPHS Business Manager*

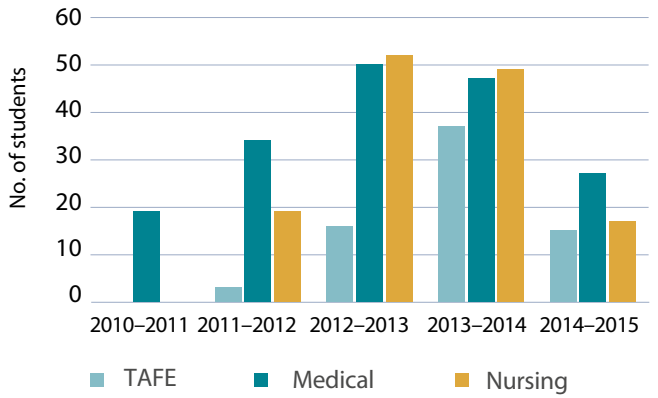
Nominees: Anne Bousfield, Glenda Poole, Glenn Woods, Ann-Margaret Jakins, Alison Petty, Gloria Melcer, Ann Prow and Vickie Batterham

Jim and Jill Baker Award

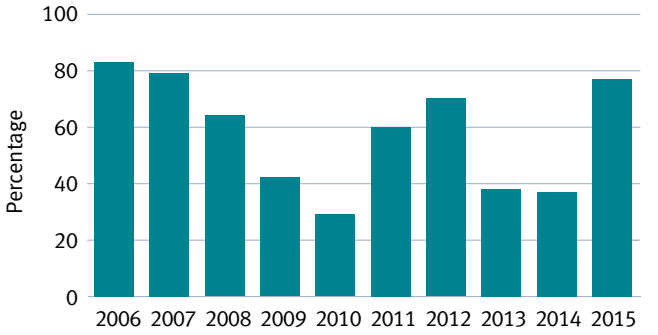
Recipient: South West HHS Recruitment Services

Nominees: Injune Operational Team, South West HHS Travel, St George Hospital Administration Team and Charleville Hospital Maintenance Team

Nursing, medical and TAFE students support



Percentage of graduate nurses retained



The South West HHS continues to monitor its work health and safety performance as required by the relevant legislation, standards and guidelines through a program of auditing in each facility.

In 2014–15, a total of 358 internal audits were conducted to identify hazards, monitor compliance and risk management strategies, and make recommendations for further improvements. In addition to conducting general health and safety audits in the facilities, audits of all South West HHS provided accommodation, comprising over 150 houses/units were undertaken in late 2014.

The South West HHS Work Health and Safety Representative (WHSR) Network continues to strengthen with bimonthly teleconference meetings being well attended. The meetings also now include Healthy Lifestyles Champions from each facility. A number of WHSR's enhanced their skills and knowledge by attending refresher training in 2015.

The number of facilities requiring electrical testing and tagging has continued to decrease with three more facilities being deemed to be fully protected by residual-current devices (RCDs). Roma Hospital campus will soon be added to the list of RCD protected facilities.

Staff training in work health and safety continues to be a priority with ongoing evacuation co-ordinators training being conducted in every facility.

Workplace incidents and injuries	2011–12	2012–13	2013–14	2014–15
Number of incidents/ near misses reported	190	188	170	174
Number of workers' compensation claims	24	24	22	24
Total days lost from work	**251**	**535**	**520**	**410**
Average days lost	13.21	21.40	27.37	15.48
Total claims cost	**$165,647**	**$253,615**	**$302,037**	**$117,704**
Average monthly payment to WorkCover	$2180	$2588	$2560	$3396
Average days to first return to work	17.47	25.88	15.69	8.91

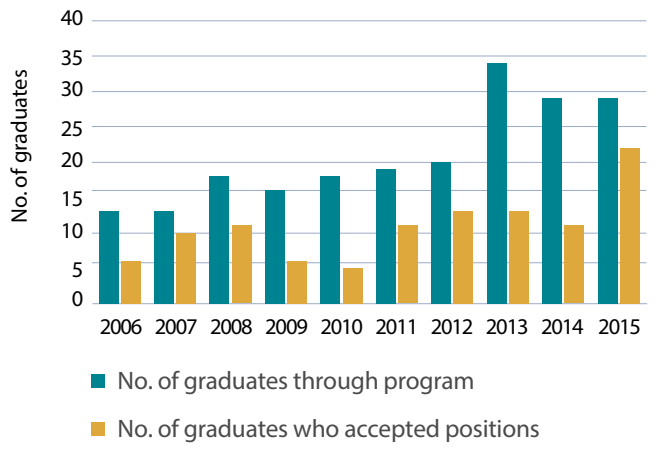
Source: Incident Management System and WorkCover Queensland

Measures to support staff in managing occupational violence has continued with safety and wellbeing staff completing occupational violence risk assessments in each facility to assess the risk of staff exposure to occupational violence and make recommendations to manage identified risks. Charleville and Cunnamulla staff recently undertook occupational violence prevention (OVP) training with trainers from the Darling Downs. OVP training will be available in other locations later this year.

Workers compensation data has shown that the average number of days lost per claim decreased in 2014–15 in comparison to previous years. The average number of days until staff returned to work also decreased however, the cost of claims was higher than in previous years due to previous common law claims.

The workforce development unit continues to provide many nurses with a unique experience of rural nursing through the 12 month graduate nurse program. The program continues to allow nurses the flexibility to rotate through larger hub facilities and smaller multipurpose health service facilities. Alternatively it can provide stability to remain within a unit or facility for the entirety of the program, which exposes the nurses to a variety of clinical experiences and the opportunity to become a valued health care team member. The program supports nurses to undertake advanced clinical training to learn skills such as cannulation, venipuncture and triage, which are critical skills required in rural nursing.

Graduate nurses who accept permanent positions



Safety and wellbeing

Strategy

Embrace new and innovative ideas.

In October 2014 South West HHS became a partner with Metro North Hospital and Health Service Clinical Skills Development Service in establishing a pocket simulation centre within Roma Hospital.

South West HHS Workforce Development unit now has access to high fidelity manikins to assist with training; previously practice was dependent on what situation came along. Learners can now encounter a diversity of situations to ensure they become and/or sustain competence.

Simulation is a proven technique, not a technology to replace or amplify real experiences that provides valuable learning experiences that are difficult to obtain in real life. Within South West HHS we are now able to offer this opportunity within all facilities to all professions and it is a valued experience that supports student and graduate nurse placements.

Simulation through guided experiences allows learners hands-on and thinking skills, including knowledge-in-action procedures and decision-making, effective communication and critical multidisciplinary teamwork behaviours can be taught and practiced. Working in a simulated environment allows learners from novices to experts, to make mistakes and by seeing the outcome of their mistakes, learners gain powerful insight into the consequences of their actions and the need to "get it right". Ongoing professional development plans provide a solid and necessary feedback mechanism to learners and help educators target necessary improvements.

Strategy

Increase the capture of data to improve transparency of service decisions and measures of success.

In April the Health Information Team in conjunction with the CARU (Clinical Access and Redesign Unit) Team from Brisbane rolled out Emergency Department Information System (EDIS) to 10 facilities across the South West HHS.

The EDIS GO Live project was centrally based in Roma and the team communicated with facilities via video conference. Emergency department computers were monitored on the GO Live day to ensure information entered was correct and provide support as required.

All facilities received training and when all questions had been answered and the sites felt comfortable EDIS went live.

The health information team completes daily quality checks on EDIS for all sites to ensure all statistical information is collated correctly.

Strategy

Plan and deliver infrastructure budgets on time and on budget and with value for the taxpayer.

The refurbishment and reconfiguration of the triage and emergency department area at St George Hospital has improved patient flow and privacy at a cost of $814,000.

The emergency department at Injune has been expanded and improved at a cost of about $808,000 and now offers two treatment bays and improved access from the ambulance bay and to the medical imaging unit.

Strategy

Quality and safety outcomes in service delivery.

Roma Hospital participated in a Department of Health-run mock Ebola readiness exercise on 29 October 2014. The exercise was designed to test and refine the South West HHS's capacity to respond to a potential case of Ebola Virus Disease.

The exercise involved the presentation, management and evacuation of a suspected Ebola virus case from Roma Hospital in what was an extremely life-like simulation.

Four Roma Hospital staff were involved in the direct care of the mock patient during the course of the morning, along with three Roma QAS staff. The patient was cared for over a period of about seven hours until they were airlifted out on a special CareFlight jet with a retrieval team from Brisbane.

The exercise and Roma Hospital featured widely on TV news across Australia, providing a wonderful opportunity to highlight the high-quality care delivered in the South West.

Strategy

Develop and maintain a sustainable and contemporary workforce.

The South West HHS has been successful in applying for funding through the Health Practitioner Research Scheme 2015–16 under the 'novice' category.

Staff members Cristal Newman and Annmarie McErlain will investigate: *Can an Allied Health assistant deliver the Subjective Global Assessment with the same reliability and confidence as an accredited practising dietitian*.

Tess Worboys and Melinda Brassington will conduct an: *Evaluation of a clinical service model for hand therapy via telehealth*.

Strategy

Partner with other health services to increase health awareness and reduce the rates of chronic disease.

Fast fact

170 Charleville residents reduced their waistline by an average of 8cm each during a 12-week Battle of the Bulge initiative.

Charleville Hospital Dietitian, Jessica Phillips said the friendly weight loss competition proved that little changes could add up to big results.

"In addition to shrinking waists, countless participants are now making healthier choices, increasing their fruit and vegetable consumption and moving more," she said.

A range of health practitioners partnered to deliver the waist-loss program, including Ben McKenzie (AODS) who provided expert advice on smoking cessation and Michael Krisanski (rotational physiotherapist) who helped with the physical activity session. Charleville Hospital and Community and Allied Health staff promoted the initiative to all their clients. The wider community also got involved with the Charleville Community Gym donating the prizes and the Neighbourhood Centre providing the workshop location.

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs – section 8	page 1
Accessibility	Table of contents	ARRs – section 10.1	page 3
	Glossary		pages 38–39, 41
	Public availability	ARRs – section 10.2	Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 10.3	Inside front cover
	Copyright notice	Copyright Act 1968 ARRs – section 10.4	Inside front cover
	Information Licensing	QGEA – Information Licensing ARRs – section 10.5	Inside front cover
General information	Introductory Information	ARRs – section 11.1	pages 6–7
	Agency role and main functions	ARRs – section 11.2	page 9
	Operating environment	ARRs – section 11.3	pages 10–12
	Machinery of Government changes	ARRs – section 11.4	page 12
Non-financial performance	Government objectives for the community	ARRs – section 12.1	page 14
	Other whole-of-government plans / specific initiatives	ARRs – section 12.2	page 14
	Agency objectives and performance indicators	ARRs – section 12.3	pages 4, 5, 8, 11, 13, 23, 27, 31
	Agency service areas, service standards and other measures	ARRs – section 12.4	page 14
Financial performance	Summary of financial performance	ARRs – section 13.1	pages 16–17
Governance – management and structure	Organisational structure	ARRs – section 14.1	page 18–23
	Executive management	ARRs – section 14.2	pages 24–26
	Government bodies	ARRs – section 14.3	N/A
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* (section 23 and Schedule) ARRs – section 14.4	page 28
	Queensland public service values	ARRs – section 14.5	page 15

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 15.1	page 28
	External scrutiny	ARRs – section 15.2	page 29
	Audit committee	ARRs – section 15.3	page 29
	Internal audit	ARRs – section 15.4	page 29
	Information systems and recordkeeping	ARRs – section 15.5	page 28
Governance – human resources	Workforce planning, attraction and retention and performance	ARRs – section 16.1	page 30
	Early retirement, redundancy and retrenchment	Directive No. 11/12 Early Retirement, Redundancy and Retrenchment ARRs – section 16.2	page 30
Open Data	Open data	ARRs – section 17	Inside front cover
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	page 48
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	page 49–50
	Remuneration disclosures	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	pages 38–41

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs Annual report requirements for Queensland Government agencies

Glossary of terms

Term	Definition
Acute care	care in which the clinical intent or treatment goal is to: • manage labour (obstetric) • cure illness or provide definite treatment of injury • perform surgery • relieve symptoms of illness or injury (excluding palliative care) • reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures.
Ambulatory health	services cover physiotherapy, speech and occupational therapy, optometry, radiography, dietetics, podiatry, social work, speech pathology, oral health and pharmacy.
General practitioner	a person who is registered with the Medical Board of Australia to practice medicine in Australia, including general and specialist practitioners.
Hospital and Health Service	Hospital and Health Service (HHS) is a separate legal entity established by the Queensland Government to deliver public hospital services.
Journey boards	visual, interactive tool that can be utilised within clinical areas to assist with the management of patient flow, improve clinical handovers and team communication, improve discharge planning and potentially reduce patient length of stay.
Know your numbers	developed to raise community awareness and detection of cardiovascular disease and type 2 diabetes (in New South Wales and Queensland). Know your numbers promotes the importance of regular blood pressure and type 2 diabetes risk assessment checks through opportunistic health checks.
Medicare Locals	established by the Commonwealth to coordinate primary health care services across all providers in a geographic area. Will work closely with the HHSs to identify and address local health needs. Was selected and funded by the Commonwealth, was rolled out progressively from 1 July 2013.
Non-admitted patient	a patient who does not undergo a hospital's formal administration process.
Non-admitted patient services	an examination, consultation, treatment or any other service provided to a non-admitted patient in a functional unit of a health service facility.
Nurse practitioner	a registered nurse educated and authorised to function autonomously and collaboratively in an advanced and extended clinical role. The nurse practitioner role includes assessing and managing clients using nursing knowledge and skills and may include, but is not limited to, direct referral of clients to other healthcare professionals, prescribing medications and ordering diagnostic investigations.
Outpatient	non-admitted health service provided or assessed by an individual at a hospital or health service facility.
Outpatient service	examination, consultation, treatment or other service provided to non-admitted non-emergency patients in a speciality unit or under an organisational arrangement administered by a hospital.

Term	Definition
Performance indicator	a measure that provides an 'indication' of progress towards achieving the organisation's objectives usually has targets that define the level of performance expected against the performance indicator.
PRIME	incident reporting database for consumer feedback and clinical incidents.
Primary health care	services focused on promoting healthy lifestyles to reduce the burden of disease. Services include Aboriginal and Torres Strait Islander health, child health, community health nursing, mobile women's health, mental health (adult and child), sexual health, chronic disease management, aged care assessment team, home and community care, young people' support program and alcohol, tobacco and other drugs services.
Productive ward	the Productive Ward Program offers a systematic way of delivering safe, high quality care to patients across all clinical areas, within existing resources. The philosophy behind the program is to help frontline clinicians release time to care.
Promotion, protection and prevention	services are designed to promote health, prevent disease and prolong life through communicable disease control, environmental health, health promotion, health surveillance and epidemiology and public health nutrition.
Public patient	a public patient is one who elects to be treated as a public patient, so cannot choose the doctor who treats them, or is receiving treatment in a private hospital under a contract arrangement with a public hospital or health authority.
Public hospital	public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
Registered nurse	an individual registered under national law to practice in the nursing profession as a nurse, other than as a student.
Rehabilitation and extended care	services across the South West encompass residential aged care, palliative care, respite and geriatric care.
Statutory bodies	a non-departmental government body, established under an Act of Parliament, statutory bodies can include corporations, regulatory authorities and advisory committees/councils.
Telehealth	delivery of health-related services and information via telecommunication technologies, including: • Live, audio and/or video inter-active links for clinical consultations and educational purposes • Store-and forward telehealth, including digital images, video, audio and clinical (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists • Teleradiology for remote reporting and clinical advice for diagnostic images • Telehealth services and equipment to monitor people's health in their home.
The board	South West Hospital and Health Board.
The service	South West Hospital and Health Service.
Western Queensland Primary Care Collaborative Ltd	Western Queensland Primary Care Collaborative Ltd (WQ PCC) is an organisation of the three west Queensland Hospital and Health Services to maximise the reform strategy created by the Commonwealth Department of Health under the Primary Health Network (PHN) initiative. WQ PCC will replace the Medicare Local as from 1 July 2015

Feedback survey

The South West Hospital and Health Service is interested in hearing your feedback on its *Annual Report 2014–15*.

Please help us by taking a few minutes to complete this survey so that we can continue to improve the quality of our annual report.

How to complete the survey

An electronic version of this survey is available on South West HHS's website at **www.health.qld.gov.au/southwest/**

Alternatively, please return the completed survey to: **SWHHS_Board@health.qld.gov.au**

Please select the appropriate response.

1. **The level of detail in the Annual Report was:**
   - ○ too high
   - ○ appropriate
   - ○ not enough
   - ○ nowhere near enough

2. **The writing style and language used in the Annual Report was:**
   - ○ too complex
   - ○ just right
   - ○ too simple
   - ○ far too simple

3. **Overall, I found the presentation of the Annual Report to be:**
   - ○ excellent
   - ○ good
   - ○ average
   - ○ poor

4. **Overall, how do you rate the value of the information in the Annual Report:**
   - ○ highly valuable
   - ○ valuable
   - ○ of some value
   - ○ of no value

5. **Overall I found the Annual Report to be:**
   - ○ of very low quality
   - ○ of low quality
   - ○ of average quality
   - ○ of high quality
   - ○ of very high quality

6. **What category of user of this Annual Report are you?**
   - ○ academia
   - ○ community/consumer
   - ○ elected official
   - ○ employee
   - ○ federal/state/local government
   - ○ health professional
   - ○ health service provider
   - ○ student
   - ○ other *(please specify)* _____

Do you have any other comments or feedback on the South West HHS Annual Report?

Do you have any suggestions for how South West HHS could improve its Annual Report in the future?

Thank you for your comments.

Glossary of acronyms

Term	Definition
ABF	Activity based funding
ACSQH	Australian Commission on Safety and Quality in Healthcare
AHPRA	Australian Health Practitioner Regulation Agency
AICD	Australian Institute of Company Directors
AMS	Aboriginal medical service
ARR	Annual report requirements
AS	Australian standard
AS/NZS ISO	Australian/New Zealand International Standards Organisation
ASIC	Australian Securities and Investment Commission
ASQCH	Australian Commission on Safety and Quality in Healthcare
ATODS	Alcohol, Tobacco and Other Drug Service
ATSIC	Aboriginal and Torres Strait Islander Commission
BPF	Business Planning Framework
CACH	Cunnamulla Aboriginal Corporation for Health
CACPs	Community Aged Care Packages
CAN	Community Advisory Network
CDMD	Chronic Disease Multidisciplinary Care Team
CE	Chief Executive
CFO	Chief Finance Officer
CSCF	Clinical Services Capability Framework
COAG	Council of Australian Governments
COO	Chief Operations Officer
CWAATSICH	Charleville and Western Aboriginal and Torres Strait Islanders Community Health
DAMA	Discharged themselves against medical advice
DDSWQML	Darling Downs and South West Queensland Medicare Local
DON	Director of Nursing
DPC	Director of People and Culture
EDC&AH	Executive Director of Community and Allied Health
EDMS	Executive Director of Medical Services
EDON	Executive Director of Nursing
EEO	Equal employment opportunity
EMT	Executive Management Team
FAA	*Financial Accountability Act 2009*
FOG	Flying Obstetrician and Gynaecologist
FPMS	*Financial and Performance Management Standard 2009*
FSS	Flying Specialist Services

Term	Definition
FTE	Full-time equivalent
GEM	Geriatric Evaluation and Management
GP	General practitioner
HACC	Home and Community Care
HHS	Hospital and Health Service
HIB	Health Infrastructure Branch
HQCC	Health Quality Complaints Commission
HR	Human Resources
HHSPF	Hospital and Health Services Performance Framework
ICHAC	Institute for Healthy Communities Certification
ISO	International Standards Organisation
KPI	Key performance indicators
LSOP	Long stay older patients
MOHRI	Minimum Obligatory Human Resources Information
MPHS	Multipurpose Health Service
MRSA	Methicillin Resistant Staphylococcus Aureus
NACCHO	National Aboriginal Community Controlled Health Organisation
NDQS	Nursing Director Quality and Safety
NHRA	National Health Reform Agreement
NSMHS	National Standards for Mental Health Service
NSQHS	National Safety and Quality Health Standards
OPD	Outpatients department
PFM	Patient Flow Manager
PWD	People with disabilities
QA	Quality Activity
QADDS	Queensland Adult Deterioration Detection System
QAIHC	Queensland Aboriginal and Islander Health Council
QMS	Quality Management System
RDAQ	Rural Doctors Association (Queensland)
RFDS	Royal Flying Doctor Service
SAPFIR	SAP Assets Procurement Finance Information Resource
SCoH	Standing Council on Health
TAFE	Technical and Further Education
TEMSU	Telehealth Emergency Management Support Unit
TIR	Telecommunications Infrastructure Replacement
VTE	Venous Thromboembolism
WOOS	Weighted Occasions of Service
WQ PCC	Western Queensland Primary Care Collaborative Ltd

Contacts

Health Service Chief Executive	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1570
Chief Operations Officer	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1565
Chief Finance Officer	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1530
Executive Director of Medical Services	197 McDowall Street Roma QLD 4455	(07) 4624 2868
Executive Director of Nursing	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1536
Executive Director of Community and Allied Health	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1513
Director People and Culture	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1502
Nursing Director Quality and Safety	Victoria Street St George QLD 4487	(07) 4620 2226
Manager Executive Services / Board Secretariat	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1544
Consumer and Community Liaison Officer	44 – 46 Bungil Street Roma QLD 4455	(07) 4505 1534
Indigenous Health Co-ordinator	44 Bungil Street Roma QLD 4455	(07) 4624 2912
Augathella Multipurpose Health Service	Cavanagh Street Augathella QLD 4477	(07) 4656 7100
Bollon Community Clinic	37 Main Street Bollon QLD 4488	(07) 4625 6105
Charleville Hospital	72 King Street Charleville QLD 4470	(07) 4650 5000
Cunnamulla Hospital	56 Wick Street Cunnamulla QLD 4490	(07) 4655 8100
Dirranbandi Multipurpose Health Service	Cnr Jane and Cowildi Streets Dirranbandi QLD 4486	(07) 4625 8222
Injune Multipurpose Health Service	Fifth Avenue Injune QLD 4454	(07) 4626 1188
Mitchell Multipurpose Health Service	Ann Street Mitchell QLD 4465	(07) 4623 1277
Morven Outpatient Clinic	Warrego Highway Morven QLD 4468	(07) 4654 8288
Mungindi Multipurpose Health Service	Barwon Street Mungindi NSW 2406	(02) 6753 2166
Quilpie Multipurpose Health Service	30 Gyrica Street Quilpie QLD 4480	(07) 4656 0100
Roma Hospital	197-234 McDowall Street Roma QLD 4455	(07) 4624 2700
St George Hospital	Victoria Street St George QLD 4487	(07) 4620 2222
Surat Multipurpose Health Service	Ivan Street Surat QLD 4417	(07) 4626 5166
Thargomindah Outpatient Clinic	Dowling Street Thargomindah QLD 4492	(07) 4655 3361
Wallumbilla Outpatient Clinic	Raslie Road Wallumbilla QLD 4428	(07) 4623 4233
Community and Allied Health	2 Eyre Street Charleville QLD 4470	(07) 4650 5300
Community and Allied Health	Arthur Street Roma QLD 4455	(07) 4624 2977
Community and Allied Health	Victoria Street St George QLD 4487	(07) 4620 2222
Patient Travel Subsidy Scheme	72 King Street Charleville QLD 4470	(07) 4650 5006
Patient Travel Subsidy Scheme	44 Bungil Street Roma QLD 4455	(07) 4505 1511
Waroona Residential Aged Care Facility	72 King Street Charleville QLD 4470	(07) 4650 5200
Westhaven Residential Aged Care Facility	Parker Street Roma QLD 4455	(07) 4624 2600

South West Hospital and Health Service

ABN 22 877 041 939

Financial Statements 2014–2015

Contents

General Information

These financial statements cover the South West Hospital and Health Service (SWHHS or South West HHS).

The South West Hospital Health Service was established on 1 July 2012 as a statutory body under the *Hospital and Health Boards Act 2011*.

The Hospital and Health Service is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of South West HHS is:

Roma Hospital Campus
McDowall Street
Roma QLD 4455

For information in relation to the Hospital and Health Service's financial statements please visit the website. www.health.qld.gov.au/southwest/

Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Income from continuing operations			
User charges	2	7,488	6,306
Funding public health services	3	107,999	100,059
Grants and other contributions	4	10,967	10,874
Interest		19	19
Other revenue	5	265	451
Total income from continuing operations		**126,738**	**117,709**
Expenses from continuing operations			
Employee expenses	6	6,794	1,025
Health service labour expenses	7	64,546	66,517
Outsourced supplies and services	8	390	351
Supplies and services	9	43,994	40,976
Depreciation and amortisation		5,290	5,196
Impairment of receivables		32	84
Other expenses	10	1,851	1,631
Total expenses from continuing operations		**122,897**	**115,780**
Operating results from continuing operations		**3,841**	**1,929**
Other comprehensive income			
Items that will not be reclassified subsequently to Operating Result			
Increase/(decrease) in Asset Revaluation Surplus	16	8,048	(441)
Total other comprehensive income		8,048	(441)
Total comprehensive income		**11,889**	**1,488**

The accompanying notes form part of these statements

South West Hospital and Health Service
Statement of Financial Position as at 30 June 2015

	Notes	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	11	15,592	17,424
Receivables	12	3,034	996
Inventories		685	629
Other		5	179
Total current assets		19,316	19,227
Non-current assets			
Property, plant and equipment	13	95,871	87,704
Total non-current assets		**95,871**	**87,704**
Total assets		**115,187**	**106,931**
Current liabilities			
Payables	14	9,871	11,022
Accrued employee benefits		160	23
Unearned revenue		1,239	51
Total current liabilities		11,270	11,096
Total liabilities		**11,270**	**11,096**
Net assets		**103,917**	**95,835**
Equity			
Contributed equity		81,706	85,514
Accumulated surplus/(deficit)	15	11,790	7,948
Asset revaluation surplus	16	10,421	2,373
Total equity		**103,917**	**95,835**

The accompanying notes form part of these statements

QAO certified statements

Statement of Changes in Equity for the year ended 30 June 2015

	Accumulated Surplus	*Asset Revaluation Surplus (Note 16)*	*Contributed Equity*	*TOTAL*
	$'000	*$'000*	*$'000*	*$'000*
Balance as at 1 July 2013	6,019	2,814	87,385	96,218
Operating Result from Continuing Operations	1,929	-	-	1,929
Other Comprehensive Income				
Increase in Asset Revaluation Surplus	-	(441)	-	(441)
Total Comprehensive Income for the year	1,929	(441)	-	1,488
Transactions with Owners as Owners:				
Net assets received (transferred during year via machinery-of-Government change) Note 1 (f)			912	912
Non appropriated equity injections (Minor Capital works) Note 1 (d)	-	-	2,405	2,405
Non appropriated equity withdrawals (Depreciation funding) Note 1 (d)	-	-	(5,189)	(5,189)
Total changes to contributed equity	- -	- -	(1,872)	(1,872)
Balance as at 30 June 2014	7,949	2,373	85,514	95,835
	$'000	*$'000*	*$'000*	*$'000*
Balance as at 1 July 2014	7,949	2,373	85,514	95,835
Operating Result from Continuing Operations	3,841	-	-	3,841
Other Comprehensive Income				
Increase (Decrease) in Asset Revaluation Surplus	-	8,048	-	8,048
Total Comprehensive Income for the Year	3,841	8,048	-	11,889
Transactions with Owners as Owners:				
Net assets received (transferred during year via machinery-of-Government change). Note 13 (c)			(1,519)	(1,519)
Non appropriated equity injections (Minor Capital works) Note 1 (d)			3,001	3,001
Non appropriated equity withdrawals (Depreciation funding) Note 1 (d)	-	-	(5,290)	(5,290)
Net Transactions with Owners as Owners	-	-	(3,808)	(3,808)
Balance as at 30 June 2015	11,790	10,421	81,706	103,917

The accompanying notes form part of these statements

QAO certified statements

South West Hospital and Health Service
Statement of Cash Flows for the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Inflows:			
User charges		5,531	7,469
Funding public health services		103,903	94,236
Grants and other contributions		10,967	12,942
Interest receipts		19	19
GST input tax credits from ATO		2,902	2,453
GST collected from customers		93	100
Other receipts		265	446
		123,680	**117,666**
Outflows:			
Employee expenses		(6,647)	(916)
Health service labour expenses		(66,390)	(65,638)
Outsourced supplies and services		(391)	(351)
Supplies and services		(43,232)	(39,805)
Grants and subsidies		(12)	6
GST paid to suppliers		(3,020)	(2,290)
GST remitted to ATO		(87)	(106)
Other		(1,733)	(748)
		(121,512)	**(109,848)**
Net cash provided by operating activities	17	**2,168**	**7,818**
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		-	12
Loans - Repaid		-	3
Outflows:			
Payments for property, plant and equipment		(7,001)	(1,850)
Net cash used in investing activities		**(7,001)**	**(1,835)**
Cash flows from financing activities			
Inflows:			
Equity Injections	1 (d)	3,001	2,405
Net cash provided by financing activities		**3,001**	**2,405**
Net increase in cash and cash equivalents		**(1,832)**	**8,388**
Cash and cash equivalents at the beginning of the financial year		17,424	9,036
Cash and cash equivalents at the end of the financial year		**15,592**	**17,424**

The accompanying notes form part of these statements

Index of Notes

1. Summary of significant accounting policies

(a) Statement of Compliance

The Hospital and Health Service has prepared these financial statements in compliance with section 62 (1) *of the Financial Accountability Act 2009* and *section 43* of the *Financial and Performance Management Standard Act 2009.*

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's *Minimum Reporting Requirements* for the year ending 30 June 2015, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, as the Hospital and Health Service is a not-for-profit statutory body it has applied those requirements applicable to not-for-profit entities. Except where stated, the historical cost convention is used.

(b) Trust Transactions and Balances

South West HHS acts in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions and balances are not recognised in the financial statements. Although patient funds are not controlled by SWHHS, trust activities are included in the audit performed annually by the Auditor-General of Queensland. Note 20 provides additional information on the balances held in patient trust accounts.

(c) User Charges, Penalties and Fines

Revenue in this category primarily consists of hospital fees, reimbursements of pharmaceutical benefits, charges for private patients and private practice fees.

(d) Government funding - National Health Reform

Funding revenue is received in accordance with Service Agreements with the Department of Health. The Department of Health purchases delivery of health services based on nationally set funding and efficient pricing models determined by the *Independent Hospital Pricing Authority* (IHPA). The majority of services are block funded. State funding is also provided for depreciation and minor capital works.

Depreciation funding
SWHHS receives funding from the Department of Health to partially cover depreciation costs. However as depreciation is a non-cash expenditure item, the Health Minister has approved a withdrawal of equity by the State for the same amount, resulting in a non-cash revenue and non-cash equity withdrawal. Depreciation funding for 2015 was $5.3 million ($5.2 million: 2014).

Minor capital works
Purchases of clinical equipment, furniture and fittings associated with capital works projects are managed by South West HHS. These outlays are funded by the State through the Department of Health as equity injections throughout the year. In 2014-15 the value of assets transferred was $3.001 million ($2.405 million in 2013-14).

1. Summary of significant accounting policies continued

(e) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Hospital and Health Service obtains control over them.

Contributed assets are recognised at their fair value. Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

South West HHS receives corporate services support from the Department of Health for no cost. Corporate services received include payroll services, accounts payable services, finance transactional services, taxation services, supply services and information technology services. As the fair value of these services is unable to be estimated reliably, no associated revenue and expense is recognised in the Statement of Comprehensive Income.

(f) Administrative Arrangements

2012-13 saw the commencement of the transfer of certain balances from the Department of Health to Hospital and Health Services, as part of a three year plan. This was effected via a transfer notice signed by the Minister for Health, designating that the transfer be recognised as a contribution by owners through equity. The transfer notices were approved by the Director-General of the Department of Health, the Chairman of the South West HHS Board, and the Chief Executive Officer of the South West HHS.

South West HHS has the full right of use, managerial control of land and building assets and is responsible for maintenance. The Department of Health generates no economic benefits from these assets. In accordance with the definition of control under Australian Accounting Standards, each Hospital and Health Service must recognise the value of these assets on their Statement of Financial Position.

Transfer of assets on practical completion

In 2014-15, the Minister for Health signed an enduring designation of transfer for property, plant and equipment between Hospital and Health Services and the Department of Health. This transfer is recognised through equity when both entities agree in writing to the transfer. During this year a number of assets have been transferred under this arrangement. (Refer Note 13 (c))

	2015	*2014*
	$'000	*$'000*
Transfer in - practical completion of projects from the Department of Health *	2,379	929
Net transfer of property plant and equipment to / from the Department of Health	2,540	1,475
	4,919	2,405

* Construction of major health infrastructure continues to be managed and funded by the Department of Health. Upon practical completion of a project, assets are transferred from the Department of Health to South West HHS. This note relates to transfers to Department of Health only – transfers to departments other than Department of Health (e.g. Department of Housing and Public Works) are not included.

Non-operational housing - whole of Government initiative

Under a whole of Government initiative, management of all Government owned general purpose housing was transferred to the Department of Housing and Public Works on 1 July 2014. As South West HHS did not possess legal title, the leasing arrangement with the Department of Health ceased on these assets, representing $6.4 million of land and buildings. (Refer Note 13(c))

1. Summary of significant accounting policies continued

(g) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions and cash debit facility. South West HHS operational bank accounts form part of the Whole-of-Government banking arrangement with the Commonwealth Bank of Australia.

Debit facility

Each Hospital and Health Service has access to the Whole-of-Government debit facility with limits approved by Queensland Treasury.

(h) Receivables

Trade debtors are recognised at their carrying value less any impairment. The recoverability of trade debtors is reviewed on an ongoing basis at an operating unit level. Trade receivables are generally settled within 120 days, while other receivables may take longer than twelve months.

(i) Inventories

Inventories consist mainly of medical supplies held for distribution in hospitals and are provided to public admitted patients free of charge except for pharmaceuticals which are provided at a subsidised rate. Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average cost.

(j) Property, Plant and Equipment

i) ***Acquisition of assets***

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred. Items or components that form an integral part of an asset are recognised as a single (functional) asset.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

South West HHS holds property, plant and equipment in order to meet its core objective of providing quality healthcare that Queenslanders value. Items of property, plant and equipment with a cost or other value equal to more than the following thresholds and with a useful life of more than one year are recognised at acquisition. Items below these values are expensed on acquisition.

1. Summary of significant accounting policies continued

Class	Threshold
Buildings and Land Improvements	$ 10,000
Land	$ 1
Plant and Equipment	$ 5,000

Land improvements undertaken by South West HHS are included with buildings.

On 1 July 2015, the Minister for Health approved the transfer of legal ownership of real property (land and buildings) registered lease, permits and other rights to the South West HHS. Effective control and ongoing responsibility for management and operation of these real property assets was transferred to the South West HHS.

1. Summary of significant accounting policies continued

ii) *Land and Building Revaluation*

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

Land and building classes measured at fair value, are revalued on an annual basis either by comprehensive valuations or by the use of appropriate and relevant indices undertaken by independent professional valuers/quantity surveyors. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

Comprehensive revaluations are undertaken at least once every five years. However if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practical, regardless of the timing of the last specific appraisal. For financial reporting purposes, the land and building revaluation process is overseen by the Board and coordinated by Senior Management and support staff.

Reflecting the specialised nature of health service buildings and on hospital site residential facilities, fair value is determined using depreciated replacement cost methodology, due to there not being an active market for such facilities. Depreciated replacement cost is determined as the replacement cost less the cost to bring an asset to current standards. Buildings are measured at fair value by applying either, a revised estimate of individual asset's depreciated replacement cost, or an interim index which approximates movement in price and design standards as at reporting date. These estimates are developed by independent quantity surveyors.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. South West HHS ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The State Valuation Service (SVS) supplies the indices used for these assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Management assesses and confirms the relevance and suitability of indices provided by SVS based on South West HHS's own particular circumstances and considers materiality when assessing whether to apply indices to each asset class. Buildings not valued in 2014-15 were indexed using the Davis Langdon 'Built Asset Indexation Report'. This report assessed the South West HHS region, with adjustments based on industry knowledge and feedback, and states that due to the flat construction market there has been minimal cost escalation across the South west region for the 2014-15 financial year. Therefore no indexation has been applied.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

South West HHS restates separately the fair value amount and related accumulated depreciation of the assets comprising the class of revalued assets. Accumulated depreciation is restated proportionally in accordance with the independent advice of the appointed valuers/quantity surveyors.

Materiality concepts under *AASB 1031 Materiality* are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

1. Summary of significant accounting policies continued

iii) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. An exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued, and include, but are not limited to, published sales data for land and residual dwellings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by South West HHS include, but are not limited to, subjective adjustments made to observable data to take account of the specialised nature of health service buildings and on hospital site residential facilities, including historical and current contracts (and/or estimates of such costs), and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

The valuation assumes a replacement building will provide the same service function and form (shape and size) as the original building but built consistent with current building standards.

iv) *Depreciation*

Property, plant and equipment are depreciated on a straight-line basis. Annual depreciation is based on fair values and South West HHS's assessments of the useful remaining life of individual assets. Land is not depreciated as it has an unlimited useful life. Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property plant and equipment. Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

In accordance with *Queensland Treasury and Trade's Non-current Asset Policy Guideline 2*, South West HHS has determined material specialised health service buildings are complex in nature. A review was undertaken to assess whether the componentisation of building assets with separate useful lives assigned to component parts would make a material difference to the depreciation expense for the year. The review indicated that the difference was not material. South West HHS will undertake a review of each complex asset for significant components where there is a material change to the complex asset, its components and /or its useful life.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset. The depreciable amount of improvements to or on leasehold land is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease. The unexpired period of leases includes any option period where exercise of the option is probable.

For each class of depreciable assets, the following depreciation rates were used:

Class	Depreciation rates
Buildings and improvements	2.5% - 3.33%
Plant and equipment	5.0% - 20.0%

1. Summary of significant accounting policies continued

An assessment of the actual replacement cycle for components within special purpose buildings (representing 86% of buildings controlled by South West HHS) and the impact on depreciation expense had been undertaken by 30 June 2015. The difference in depreciation is not considered material. In 2015, 26 complex buildings were revalued using depreciated replacement cost methodology. The useful lives were also reassessed by the valuer (based on physical inspection and review of replacement history) replacing a single useful life for the entire building with three useful lives (one per major component) reflecting the consumption and replacement patterns within South West HHS. There was no material impact on the depreciation expense as a result of this process.

v) *Impairment of non-current assets*

All non-current and intangible assets are assessed for indicators of impairment on an annual basis in accordance with *AASB 136 Impairment of Assets*. If an indicator of possible impairment exists, South West HHS determines the asset's recoverable amount (higher of value in use and fair value less costs to sell). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

(k) Payables

Payables are recognised for amounts to be paid in the future for goods and services received. Trade creditors are measured at the agreed purchase / contract price, net of applicable trade and other discounts. The amounts are unsecured and normally settled within 30-60 days.

(l) Employee benefits and Health Service labour expenses

Under section 20 of the *Hospital and Health Boards Act 2011 (HHB Act)* – a Hospital and Health Service can employ health executives, and (where regulation has been passed for the Hospital and Health Service to become a prescribed employer) a person employed previously in the Department of Health, as a health service employee. Where a HHS has not received the status of a "prescribed employer", non-executive staff working in a HHS legally remain employees of the Department of Health.

(i) Health Service labour expenses

In 2014-15 the South West Hospital and Health Service was not a prescribed employer and accordingly all non-executive staff (excluding senior medical officers and visiting medical officers under direct contract) were employed by the Department of Health. Provisions in the *HHB Act* enable South West HHS to perform functions and exercise powers to ensure the delivery of its operational plan. Under this arrangement:

1. Summary of significant accounting policies continued

- The Department of Health provides employees to perform work for the South West HHS, and acknowledges and accepts its obligations as the employer of these employees.
- The South West HHS is responsible for the day to day management of these Department of Health employees.
- The South West HHS reimburses the Department of Health for the salaries and on-costs of these employees (including: sick leave, annual leave and long service leave levies and employer superannuation contributions)

As a result of this arrangement, the HHS treats the reimbursements to the Department of Health for departmental employees in these financial statements as health service labour expenses and are detailed in Note 7. In addition to the employees contracted from the Department of Health, the South West HHS has engaged employees directly.

The information following relates specifically to the directly engaged employees.

(ii) Hospital and Health Service's directly engaged employees

South West HHS classifies salaries and wages, rostered days-off, sick leave, annual leave and long service leave levies and employer superannuation contributions as employee benefits in accordance with *AASB 119 Employee Benefits* (Note 6). Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. As South West HHS expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Workers Compensation

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised and included as part of Health Service Labour Expenses (Refer Note 7).

Employee Benefits and On-Costs

Annual leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercial business units, shared service providers and selected not for profit statutory bodies. South West HHS was admitted into this arrangement effective 1 July 2013. Under this scheme, a levy is made on South West HHS to cover the cost of employee's annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. The Department of Health centrally manages the levy and reimbursement process on behalf of all HHS's. No provision for annual leave is recognised in the South West HHS' financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting.*

Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on SWHHS to cover the cost of employee's long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. The Department of Health centrally manages the levy and reimbursement process on behalf of the South West HHS. No provision for long service leave is recognised in the SWHHS's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting.*

1. Summary of significant accounting policies continued

Sick Leave
Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Superannuation
Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable and South West HHS's obligation is limited to its contribution to QSuper. The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a Whole-Of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector.*

1. Summary of significant accounting policies continued

(m) Insurance

The Department of Health insures property and general losses above a $10,000 threshold through the Queensland Government Insurance Fund (QGIF). Health litigation payments above a $20,000 threshold and associated legal fees are also insured through QGIF. QGIF collects from insured agencies an annual premium intended to cover the cost of claims occurring in the premium year.

The Insurance Arrangements for Public Health Entities Health Service Directive (directive number QH-HSD-011:2012) enables Hospital and Health Services to be named insured parties under the Department of Health's policy. For the 2014-15 year, the premium was allocated to each HHS according to the underlying risk of an individual insured party. The Hospital Service premiums cover claims from 1 July 2012, pre 1 July 2012 claims remain the responsibility of the Department of Health, however South West HHS must pay the $20,000 excess payment on these claims.

South West Hospital and Health Service pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. These premiums are recorded under Health Service Employees (Note 7) and not separated between Health Service and Board employees.

(n) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland Government entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities. During 2014-15 Government Housing identified as off-site accommodation was transferred to the Department of Public Works (refer Note 13 (c)).

(o) Taxation

South West HHS is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The Australian Taxation Office has recognised the Queensland Department of Health and the sixteen Hospital and Health Services as a single taxation entity for reporting purposes.

(p) Issuance of Financial Statements

The financial statements are authorised for issue by the Chair of the Hospital and Health Board, the Chief Executive and the Chief Financial Officer of the South West HHS.

1. Summary of significant accounting policies continued

(q) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Historical experience and other factors that are considered to be relevant, are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Property, plant and equipment – Note 13
- Contingencies – Note 18

(r) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required.

(s) New and revised accounting standards

South West HHS did not voluntarily change any of its accounting policies during 2014-15. The Australian Accounting Standard applicable for the first time as from 2014-15, that had the most significant impact on South West HHS's financial statements is *AASB 1055 Budgetary Reporting*.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, South West HHS has included in these financial statements a comprehensive new note "Budget v's vs. Actual Comparison" (Note 24). This note discloses South West HHS's original published budgeted figures for 2014-15 compared to actual results with explanations of major variances, in respect of the South West HHS's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

South West HHS is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, the South West HHS has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. South West HHS applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the following new or amended Australian Accounting Standards are expected to impact on the South West HHS in future periods. The potential effect of the revised Standards and Interpretations on the Hospital and Health Service's financial statements is not expected to be significant but a full review has not yet been completed.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2015:

- *AASB 2014-1 Amendments to Australian Accounting Standards*
- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]*
- *AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15*
- *AASB 15 Revenue from Contracts with Customers*

1. Summary of significant accounting policies continued

AASB 15 Revenue from Contracts with Customers will become effective from reporting periods beginning on or after 1 January 20172018. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the South West HHS's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the South West HHS has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The South West HHS is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

AASB 9 Financial Instruments and *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) [AASB 1, 3, 4, 5, 7, 101, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] will become effective for reporting periods beginning on or after 1 January 2018. The main impacts of these standards on South West HHS are that they will change the requirements for the classification, measurement and disclosures associated with South West HHS's financial assets. Under the new requirements, financial assets will be more simply classified according

Pursuant to *AASB 9*, financial assets can only be measured at amortised cost if two conditions are met.

- the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The only financial asset currently disclosed at amortised cost is receivables and as they are short term in nature, the carrying amount is expected to be a reasonable approximation of fair value so the impact of this standard is minimal.

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities amends *AASB 13 Fair Value Measurement* effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy (refer to note 1(j)). Accordingly, the following disclosures for level 3 fair values in note 13 will no longer be required:

- the disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

As the amending standard was released in early July 2015, the South West HHS has not early adopted this relief in these financial statements, as per instructions from Queensland Treasury. However, the South West HHS will be early adopting this disclosure relief as from the 2015-16 reporting period (also on instructions from Queensland Treasury).

AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-profit Public Sector entities will take effect from reporting period beginning on or after 1 July 2016. This amending standard removes paragraph Aus1.3 from *AASB 124 Related party Disclosures*, thereby removing the exemption (that NFP public sector entities currently have) from a range of disclosures about remuneration of key management personnel, transactions with related parties / entities, and relationships with parent and controlled entities.

2. User charges

	2015 $'000	2014 $'000
Sales of goods and services	1,655	1,847
Hospital fees	5,783	4,433
Rental income	50	25
	7,488	**6,306**

3. Funding public health services

National Health Reform	Share of funding State $'000	Share of funding Australian Government $'000	2015 $'000	2014 $'000
Block funding	43,221	22,757	65,978	51,322
Health, teaching, training & research funding	-	-	-	684
Depreciation funding	5,290		5,290	5,189
General purpose funding	36,732	-	36,732	42,864
Total National Health Reform funding			**107,999**	**100,059**

4. Grants and other contributions

	2015 $'000	2014 $'000
Australian Government grants		
Nursing home grants	4,374	4,257
Home and community care grants	1,220	1,223
Specific Purpose	4,615	4,606
Total Australian Government grants	10,209	10,086
Other		
Services received at below fair value		
Donations	52	-
Other grants	706	788
	10,967	**10,874**

5. Other revenue

	2015 $'000	2014 $'000
Recoveries	240	389
Other	25	62
	265	**451**

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6. Employee expenses

	2015 $'000	2014 $'000
Employee benefits		
Wages and salaries	5,771	799
Annual leave levy	349	56
Employer superannuation contributions	446	75
Long service leave levy	114	8
Employee related expenses		
Redundancies	89	-
Workers compensation premium	-	-
Payroll tax	0	31
Other employee related expense	25	56
	6,794	**1,025**

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	2015 Staff Nos.	2014 Staff Nos.
Number of Employees	18	2

Employee expenses represent the cost of engaging board members and the employment of health executives, senior medical and visiting medical officers who are employed directly by the South West HHS. (Refer Note 1(l))

Effective 4 August 2014, Senior Medical Officers and Visiting Medical Officers transitioned to individual employment contracts. As a direct employment relationship was established with South West HHS (not the Department of Health), all the associated employee related costs were recognised as employee benefits from the date of the contracts. This has resulted in a significant increase in employee expenses in 2014-15 over the previous year.

Note: Board members are included although they do not contribute to the MOHRI. Key executive management and personnel are reported in Note 22.

7. Health service labour expenses

	2015 $'000	2014 $'000
Department of Health - health service employees	**64,546**	**66,517**

The Hospital and Health Service through service arrangements with the Department of Health has a staffing level of 671 (reflecting Minimum Obligatory Human Resource Information (MOHRI)). (2014: 685 MOHRI) Refer to Note 1 (l) for further details on the contractual arrangements.

8. Outsourced supplies and services

	2015 $'000	2014 $'000
X-ray	352	335
Medical	38	16
	390	**351**

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9. Supplies and services

	2015 $'000	2014 $'000
Building services	1,340	671
Catering and domestic supplies	1,418	1,456
Clinical supplies and services	2,348	2,207
Communications	711	527
Computer services	1,371	1,109
Consultants and contractors	15,377	14,291
Pharmaceutical supplies	944	913
Electricity and other energy	2,017	2,005
Minor works including plant and equipment	398	313
Motor vehicles	206	167
Operating lease rentals	2,161	1,475
Other	1,149	1,209
Other travel	1,692	1,822
Pathology, blood and parts	1,525	2,158
Patient transport	4,440	4,728
Patient travel	2,396	1,779
Repairs and maintenance	4,501	4,146
	43,994	**40,976**

10. Other expenses

	2015 $'000	2014 $'000
Advertising	72	100
External audit fees*	84	242
Insurance**	702	744
Internal audit fees	263	114
Inventory written off	45	65
Losses from the disposal of non-current assets	74	(6)
Other***	356	280
Other legal costs	254	86
Special payments - ex-gratia payments	1	6
	1,851	**1,631**

*Total audit fees payable to the Queensland Audit Office relating to the 2014-15 financial year are estimated to be $125,000 (2014: $150,000) including out of pocket expenses. There are no non-audit services included in this amount.

** Includes payments to Department of Health representing share of the departments QGIF premium. Certain losses of public property and health litigation costs are insured with the Queensland Government Insurance Fund refer Note 1 (m). The Under Treasurer's approval has been obtained for entering into the insurance contracts.

*** Other includes miscellaneous hardware supplies and sundry expenditure across all sites, along with facility fee payments to Private Medical Practices.

11. Cash and cash equivalents

	2015 $'000	2014 $'000
Imprest accounts	7	7
Cash at bank*	15,264	17,106
QTC cash funds*	321	311
	15,592	**17,424**

*Refer Note 19 restricted assets

South West HHS's operating bank accounts are grouped as part of a Whole-of-Governement (WoG) banking arrangement with Queensland Treasury, and does not earn interest on surplus funds nor is it charged interest or fees for accessing its approved cash debit facility. Any interest earned on the WoG fund accrues to the Consolidated Fund.

General trust bank and term deposits do not form part of the WoG banking arrangement and incur fees as well as interests. Cash deposited with Queensland Treasury earns interest, calculated on a daily basis reflecting market movements in cash funds as determined by Queensland Treasury. Rates achieved throughout the year range between 2.8% to 3.87% (2014: 3.3% to 4.2%).

12. Receivables

	2015 $'000	2014 $'000
Trade debtors	2,741	817
Payroll Receivable	(1)	0
Less: Allowance for impairment	(102)	(104)
Sub total	2,638	713
GST receivable	410	292
GST payable	(14)	(8)
Sub total	396	283
Total	**3,034**	**996**

Movements in the allowance for impairment loss

Balance at beginning of the year	104	68
Amounts written off during the year	(34)	(48)
Amount recovered during the year	-	
Increase/(decrease) in allowance recognised in operating result	32	84
Balance at the end of the year	**102**	**104**

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13. Property, plant and equipment

	2015 '000	*2014 '000*
Land*		
At fair value	5,631	8,494
Buildings*		
At fair value	216,558	162,071
Less: Accumulated depreciation	(134,170)	(90,062)
	82,388	72,009
Plant and equipment		
At cost	17,972	16,989
Less: Accumulated depreciation	(10,311)	(10,170)
	7,661	6,819
Capital works in progress		
At cost	191	383
Total property, plant and equipment	**95,871**	**87,704**

* Refer Note 1 (j)

(a) *Land*

Land is measured at fair value by Davis Langdon.. Independent revaluations are performed at least every 5 years to ensure assets are carried at fair value. South West HHS considers the valuation and indexation on a yearly basis.

(b) *Building*

South West HHS engaged independent quantity surveyors, Davis Langdon to comprehensively revalue 107 buildings, representing 73% of carrying value, and calculate relevant indices for all other assets. Each building undergoes a comprehensive revaluation every 5 years, through a program of works.

In determining the asset to be revalued the measurement of key quantities include:
- Gross floor area
- Number of floors
- Girth of the building
- Height of the building
- Number of lifts and staircases

Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions and records of the current condition of the facility.

The 'cost to bring to current standards' is the estimated cost of refurbishing the asset to bring it to current design standards and in an "as" new condition. This estimated cost is linked to the condition factor of the building assessed by the quantity surveyor. It is also representative of the deemed remaining useful life of the building. The condition of the building is based on visual inspection, asset condition data, guidance from asset managers and previous reports.

In assessing the condition of a building the following ratings (International Infrastructure Management Manual) were applied:

13. Property, plant and equipment continued

Category	Condition
1	Very good condition - only normal maintenance required. Generally newly constructed assets that have no backlog maintenance issues
2	Minor defects only - minor maintenance required or the asset is not built to the same standard as equivalent new assets (such as IT cabling, complying with new regulation's such as the Disability Discrimination Act). Refurbishment is approximately 5% of replacement cost.
3	Largely still in good operational state however maintenance required to return to acceptable level of service - Significant maintenance required up to 50% of capital replacement cost
4	Requires renewal - complete renewal of internal fitout and engineering services required (up to 70% of capital replacement cost)
5	Asset unserviceable - complete asset replacement required. Asset's value is nil.

Valuations assume a nil residual value. Significant capital works, such as a refurbishment across multiple floors of a building, will result in an improved condition assessment and higher depreciated replacement values. This increase is typically less than the original capitalised cost of the refurbishment, resulting in a small write down. Presently all major refurbishments are funded by the Department of Health.

The balance of assets have had indices applied, approximating movement in market prices for labour and other key resource inputs, as well as changes in design standards as at reporting date. Refer Note 1 (j)(ii) for further details on the revaluation methodology applied.

(c) Reconciliations, including fair value levels (refer Note 1 (j) of the carrying amount for each class of property, plant and equipment are set out below):

	Land*		Buildings**		Plant & equipment	Work in progress	Total
	Level 2 $'000	Level 3 $'000	Level 2 $'000	Level 3 $'000	$'000	$'000	$'000
As at 1 July 2013	2,586	5,908	3,816	71,393	6,151	732	90,586
Acquisition major infrastructure transfers	-		-	-	-	-	-
Acquisitions			-	559	2,196	-	2,755
Disposals							
Transfer between classes	-		-	350	-	(350)	-
Transfers in from Public Health							-
Revaluation Increments/ (decrements)	-			(441)	-	-	(441)
Depreciation	-			(3,668)	(1,528)	-	(5,196)
As at 30 June 2014	**2,586**	**5,908**	**3,816**	**68,193**	**6,819**	**382**	**87,704**

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13. Property, plant and equipment continued

Reconciliations, including fair value levels refer (Note 1 (j) of the carrying amount for each class of property, plant and equipment are set out below):

	Land*		Buildings**		Plant & equipment	Work in progress	Total
	Level 2 $'000	Level 3 $'000	Level 2 $'000	Level 3 $'000	$'000	$'000	$'000
As at 1 July 2014	2,586	5,908	3,816	68,193	6,819	382	87,704
Reclassification between Lvl 2 & Lvl 3 (Land and buildings)	370	(370)	285	(285)			
Acquisition major infrastructure transfers	-		-		-	-	-
Acquisitions	-	-	-	4,489	2,321	192	7,002
Disposals		-		-	(74)		(74)
Transfer between classes				382		(382)	-
Transfers in from Public Health***				4,919			4,919
Transfers out – Machinery of Government (MoG)***	(2,582)	-	(3,856)		-	-	(6,438)
Revaluation Increments/ (decrements)	(63)	(218)	197	8,132	-	-	8,048
Depreciation	-	-	(8)	(3,878)	(1,404)	-	(5,290)
As at 30 June 2015	**311**	**5,320**	**434**	**81,952**	**7,662**	**192**	**95,871**

* Land level 2 assets represent residential land in an active market whereas level 3 assets are land parcels with no active market and/or significant restrictions.
** Buildings level 2 assets represent offsite residential dwellings in an active market whereas level 3 are special purpose built buildings with no active market.
***Total of Transfers In and Transfers Out represents Net Assets given or transferred out of $1.519 million as per Statement of Changes in Equity.

Level 3 inputs are defined as unobservable inputs for the asset or liability. Unobservable inputs have no market data and are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability. All land owned by SWHHS on which medical facilities are located are subject to restrictions on disposal imposed by the Department of Health. Accordingly there is no market for such land.

On 1 July 2014 South West HHS transferred 25 non restricted residential houses throughout the South West HHS back to the Department of Housing and Public Works with a net book value of $6.4 million as part of a Whole of Government policy decision.

13. Property, plant and equipment continued

(d) Level 2 & 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June 2015 $'000's	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to change in level 3 inputs
Land where no active markets and/or significant restrictions apply	5,320	The professional valuation is based on usage and sale restrictions imposed from the Department of Health	N.A.	N.A.
Building - special purpose hospital facilities	81,954	Estimate of remaining economic lives. The current portfolio has a weighted average of just under 20 years	Varies from 5 to 37 years	A year's variance in life would alter depreciation charge by approximately 5% on a weighted basis.
		Replacement cost estimates	During the current year cost indice movement was zero	An increase in the replacement cost will increase the depreciated replacement cost
		Cost to bring to current standard	During the current year cost indice movement was zero	An increase in the cost to bring a building up to standard will decrease the net book value
		Condition Rating	Varies from 3 to 5 (worst)	A change to a 5 rating will reduce the net book value to salvage value.

14. Payables

	2015 $'000	2014 $'000
Trade creditors	8,410	9,733
Accrued health service labour - Department of Health*	1,448	1,288
Other	13	1
* Refer Note 1 (l)	**9,871**	**11,022**

15. Retained earnings

	2015 $'000
2012-13	6,020
2013-14	1,929
2014-15	3,841
Accumulated surplus \ (deficit)	**11,790**

16. Asset revaluation surplus by class

	2015 $'000	2014 $'000
Land		
Balance at the beginning of the financial year	331	331
Revaluation increment/(decrement)	(281)	-
Balance at the end of the financial year	50	331
Buildings		
Balance at the beginning of the financial year	2,042	2,483
Revaluation increment/(decrement)	8,329	(441)
Balance at the end of the financial year	10,371	2,042
Total	**10,421**	**2,373**

The asset revaluation surplus represents the net effect of revaluation movements in assets.

17. Cash flows

	2015 $'000	2014 $'000
Reconciliation of operating result to net cash flows from operating activities		
Operating Result	3,841	1,929
Non-cash movements :		
Depreciation and amortisation	5,290	5,196
Depreciation grant funding	(5,290)	(5,189)
Net loss on disposal/revaluation of non-current assets	74	-
Reversal of impairment loss receivables	(2)	36
Change in assets and liabilities:		
(Increase)/decrease in receivables	(1,923)	2,597
(Increase)/decrease in GST receivables	(118)	163
(Increase)/decrease in inventories	(56)	(1)
(Increase)/decrease in prepayments	173	(141)
Increase/(decrease) in accounts payable	682	5,439
Increase/(decrease) in accrued contract labour	(1,845)	(2,247)
Increase/(decrease) in accrued employee benefits	148	(2)
Increase/(decrease) in GST payable	6	(6)
Increase/(decrease) in unearned funding revenue	1,188	50
Total non-cash movements	(1,673)	5,897
Cash flows from operating activities	**2,168**	**7,818**

18. Contingent assets and liabilities

(a) Litigation in progress

As at 30 June 2015, the following cases were filed in the courts naming the State of Queensland acting through the South West Hospital and Health Service as defendant:

	2015 Number of cases	*2014* Number of cases
Federal Court	0	0
Supreme Court	0	0
Magistrates Court	0	0
Tribunals, commissions and boards	0	1
	0	1

Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). South West HHS's liability in this area is limited to an excess per insurance event of $20,000 – refer Note 1 (m). As at 30 June 2015, South West HHS has 2 claims (2014: 1) currently managed by QGIF, some of which may never be litigated or result in payments to claims (excluding initial notices under Personal Injuries Proceedings Act). Tribunals, commissions and board figures represent the matters that have been referred to QGIF for management. South West HHS's legal advisers and management believe it would be misleading to estimate the final amounts payable (if any) in respect of the litigation before the courts at this time.

b) Native Title

As at 30 June 2015, the South West HHS does not have legal title to properties under its control. The Department of Health remains the legal owner of health service properties. Currently two of these properties are subject to a Deed of Grant in Trust (land is held by traditional owners) and recorded at nominal value.

The Queensland Government's Native Title Work Procedures were designed to ensure that native title issues are considered in all land and natural resource management activities. All dealings pertaining to land held by or on behalf of the Department of Health must take native title into account before proceeding. These dealings include disposal, acquisition, development, redevelopment, clearing, fencing and the granting of leases, licences or permits and so on. Real Property Dealings may proceed on department owned land where native title continues to exist, provided native title holders or claimants receive the necessary procedural rights.

Queensland Health undertakes native title assessments over real property when required and is currently negotiating a number of Indigenous Land Use Agreements (ILUA) with native title holders. These ILUAs will provide trustee leases to validate the tenure of current and future health facilities. The National Title Tribunal reported a total of nil (2014: nil) native title claims against property under the control of the South West HHS.

19. Restricted assets

Contributions are also received from benefactors in the form of gifts, donations and bequests for stipulated purposes. At 30 June 2015, amounts of $0.3 million, (2014: $0.3 million), were set aside. South West HHS has no Right of Private Practice Option B receipts and payments.

20. Fiduciary trust transactions and balances

South West HHS acts in a custodial role in respect of these transactions and balances. As such, they are not recognised in the financial statements, but are disclosed below for information purposes.

	2015	*2014*
Patient trust receipts and payments	*$'000*	*$'000*
Receipts	$'000	$'000
Patient trust receipts	1,196	1,219
Total receipts	1,196	1,219
Payments		
Patient trust related payments	1,249	1,215
Total payments	1,249	1,215
Increase/ in net patient trust assets	(53)	4
Patient trust assets opening balance 1 July 2014	235	229
Patient trust assets		
Current assets		
Cash at bank and on hand	181	234
Patient trust and refundable deposits	1	1
Total current assets	**182**	**235**

21. Financial Instruments

(a) Categorisation of financial instruments

South West HHS has the following categories of financial assets and financial liabilities:

		2015	*2014*
Category	*Note*	*$'000*	*$'000*
Financial assets			
Cash and cash equivalents	11	15,592	17,424
Receivables	12	3,034	996
Total		**18,626**	**18,420**
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	14	9,871	11,022
Total		**9,871**	**11,022**

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21. Financial Instruments continued

(b) Financial risk management

South West HHS's activities expose it to a variety of financial risks - credit risk, liquidity risk and market risk. Financial risk management is implemented pursuant to Government and South West HHS's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of South West HHS. South West HHS measures risk exposure using a variety of methods as follows:

Risk exposure	*Measurement method*
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by active management of accrual accounts
Market risk	Interest rate sensitivity analysis

(c) Credit risk exposure

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment. The carrying amount of receivables represents the maximum exposure to credit risk. As such, receivables are not included in the disclosure below. Refer Note 12 for further information.

Credit risk is considered minimal given all South West HHS deposits are held by the State through the Commonwealth Bank of Australia.

		2015	*2014*
Maximum exposure to credit risk	*Note*	*$'000*	*$'000*
Cash	11	15,592	17,424

No collateral is held as security and no credit enhancements relate to financial assets held by South West HHS. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

Throughout the year, South West HHS assess whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, changes in debtor credit ratings and current outstanding accounts over 120 days. The allowance for impairment reflects South West HHS's assessment of the credit risk associated with receivables balances and is determined based on historical rates of bad debts (by category) over the past three years and management judgement. All known bad debts are written off when identified.

21. Financial Instruments continued

	Overdue $'000				
	Less than 30 days	*30-60 days*	*61-90 days*	*More than 90 days*	*Total*
Financial assets past due but not impaired 2015					
Receivables	2,357	117	85	182	2,741
Total	**2,357**	**117**	**85**	**182**	**2,741**
Financial assets past due but not impaired 2014					
Receivables	637	39	42	99	817
Total	**637**	**39**	**42**	**99**	**817**

	Overdue $'000				
	Less than 30 days	*30-60 days*	*61-90 days*	*More than 90 days*	*Total*
Individually impaired financial assets 2015					
Receivables (gross)	2,357	117	85	182	2,741
Allowance for impairment	(5)	(10)	(4)	(83)	(102)
Carrying amount	2,352	107	80	99	2,639
Individually impaired financial assets 2014					
Receivables (gross)	637	39	42	99	817
Allowance for impairment	(8)	(4)	(4)	(88)	(104)
Carrying amount	629	35	38	11	713

(d) Liquidity risk

Liquidity risk is the risk that South West HHS will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. South West HHS is exposed to liquidity risk through its trading in the normal course of business and aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. All financial liabilities are current in nature and will be due and payable within twelve months. As such no discounting of cashflows has been made to these liabilities in the Statement of Financial Position.

(e) Fair value

South West HHS does not recognise any financial assets or liabilities at fair value. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

22. Key executive management personnel and remuneration

(a) Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of SWHHS during 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	*Responsibilities*	*Current Incumbents*	
		Contract classification and appointment authority	*Date appointed to position*
Health Service Chief Executive (HSCE)	Responsible for the overall leadership and management of the South West Hospital and Health Service to ensure that SWHHS meets its strategic and operational objectives. The HSCE is accountable to the Board for making and implementing decisions about the Hospital and Health Service business within the strategic framework set by the Board.	s24 & s70 Temporarily appointed by Board under *Hospital and Health Board Act 2011 (Section 7 (3))*. Appointed to 4 year contract in August 2014.	25 Aug 2014
Chief Operations Officer (COO)	Provides single point accountability for the functions of infrastructure and planning including service planning, capital works planning and delivery, facility engineering and maintenance. This position is also accountable for the function of the professional, operational and administrative support services.	HES 2 Temporarily appointed under *Hospital and Health Board (HHB) Act 2011*	1 Apr 2014
Chief Finance Officer (CFO)	Responsible for management and oversight of the South West HHS finance framework including financial accounting processes, financial risk management, budget and revenue systems, activity measurement and reporting, performance management frameworks and financial-corporate governance systems. The CFO is also accountable for the promotion of the long term viability of the Hospital and Health Service.	Agency contract temporarily appointed by the CE under *Health Services Act 1991*. District Health Services Employees Award - State 2012. Agency contract until 22 December 2014. Fixed Term DSO1 contract employee – from 23 December 2014.	2 Feb 2014

22. Key executive management personnel and remuneration continued

Position	*Responsibilities*	*Current Incumbents*	
		Contract classification and appointment authority	*Date appointed to position*
Executive Director, Medical Services (EDMS)	Strategic and professional responsibility for SWHHS medical workforce, and clinical governance. The EDMS leads the development and implementation of Hospital and Health Service wide strategies that will ensure the medical workforce is aligned with identified service delivery needs, and an appropriately qualified, competent and credentialed workforce is maintained.	Appointed under Health Employment Directive No. 7/14 effective from 22nd April 2014.	21 Jan 2013
Executive Director of Nursing & Midwifery (EDON&M) - (*Change of title from 6 March 2015. Previously EDON)*	Responsible for strategic and professional leadership of the nursing work force. The EDON leads the development and implementation of Hospital and Health Service wide strategies that will ensure the nursing and midwifery workforce is aligned with identified service delivery needs. The EDON ensures an appropriately qualified and competent nursing and midwifery workforce is maintained, leading to the achievement of clinical excellence through education, professional development and research.	NRG11 Appointed under *Health Services Act 1991, QH Nurses & Midwives Award - State 2012 - Section B Public Hospitals*	14 Aug 2009
Executive Director, Community & Allied Health (EDCAH)	Provides single point accountability and leadership for the Portfolio of Community and Allied Health within the Hospital and Health Service. The position provides high level leadership, strategic direction and advocacy in the professional management of community and allied health services across the Hospital and Health Service, including contribution to state-wide initiatives.	Appointed permanently from 5 January 2015 under *District Health Services Award – State 2012* in conjunction with *Queensland Health Framework Award -- State 2012* and the *Health Practitioners' (Queensland Health) Certified Agreement (No 2) 2011 (HPEB2)*	5 Jan 2015

22. Key executive management personnel and remuneration continued

Position	*Responsibilities*	*Current Incumbents*	
		Contract classification and appointment authority	*Date appointed to position*
Director, People and Culture (DP&C)	Responsible for provision of leadership and oversight of human resources, occupational health and safety functions, workforce planning and development, Indigenous training and development, and cultural awareness programs for the Hospital and Health Service.	AO8 Appointed *under Health Services Act 1991. District Health Services Employees Award - State 2012*	26 Nov 2012
Nursing Director Quality and Safety (NDQ&S)	Responsible for leading the SWHHS in the provision of a clinical governance framework including accreditation, risk management, research, medico-legal and mortality review processes and clinical performance reporting. Leads the Quality and Safety Unit in the South West to ensure a culture of safety, continuous quality improvement, clinical practice standardisation and the implementation and sustainability of the National Safety and Quality Healthcare Standards.	NGR9 Appointed under *Health Services Act 1991, QH Nurses & Midwives Award - State 2012 - Section B Public Hospitals*	24 Aug 2009

22. Key executive management personnel and remuneration continued

(b) Remuneration

Section 74 of the *Hospital and Health Board Act 2011* provides that the contract of employment for health executive staff must state the term of employment, the person's functions and any performance criteria as well as the person's classification level and remuneration package. Section 76 of the Act provides the Chief Executive authority to fix the remuneration packages for health executives, classification levels and terms and conditions having regard to remuneration packages for public sector employees in Queensland or other States and remuneration arrangements for employees employed privately in Queensland.

Remuneration policy for the Service's key executive management personnel is set by direct engagement common law employment contracts. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts. The contracts provide for other benefits including motor vehicles and expense payments such as rental or loan repayments.

Remuneration packages for key executive management personnel comprise the following components:

Short-term employee expenses include:

- Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position.
- Non-monetary benefits – consisting of provision of vehicle, accommodation, utilities and expense payments (where applicable) together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include long service leave accrued.
- Post- employment expenses include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination.
- Performance bonuses are not paid under the contracts in place.
- Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post- employment benefits.

22. Key executive management personnel and remuneration continued

(b) Remuneration continued

Comparison: 2013-14 to 2014-15

Position (date resigned if applicable)		*Short Term Employee Expenses*		*Long Term Employee Expenses*	*Post Emp. Expenses*	*Termination Benefits*	*Total Expenses*
		Base $'000	*Non-Monetary Benefits $'000*	*$'000*	*$'000*	*$'000*	*$'000*
Health Service Chief Executive Glynis Schultz: from 11 November 2013	2013-14	121	9	3	13	-	166
	2014-15	244	5	5	23	-	277
Health Service Chief Executive Gracm Kelly PSM: to 12 April 2014	2013-14	334	37	10	13	-	394
	2014-15	-	-	-	-	-	-
Chief Operations Officer Meryl Brumpton	2013-14	138	31	4	16	-	189
	2014-15	169	23	3	16	-	211
A/Chief Operations Officer Wendy Jensen: 13 January 2014 to 26 January 2014	2013-14	10	-	-	1	-	11
	2014-15	-	-	-	-	-	-
A/Chief Operations Officer Joshua Freeman: 1 December 2014 to 19 December 2014, 12 January 2015 to 1 February 2015	2013-14	-	-	-	-	-	-
	2014-15	15	-	-	1	-	16
Chief Finance Officer Josh Carey: to 10 February 2014	2013-14	70	31	2	10	-	113
	2014-15	-	-	-	-	-	-
*A/Chief Finance Officer Veronica Chung (contractor): 2 February 2014 until 22 December 2014	2013-14	87	4	-	-	-	91
	2014-15	149	-	-	-	-	149
A/Chief Finance Officer Veronica Chung: DoH Contract from 23 December 2014	2013-14	-	-	-	-	-	-
	2014-15	77	21	1	9		108
*A/Chief Finance Officer Rod Margetts: 2 March 2015 to 22 March 2015	2013-14						
	2014-15	14	-	-	-	-	14
A/Chief Finance Officer Tracey Fegurson: 2 February 2015 to 15 February 2015	2013-14	-	-	-	-	-	-
	2014-15	13	-	-	1	-	14
Executive Director Medical Services Tom Gibson	2013-14	377	22	4	10	-	413
	2014-15	388	22	8	23	-	441
A\Executive Director Medical Services Cameron Bardsley: 4 August 2014 to 29 September 2014	2013-14	-	-	-	-	-	-
	2014-15	90		2	6		98

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22. Key executive management personnel and remuneration continued

Position (date resigned if applicable)		*Short Term Employee Expenses*		*Long Term Employee Expenses*	*Post Emp. Expenses*	*Termination Benefits*	*Total Expenses*
		Base $'000	*Non-Monetary Benefits $'000*	*$'000*	*$'000*	*$'000*	*$'000*
Executive Director Nursing & Midwifery Chris Small	2013-14	128	-	4	19	-	151
	2014-15	156	3	3	14	-	176
A/Executive Director Nursing & Midwifery Patrice Robinson: 23 September 2013 to 6 October 2013, 13 January 2014 to 31 January 2014	2013-14	18	-	-	2	-	20
	2014-15	-	-	-	-	-	-
A/Executive Director Nursing & Midwifery Robyn Brumpton: 02 December 2013 to 1 June 2014	2013-14	68	-	2	8	-	78
	2014-15	-	-	-	-	-	-
A/Executive Director Nursing & Midwifery Susan Freiberg: 22 September 2014 to 5 October 2014	2013-14	-	-	-	-	-	-
	2014-15	7	-	-	1	-	8
A/Executive Director Nursing & Midwifery Kate Field: 2 March 2015 to 10 March 2015	2013-14	-	-	-	-	-	-
	2014-15	17	-	-	1	-	18
Executive Director Community and Allied Health Jenny Flynn: to 12 August 2013	2013-14	119	17	3	16	-	155
	2014-15	-	-	-	-	-	-
Executive Director Community and Allied Health Josh Freeman: Acting from19 August 2013, Permanent from 5 January 2015	2013-14	98	31	3	11	-	143
	2014-15	123	29	1	14	-	167
A/Executive Director Community and Allied Health Annemarie McErlain	2013-14	8	-	-	1	-	9
	2014-15	-	-	-	-	-	-
A/Executive Director, Community and Allied Health Ninette Johnstone	2013-14	9	-	-	1	-	10
	2014-15	-	-	-	-	-	-
Director People &Culture Wendy Jensen	2013-14	107	27	3	15	-	152
	2014-15	116	26	2	13	-	157
A/Director People & Culture Kathleen Castles: 13 January 2014 to 25 January 2014	2013-14	15	-	-	2	-	17
	2014-15	-	-	-	-	-	-
* A/Director People & Culture Kylie Portelli (Contractor): 5 February 2014 to 10 March 2014	2013-14	17	-	-	-	-	17
	2014-15	-	-	-	-	-	-
*A/Director People & Culture Julie Mayer: 20 April 2015 to 31 May 2015	2013-14	-	-	-	-	-	-
	2014-15	33	-	-	-	-	33

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22. Key executive management personnel and remuneration continued

Position (date resigned if applicable)		*Short Term Employee Expenses*		*Long Term Employee Expenses*	*Post Emp. Expenses*	*Termination Benefits*	*Total Expenses*
		Base $'000	*Non-Monetary Benefits $'000*	*$'000*	*$'000*	*$'000*	*$'000*
Nursing Director Quality and Safety Robyn Brumpton	2013-14	68	15	(6)	9	-	86
	2014-15	127	9	2	14	-	152
A/Nursing Director Quality and Safety Leanne Patton: 2 December 2013 to 12 January 2014,1 July 2014 to 20 July 2014	2013-14	67	-	2	8	-	77
	2014-15	11	-	-	1	-	12
A/Nursing Director Quality and Safety Ann-Margaret Jakins: 23 September 2013 to 13 October 2013	2013-14	9	-	-	1	-	10
	2014-15	-	-	-	-	-	-
A/Nursing Director Quality and Safety Georgina Jones: 6 January 2014 to 2 February 2014	2013-14	9			1		10
	2014-15	-	-	-	-	-	-
A/Nursing Director Quality and Safety Kate Field: 12 January 2015 to 1 February 2015	2013-14	-	-	-	-	-	-
	2014-15	10	-	-	1	-	11

*payments to Recruitment Agencies not direct to employees

(c) Board remuneration

The South West HHS is independently and locally controlled by the South West Hospital and Health Board (Board). The Board appoints the health service chief executive and exercises significant responsibilities at a local level, including controlling (a) the financial management of the Service and the management of the Service's land and buildings (section 7 *Hospital and Health Board Act 2011*).

Board member	**Position**	**Appointment**
Mr Lindsay Godfrey	Chairperson	18 May 2014 – 17 May 2017
Dr Julia Leeds	Chairperson	18 May 2012 – 17 May 2014
Mr Richard Moore	Deputy Chair	18 May 2014 – 17 May 2017
Ms Heather Hall	Board member	18 May 2013 – 17 May 2017
Mr James Hetherington	Board member	18 May 2013 – 17 May 2017
Ms Karen Prentis	Board member	18 May 2013 – 17 May 2017
Dr John Scott	Board member	18 May 2014 – 17 May 2018
Ms Fiona Gaske	Board member	18 May 2014 – 17 May 2018
Ms Alexandra Donoghue	Board member	18 May 2015 – 17 May 2016
Ms Claire Alexander	Board member	18 May 2015 – 17 May 2016
Ms Lyn Kajewski	Board member	18 May 2013 – 17 May 2015
Mr Michael Cowley	Board member	18 May 2013 – 17 May 2015
Ms Sheryl Lawton	Board member	18 May 2013 – 17 May 2014

22. Key executive management personnel and remuneration continued

Remuneration paid to board members was as follows:

Board Member		*Short Term Employee Expenses*		*Post Emp. Expenses*	*Total Expenses*
		Base $'000	*Non-Monetary Expenses $'000*	*$'000*	*$'000*
Chairperson - Mr Lindsay Godfrey	2013-14	47		4	51
	2014-15	80	-	7	87
Board Member (Deputy Chairperson) – Mr Lindsay Godfrey	2013-14	14	-	1	15
	2014-15	-	-	-	-
Chairperson – Dr Julia Leeds	2013-14	48	13	5	66
	2014-15	-	-	-	-
Board Member - Ms Lyn Kajewski	2013-14	29	-	2	31
	2014-15	37	-	4	41
Board Member - Mr Michael Cowley	2013-14	33	-	2	35
	2014-15	39	-	4	43
Board Member - Ms Heather Hall	2013-14	29	-	2	31
	2014-15	39	-	4	43
Board Member (Deputy Chairperson) - Mr Richard Moore	2013-14	24	-	2	26
	2014-15	41	-	4	45
Board Member - Mr James Hetherington	2013-14	34	-	2	36
	2014-15	44	-	4	48
Board Member - Dr John Scott	2013-14	5	-	-	5
	2014-15	34	-	4	38
Board Member - Ms Fiona Gaske	2013-14	5	-	-	5
	2014-15	35	-	4	39
Board Member – Mrs Karen Prentis	2013-14	29	-	2	31
	2014-15	41	-	4	45
Board Member – Ms Sheryl Lawton	2013-14	24	-	2	26
	2014-15	-	-	-	-
Board Member – Ms Claire Alexander*	2013-14	-	-	-	-
	2014-15	-	-	-	-
Board Member – Ms Alexandra Donoghue*	2013-14	-	-	-	-
	2014-15	-	-	-	-

* Newly appointed to Board in May 2015, with first board meeting attended in July 2015

23. Associates

Western Queensland Primary Care Collaborative Limited (WQ PCC) was registered in Australia as a public company limited by guarantee on 22 May 2015. South West HHS is one of three founding members with North West HHS and Central West HHS, each holding one voting right in the company. The principal place of business of WQ PCC is Mount Isa, Queensland. Each founding member is entitled to appoint one Director to the Board of the company.

WQ PCC's principal purposes as a not for profit organisation are to increase the efficiency and effectiveness of health services for patients in Western Queensland, particularly those at risk of poor health outcomes; and improve co-ordination to facilitate improvement in the planning and allocation of resources enabling the providers to provide appropriate patient care in the right place at the right time. These purposes align with the strategic objective of South West HHS to integrate primary and acute care services to support patient wellbeing.

Each member's liability to WQ PCC is limited to $10. WQ PCC is legally prevented from paying dividends to the members and the constitution of WQ PCC also prevents the income or property of the company being transferred directly or indirectly to the members. This does not prevent WQ PCC from making loan repayments to South West HHS or reimbursing South West HHS for goods or services delivered to WQ PCC.

The financial results of WQ PCC are not material to the operating result or net assets of South West HHS. Accordingly, the carrying amount of South West HHS's investment in WQ PCC is not recognised in the Statement of Financial Position.

24. Budget vs Actual comparison

NB. A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements:

*The original budget has been reclassified to be consistent with the presentation and classification adopted on the financial statements.

For the purposes of these comparatives the 'Original Budget' refers to the budget entered in April 2014 as part of the Service Delivery Statement (SDS) process which reflected the budget at that point in time. Since then there have been numerous adjustments to funding including but not limited to:

- Enterprise bargaining agreements
- Deferred funding
- New funding for civic purposes

Statement of Comprehensive Income

	Variance Notes	Original Budget 2015 $'000	Actual 2015 $'000	Variance $'000	Variance % of Budget
Income from continuing operations					
User charges		4,667	7,488	2,821	60%
Funding public health services		102,446	107,999	5,553	5%
Grants and other contributions		11,377	10,967	(410)	-4%
Interest		15	19	4	26%
Other revenue		436	265	(171)	-39%
Total income from continuing operations	(a)	**118,941**	**126,738**	7,797	7%
Expenses from continuing operations					
Employee expenses	(b)	942	6,794	(5,852)	621%
Health service labour expenses	(c)	70,696	64,546	6,150	-9%
Outsourced supplies and services		-	390	(390)	-100%
Supplies and services	(d)	41,181	43,994	(2,813)	7%
Depreciation and amortisation		5,560	5,290	270	-5%
Impairment losses		129	32	97	-75%
Other expenses	(e)	433	1,851	(1,418)	326%
Total expenses		118,941	122,897	(3,956)	
Operating result for the year		-	3,841	3,841	
Other comprehensive income					
Items that will not be reclassified subsequently to operating result					
Increase in asset revaluation surplus		-	8,048	8,048	100%
Total other comprehensive income		-	8,048	8,048	
Total comprehensive income		-	11,889	11,889	

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24. Budget vs Actual comparison continued

Statement of Financial Position

	Variance Notes	Original Budget 2015 $'000	Actual 2015 $'000	Variance $'000	Variance % of Budget
Current assets					
Cash and cash equivalents	(f)	12,149	15,592	3,443	28%
Receivables	(g)	1,784	3,034	1,250	70%
Inventories		636	685	49	8%
Other	(h)	42	5	(37)	(86%)
Total current assets		**14,611**	**19,316**	**4,705**	
Non-current assets					
Property, plant and equipment	(i)	101,299	95,871	(5,428)	-5%
Total non-current assets		**101,299**	**95,871**	**(5,428)**	
Total assets		**115,910**	**115,187**	**(723)**	
Current liabilities					
Payables	(j)	8,912	9,871	(959)	-11%
Accrued employee benefits	(k)	25	160	(135)	-538%
Unearned revenue		-	1,239	(1,239)	100%
Total current liabilities		**8,937**	**11,270**	**(2,333)**	
Total liabilities		**8,937**	**11,270**	**(2,333)**	
Net assets		**106,973**	**103,917**	**(3,056)**	
Equity					
Contributed equity		84,008	81,706	(2,302)	-3%
Accumulated surplus / (deficit)		8,384	11,790	3,405	41%
Asset revaluation surplus		14,581	10,421	(4,160)	-18%
Total equity		**106,973**	**103,917**	**(3,056)**	

*The original budget has been reclassified to be consistent with the presentation and classification adopted on the financial statements.

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24. Budget vs. Actual comparison continued

Statement of Cash Flows	Variance Notes	Original Budget 2015 $'000	Actual 2015 $'000	Variance $'000	Variance % of Budget
Cash flows from operating activities					
Inflows:					
User charges		4,591	5,531	940	20%
Funding public health services		96,886	103,903	7,017	7%
Grants and other contributions		11,377	10,967	(410)	-4%
Interest receipts		15	19	4	26%
GST input tax credits from ATO		4,670	2,902	(1,768)	-38%
GST collected from customers		97	93	(4)	-4%
Other receipts		436	265	(171)	-39%
	(k)	**118,072**	**123,680**	**5,608**	
Outflows:					
Employee expenses	(l)	(942)	(6,647)	(5,705)	-606%
Health service employee expenses		(70,696)	(66,390)	4,306	6%
Outsourced supplies and services		-	(391)	(390)	-100%
Supplies and services	(m)	(40,502)	(43,232)	(2,736)	-7%
Grants and subsidies		-	(12)	(12)	-100%
GST paid to suppliers		(4,673)	(3,020)	1,653	35%
GST remitted to ATO		(97)	(87)	10	10%
Other	(n)	(433)	(1,733)	(1,295)	-299%
		(117,343)	**(121,512)**	**(4,169)**	
Net cash provided by (used in) operating activities		**729**	**2,168**	**1,439**	
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		-	-	-	-
Outflows:					
Payments for property, plant and equipment	(o)	(1,361)	(7,001)	(5,640)	-414%
Net cash provided by (used in) investing activities		**(1,361)**	**(7,001)**	**(5,640)**	
Cash flows from financing activities					
Inflows:					
Equity Injections	(p)	1,361	3,001	1,640	-121%
Net cash provided by (used in) financing activities		**1,361**	**3,001**	**1,640**	
Net increase / (decrease) in cash and cash equivalents		**729**	**(1,832)**	**(2,561)**	
Cash and cash equivalents at the beginning of the financial year		11,420	17,424	6,004	-53%
Cash and cash equivalents at the end of the financial year		**12,149**	**15,592**	**3,443**	

*The original budget has been reclassified to be consistent with the presentation and classification adopted on the financial statements.

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24. Budget vs Actual comparison continued

Statement of Comprehensive Income

(a) The increase in revenue of $7.8m (7%) is related to increased funding for special projects and own source revenue generated by South West Hospital and Health Service.

(b) The increased employee expenditure of $5.8m (621%) is due to the implementation of Senior Medical Officers Contracts which came into effect in August 2014. This established a direct employer-employee relationship with the South West HHS. Also additional Board funding aligned with current membership.

(c) The reduction in health service labour expenses of $6.2m (9%) relates to the implementation of Senior Medical Officers Contracts, which came into effect in August 2014 and established a direct employer-employee relationship with the South West Hospital and Health Service. This reduction has partially been offset by increases in Enterprise Bargaining Agreements and funded projects.

(d) The increase of $2.8m (7%) in supplies and services is due to increases in the patient travel subsidy scheme, operational expenditure and deferral of Building Maintenance Remediation Program, combined with higher contracted medical staff as a result of market conditions.

(e) The increase of $1.4m (326%) for other expenses is due to additional legal costs incurred for prescribed employer, asset ownership and contract management requirements.

Statement of Financial Position

(f) The increase of $3.4m (28%) in cash and cash equivalents relates predominantly to cash rollover from the prior year combined with the current year's operational surplus.

(g) The increased Receivables of $1.2m (70%) relates to the timing of the end of year payrun and the treatment of the internal transfer to Department of Health to cover the final payrun as a prepayment.

(h) The increase of $0.04m (86%) in other current assets is due to higher prepayments due to rentals (Government employee housing assets transferred to Department of Housing and Public Works now being rented), rates and workcover premiums (previously paid by DoH).

(i) The decrease of $5.4m (5%) in Property, Plant and Equipment is due to Government employee housing being transferred to Department of Public Works, and the decrement of revaluation on one of the South West Hospital and Health Service buildings, partially offset by the impact of revaluations.

(j) The increase of $1.0m (11%) in payables is due to capital projects and the timing of these resulting in payments due at the close of the financial year.

Statement of Cashflow

(k) The increase in cash inflows from operating activities of $5.6m (5%) is related to increased funding for special projects and wwn source revenue.

(l) The increased employee expenses impact of $5.7m (606%) is due to the implementation of Senior Medical Offices Contracts, which came into effect in August 2014 establishing a direct employer-employee relationship with the South West Hospital and Health Service. Also additional Board funding aligned with current membership.

(m) The increased supplies and services impact of $2.7 (7%) is due to locum medical staff, employment agencies, patient travel and electricity charges.

(n) The increased other outflows from operating activities $1.3m (299%) is due to additional legal costs for prescribed employer, asset ownership and contract management requirements.

(o) The increased payments for property, plant and equipment of $5.6m (414%) is due to equipment purchases and capital projects including work in progress.

(p) The increase of $1.6m (121%) in equity injections is due to asset base increases from completion of capital projects and equipment purchases.

25. Subsequent Events

Transfer of Legal Ownership of Health Service Land and Buildings
The control of health services land and buildings transferred to each Hospital and Health Service (HHS) at no cost to the HHS through deed of lease arrangements when HHS's were established on 1 July 2012. The Department of Health retained legal ownership of the health services land and buildings,however the intention was for legal title of the assets to eventually transfer to each HHS.

On 1 July 2012, the Minister for Health approved the transfer of land and buildings via a three year concurrent lease (representing the right to use the assets) to the South West HHS from the Department of Health. Under the terms of the lease no consideration in the form of a lease or residual payment by the HHS is required. While the Department of Health retains legal ownership, effective control of these assets is transferred to the South West HHS. Under the terms of the lease the South West HHS has full exposure to the risks and rewards of asset ownership however proceeds from the sale of major infrastructure assets cannot be retained by South West HHS, with funds to be returned to consolidated fund (the State).

Due to effective control of the assets transferring to HHS's, these assets are recognised within the financial statements of each HHS and not within the Department of Health's financial statements. On 23 June 2014, the Minister for Health announced that the Queensland government had approved the transfer of legal ownership of health services land and buildings to HHSs in a staged process over the next 12 months.

The transfer of legal ownership of land and buildings to South West HHS will occur from 1 July 2015. There is no material impact for the financial statements as these assets are already controlled and recognised by the South West HHS.

Certificate of South West Hospital and Health Service

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of South West Hospital and Health Service for the financial year ended 30 June 2015 and of the financial position of the Hospital and Health Service at the end of that year.

c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Chair, SWHHS Board
31 / 08 / 2015

Chief Executive Officer
31 / 08 / 2015

Chief Finance Officer
31 / 08 / 2015

QAO
certified statements

To the Board of South West Hospital and Health Service

Report on the Financial Report

I have audited the accompanying financial report of South West Hospital and Health Service, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson, Health Service Chief Executive and Chief Finance Officer.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the South West Hospital and Health Service for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

D J OLIVE CPA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

Queensland
Government

South West Hospital and Health Service

2015