

State Budget 2013-14

# Service Delivery Statements

Queensland Health



## **2013–14 State Budget Papers**

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

**Appropriation Bills**

**Concessions Statement**

The suite of Budget Papers is similar to that published in 2012-13.

The Budget Papers are available online at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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**Service Delivery Statements**

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# Health Portfolio

## Summary of portfolio budgets

Page	Agency	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
4	<b>Health Consolidated</b>	<b>11,862,132</b>	<b>11,793,745</b>	<b>12,326,421</b>
	Queensland Health - controlled	11,049,034	11,011,342	11,506,497
	Queensland Health - administered	26,748	25,581	32,499
53	Cairns and Hinterland Hospital and Health Service	581,030	599,389	620,352
65	Cape York Hospital and Health Service	67,869	80,840	81,979
75	Central Queensland Hospital and Health Service	431,889	443,507	447,142
85	Central West Hospital and Health Service	51,132	53,013	51,120
93	Children's Health Queensland Hospital and Health Service	300,899	312,917	303,787
105	Darling Downs Hospital and Health Service	540,922	560,820	568,347
117	Gold Coast Hospital and Health Service	827,754	841,671	964,000
129	Mackay Hospital and Health Service	287,791	287,088	295,886
139	Metro North Hospital and Health Service	2,034,644	2,072,600	2,036,154

Page	Agency	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
149	Metro South Hospital and Health Service	1,638,153	1,724,603	1,751,299
161	North West Hospital and Health Service	126,718	134,254	135,454
173	South West Hospital and Health Service	107,759	110,898	108,882
183	Sunshine Coast Hospital and Health Service	634,917	646,753	639,894
193	Torres Strait - Northern Peninsula Hospital and Health Service	81,140	87,292	87,507
203	Townsville Hospital and Health Service	699,397	721,047	737,172
213	West Moreton Hospital and Health Service	373,291	392,050	418,575
225	Wide Bay Hospital and Health Service	440,860	451,696	449,194
235	Health Quality and Complaints Commission	10,426	10,299	10,191
245	The Council of the Queensland Institute of Medical Research	96,642	93,074	106,791
255	Queensland Mental Health Commission	..	..	7,147

## Notes:

1. Explanations of variances are provided in the financial statements.
2. While further information regarding variances between the 2012-13 Budget and 2012-13 Est. Actual is provided in the notes to the financial statements, it should be noted that 2012-13 Est. Actual expenditure for Hospital and Health Services includes expenditure against budget increases subsequent to the publication of the 2012-13 Budget.
3. The Health Consolidated Budget includes the Department of Health – Controlled Budget and Hospital and Health Services Budgets with funding movements between the entities eliminated to present a consolidated position. The Health 2013-14 Consolidated Budget is comparable to the 2012-13 Budget and 2012-13 Est. actuals.
4. The Queensland Mental Health Commission will be established from 1 July 2013, hence there are no comparative figures for 2012-13.

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

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

<p><b>Minister for Health</b> The Honourable Lawrence Springborg MP</p>
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<p><b>Assistant Minister for Health</b> Dr Chris Davis MP</p>
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<p><b>Queensland Health</b> Director General: Dr Tony O'Connell</p>
Service Area 1: Prevention, Promotion and Protection
Service Area 2: Primary Health Care
Service Area 3: Ambulatory Care
Service Area 4: Acute Care
Service Area 5: Rehabilitation and Extended Care
Service Area 6: Integrated Mental Health Services

<p><b>Hospital and Health Services</b></p> <p><b>Objective:</b> Hospital and Health Services are independent statutory bodies established on 1 July 2012 to provide public hospital and health services in accordance with the <i>Hospital and Health Boards Act 2011</i>, the principles and objectives of the national health system and the Queensland Government's priorities for the public health system.</p> <p><b>Cairns and Hinterland Hospital and Health Service</b> Board Chair: Robert (Bob) Norman Chief Executive: Julie Hartley-Jones</p> <p><b>Cape York Hospital and Health Service</b> Acting Board Chair: Louise Pearce Chief Executive: Susan Turner</p> <p><b>Central Queensland Hospital and Health Service</b> Board Chair: Charles Ware Chief Executive: Maree Geraghty</p>
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**Central West Hospital and Health Service**

Board Chair: Edward Warren

Chief Executive: Michel Lok

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

Board Chair: Susan Johnston

Chief Executive: Dr Peter Steer

**Darling Downs Hospital and Health Service**

Board Chair: Mike Horan

Chief Executive: Dr Peter Bristow

**Gold Coast Hospital and Health Service**

Board Chair: Ian Langdon

Chief Executive: Ron Calvert

**Mackay Hospital and Health Service**

Board Chair: Colin Meng

Chief Executive: Kerry McGovern

**Metro North Hospital and Health Service**

Board Chair: Dr Paul Alexander AO

Interim Chief Executive: Kerrie Mahon

**Metro South Hospital and Health Service**

Board Chair: Terry White AO

Chief Executive: Dr Richard Ashby

**North West Hospital and Health Service**

Board Chair: Paul Woodhouse

Chief Executive: Sue Belsham

**South West Hospital and Health Service**

Board Chair: Dr Julia Leeds

Chief Executive: Graem Kelly

**Sunshine Coast Hospital and Health Service**

Board Chair: Emeritus Professor Paul Thomas AM

Chief Executive: Kevin Hegarty

**Torres Strait and Northern Peninsula Hospital and Health Service**

Administrator: Dr Tony O'Connell

Chief Executive: Simone Kolaric

**Townsville Hospital and Health Service**

Board Chair: John Bearne

Chief Executive: Julia Squire

**West Moreton Hospital and Health Service**

Board Chair: Dr Mary Corbett

Chief Executive: Lesley Dwyer

**Wide Bay Hospital and Health Service**

Acting Board Chair: Barbara Hovard

Chief Executive: Adrian Pennington

**Health Quality and Complaints Commission****Commissioner: Adjunct Professor Russell Stitz****Chief Executive Officer: Adjunct Professor Cheryl Herbert**

**Objective:** To drive healthcare safety and quality improvement through independent complaint management, investigations and quality monitoring and reporting; increase community involvement in improving healthcare safety and quality; strengthen the HQCC's leadership and independence; and strengthen its business operations.

**The Council of the Queensland Institute of Medical Research****Acting Council Chair: Christopher Coyne****Director and Chief Executive Officer: Professor Frank Gannon**

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

**Queensland Mental Health Commission****Administrator: Dr Tony O'Connell**

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

Additional information about these agencies can be sourced from:

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

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

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

# RESOURCES AND PERFORMANCE

## HEALTH OVERVIEW

### Strategic direction

The Queensland public healthcare system, collectively known as 'Queensland Health,' comprises the Department of Health and 17 independent Hospital and Health Services (HHSs). The Department of Health is responsible for managing the public health system, including purchasing services from the HHSs which are responsible for delivering public healthcare services.

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

- The Health Quality and Complaints Commission, an independent statutory body dedicated to improving the safety and quality of healthcare
- The Queensland Institute of Medical Research, an independent statutory body committed to better health through medical research
- The Queensland Mental Health Commission, an independent statutory body responsible for driving ongoing reform towards an integrated, evidence based, recovery-oriented mental health, drug and alcohol system.

Queensland Health has an operating budget of \$12.326 billion for 2013-14, an increase of \$532.7 million or 4.5% on the 2012-13 estimated actual budget. In total, Queensland Health's budget has increased by 11.6% since the Government was elected. In 2013-14, \$10.319 billion (or 83.7% of the total budget) will be allocated through service agreements to purchase public healthcare services from Hospital and Health Services and other organisations including Mater Health Services, St Vincent's Hospital, Noosa Hospital and from December 2013, the Sunshine Coast University Private Hospital.

The establishment of HHSs and their respective Boards and the restructure of the Department of Health in July 2012 were part of a range of reforms commenced in 2012-13 to enhance the long term sustainability of the Queensland public health system. The decentralised public healthcare system and implementation of a purchaser-provider model contributes to the efficient delivery of public healthcare services which are more responsive to the health needs of individual communities.

The Government has further articulated its plan to achieve a contemporary and sustainable health care system in the *Blueprint for better healthcare in Queensland* ('the Blueprint'). The Blueprint has four principal themes:

- Health services focused on patients and people
- Empowering the community and our health workforce
- Providing Queenslanders with value in health services
- Investing, innovating and planning for the future.



In addition to the actions outlined in the Blueprint to deliver a sustainable health system for the future, the recommendations of the Independent Commission of Audit will guide fundamental change in the delivery of public healthcare services to ensure that Queenslanders continue to access the services they need. While Queensland Health continues to make considerable progress in achieving the Government's fiscal repair targets, announced in the 2012-13 State Budget, and deliver clinical improvements and greater efficiencies in the delivery of front line services, the significant Commonwealth funding reduction, advised in October 2012, presented additional challenges. The immediate reduction in funding in 2012-13 of \$103 million has had a significant impact on the ability of the newly created Hospital and Health Services to plan and deliver services. Further reductions announced in the 2013-14 Budget mean that the Australian Government has clawed back approximately \$490 million in funding across the forward estimates since the 2012-13 Commonwealth budget.

The Government, through the Blueprint has set a target for the cost of healthcare delivery in Queensland to equal or better national benchmarks by mid 2014. Improvements have already been achieved between 2009-10 and 2012-13 with further significant improvements expected in 2013-14.

The adoption of the national Activity Based Funding model in 2013-14 will provide a clear line of sight between the Queensland ABF price and the national efficient price, and an incentive for HHSs to improve efficiency. Where HHSs have additional budgetary capacity to deliver additional services over and above purchased activity, they have been provided with the flexibility to determine local investment priorities such as addressing elective surgery waiting lists.

To further hold HHSs accountable for their performance and increase efficiency, all Hospital and Health Boards will publically report on six 'Blueprint' targets on a quarterly basis from 1 July 2013 including shorter waiting times for emergency department services, elective surgery and specialist outpatient clinics, increased support for families with newborns, reductions in hospital acquired infections and increased value for money.

Continuing reforms in 2013-14 to improve the delivery of healthcare services include improvements in procurement, contestability, industrial relations and workforce reforms, clinical services redesign and opening up the healthcare system to greater use of partnerships with the private and not-for-profit sectors.

The Department of Health has established a Contestability Branch to provide strategic oversight and coordination of reforms intended to deliver operational efficiencies within the HHSs and Commercialised Business Units. The Branch will provide high level assistance through the review and development of policy and operational frameworks and services, as well as expertise in strategic sourcing.

Achieving reforms in industrial and employment models and conditions is critical to achieving efficiency benchmarks and to provide HHSs with the flexibility to meet local healthcare needs within strict budget parameters. A range of actions to progress workforce reforms will be prioritised for 2013-14 including:

- implementing a system-wide strategy to ensure agreed Enterprise Bargaining productivity initiatives are implemented, monitored and reported and identified savings are achieved
- simplifying awards and conditions to reduce complexity in payroll processing
- moving towards employment contracts for senior medical officers
- increasing the use of advanced practice nurses and other innovative health professional roles as part of broad workforce reforms.

Through the use of clinical services re-design methodologies, significant capacity is being released in both emergency departments and inpatient wards across Queensland.

Positive relationships with the primary health care sector, non-Government partners and Medicare Locals are integral to managing demand for hospital services and delivering further efficiencies. Hospital and Health Services have implemented consumer and community engagement strategies to enhance the provision of services which are responsive to local needs. For example the Metro North HHS will facilitate up to four HHS wide forums per year in partnership with peak bodies that engage with community and consumers regarding service planning and design.

### **2013-14 Highlights**

Queensland Health has an operating budget of \$12.326 billion for 2013-14, an increase of \$532.7 million or 4.5% on the 2012-13 estimated actual budget. In total, Queensland Health's budget has increased by 11.6% since the Government was elected. In 2013-14, \$10.319 billion (or 83.7% of the total budget) will be allocated through service agreements to purchase public healthcare services from Hospital and Health Services and other organisations including Mater Health Services, St Vincent's Hospital, Noosa Hospital and from December 2013, the Sunshine Coast University Private Hospital.

*Queensland Mental Health Commission* - From 1 July 2013, the newly established Queensland Mental Health Commission will drive ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health, drug and alcohol system. The Commission will be responsible for leading a cultural change in the way mental health, drug and alcohol services are planned and delivered in Queensland.

*Cochlear Implant Waiting Lists* - there are currently around 120 children, adolescents and adults waiting for cochlear implants, and current waiting times are approximately three to four years. To address this, the Government has allocated \$5.8 million to provide cochlear implants to patients with moderate to profound hearing loss. It is expected that this additional funding will mean all people currently on the cochlear implants waiting lists should be able to receive their implants during the 2013-14 financial year.

*Hospital in the Home* - providing patients with improved access and choice is fundamental to a contemporary health care system. An additional \$28.3 million has been allocated over the next four years for additional Hospital in the Home (HITH) services to be provided by the private sector and non-government organisations. HITH provides acute care by health care professionals at a patient's usual place of residence as a substitute for inpatient care received in a hospital.

*Backlog maintenance* - the Government has provided increased funding of \$147 million over four years to address the backlog of maintenance. The Department of Health and HHSs will also contribute a further \$180 million over four years to deliver a total \$327 million backlog maintenance program.

The Department is currently developing a framework for the delivery, monitoring and reporting of the program. Some of the infrastructure upgrades that will be delivered include:

- replacement of the existing elevator system at the Cairns Base Hospital
- upgrade air conditioning at the Kirwan Mental Health Unit
- replacement of cooling towers, chillers, three personnel elevators and main switchboard at the Toowoomba Hospital

- removal of asbestos roof from aged care and staff quarters at the Ayr Hospital
- upgrade of the Nurses Quarters at the Maryborough Hospital including new fire indicator panel and verandah roof.

*Revitalisation of regional, rural and remote services* - to address the specific service delivery challenges for the health sector in non-metropolitan areas, the Government has approved funding of \$51.9 million over four years to support and enable better access to health care services for Queenslanders in regional, rural and remote communities including:

- enhanced ambulatory and primary health care models, delivering safe and sustainable care with a focus on mental health, chronic disease and emergency care
- delivery of enhanced outreach services including ambulatory care, specialist consultations, planned procedures and health information through a multidisciplinary care model.

*Rural Telehealth Service* - to support enhanced models of care and outreach services, the Government has approved funding of \$30.9 million over four years to establish a Rural Telehealth Service. Under the new service, local residents who call participating facilities, up to 24 hours a day, will be able to access emergency staff and other clinicians at the best hospitals in the State via telehealth services. For local residents, this will improve access to health services and eliminate extended waiting times for treatment.

*Rural Mental Health* - in 2013-14, the Department of Health will facilitate the provision by non-government organisations of Mental Health First Aid and Psychological First Aid workshops in rural communities declared in drought. The workshops will assist communities to identify mental health related issues, promote normal recovery pathways, increase resilience and facilitate access to physical, emotional and social supports.

In addition, the Department will provide funding to the non-government sector to provide mental health information, advice and personal support through individual and group counselling services for patients in the North Burnett and Bundaberg regions affected by Ex-Cyclone Oswald.

*Payroll system enhancements* - additional funding of \$384.3 million over four years including \$124.3 million in 2013-14 will enable the Department to operate, maintain and enhance the Queensland public health system rostering and payroll environment, to improve the pay outcomes for Queensland public health system employees, reduce the level of fortnightly overpayments and reduce recurrent operational payroll costs.

*Queensland Health Ombudsman* – legislation to create a Queensland Health Ombudsman as the lynchpin of a new and accountable health complaints reporting system will be introduced.

In 2013-14, a total capital investment program for the health portfolio of \$1.752 billion will progress a range of health infrastructure priorities including hospitals, health technology, research and scientific services, mental health services, residential care, staff accommodation, and information and communication technologies. Program highlights include:

- scheduled opening of the Gold Coast University Hospital in September 2013
- continued development of the Queensland Children's Hospital and the Sunshine Coast University Hospital
- continued redevelopments at Cairns, Mackay, Mount Isa (construction forecast to be completed in June 2014), Rockhampton (construction forecast to be completed in mid 2014), Townsville, Logan, QEII (construction forecast to be completed in January 2014) and Ipswich (construction forecast to be completed in February 2014) Hospitals
- continued rectification works at rural and remote facilities

- completion of the \$180 million Medical Research Centre at the Queensland Institute of Medical Research.

### Recent Achievements

During 2012-13, the Department progressed a number of key Government commitments to improve access and support the delivery of public health services.

From 1 January 2013, the Government doubled vehicle mileage and commercial accommodation subsidies for patients and their approved escorts travelling to access specialist health services, in line with the Government's election commitment to boost the Patient Travel Subsidy Scheme (PTSS) for rural and regional Queenslanders.

The Government has enhanced the Maternal and Child Health Service to give all mums and bubs the best possible start to life. All HHSs (except Children's Health Queensland) will receive additional funding to increase access to home visits for newborn babies at two and four weeks of age with follow-up consultations at community centres at two, four, eight and 12 months.

The National Emergency Access Target (NEAT) and National Elective Surgery Target (NEST) are calendar year targets focussed on improving access to emergency care and elective surgery. The NEAT sets a target for patients to be treated within four hours of attending a public hospital emergency department and the NEST aims to achieve 100% of elective surgery patients receiving their treatment within the clinically recommended timeframes by 2015.

In line with the Government's commitment to improve access to emergency treatment and elective surgery, Queensland Health has recorded a marked improvement in its NEAT performance from 61.9% of patients treated within four hours of attending a public hospital emergency department in 2011, to 66.9% treated within four hours in 2012. Performance against this target continues to improve, in the first three months of 2013, 75% of patients attending a public hospital emergency department were treated within four hours.

Queensland is also performing well in relation to the NEST. In 2012, the Category 1 (most urgent category) target of 89% of elective surgery patients receiving their treatment within clinically recommended timeframes was met, while performance in Categories 2 and 3 also improved.

The Government has implemented a ban on the practice of ambulance bypass, through adopting the recommendations of the *Metropolitan Emergency Department Access Initiative* (MEDAI) report. The Report highlighted that hospitals going on bypass, which effectively diverts a patient to another facility, is an unacceptable mechanism for managing demand in Emergency Departments. HHSs are promoting whole-of hospital approaches incorporating patient flow and bed management strategies to improve the efficiency of facilities and deliver faster, more appropriate care to Queensland patients.

In 2012-13, the Government allocated additional funding to establish a paediatric intensive care service at the Townsville Hospital and recruit extra specialists at Cairns Base Hospital to enable better access to health services in Far North Queensland.

During 2012-13, the Department delivered a number of projects through a capital program which underpins the provision of better services for patients, and better healthcare for the community. Program highlights in 2012-13 include completion of:

- the Translational Research Institute facility on the Princess Alexandra Hospital Campus in November 2012
- the Caboolture Hospital Education and Skills Centre in April 2013

- new and expanded paediatric emergency departments at the Prince Charles, Caboolture, Redcliffe and Redland Hospitals
- the Thursday Island Chronic Disease Centre in early June 2013
- a new aged care annexe at Cloncurry Hospital in early June 2013
- the Southern Queensland Centre of Excellence, an Indigenous Primary Health Care facility at Inala
- a number of mental health facilities across the state, including the Bayside Community Care Unit, Acute and Community Care Units at Logan, an Adolescent Unit at Townsville Hospital and an expanded Mental Health Unit at the Mackay Base Hospital.

## Health Consolidated Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Health Consolidated	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services <sup>1,2</sup>			
Deferred from previous year/s	..	..	..
Balance of service appropriation	7,792,873	7,788,423	8,109,547
Other revenue	4,069,259	4,005,322	4,216,874
<b>Total income</b>	<b>11,862,132</b>	<b>11,793,745</b>	<b>12,326,421</b>
<b>Expenses</b>			
Prevention Promotion and Protection	564,015	555,817	576,981
Primary Health Care	647,869	648,543	674,065
Ambulatory Care	2,367,073	2,342,264	2,461,713
Acute Care	6,201,582	6,177,237	6,435,674
Rehabilitation and Extended Care	1,009,497	1,014,091	1,058,216
Integrated Mental Health Service	1,072,096	1,055,794	1,119,770
<b>Total expenses</b>	<b>11,862,132</b>	<b>11,793,745</b>	<b>12,326,421</b>
<b>Operating surplus/deficit</b>	..	..	..
<b>Net assets</b>	<b>9,886,694</b>	<b>9,521,880</b>	<b>10,903,439</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation of administered items	26,741	25,581	32,499
Other administered revenue	50	..	..
<b>Total revenue</b>	<b>26,791</b>	<b>25,581</b>	<b>32,499</b>
<b>Expenses</b>			
Transfers to government	43	..	..
Administered expenses	26,748	25,581	32,499
<b>Total expenses</b>	<b>26,791</b>	<b>25,581</b>	<b>32,499</b>
<b>Net assets</b>	..	..	..
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1</sup>	7,725,314	7,720,864	8,109,547
Equity adjustment	1,354,981	1,040,722	1,109,633
<b>Administered items</b>	26,921	25,761	32,499
<b>VOTE TOTAL</b>	<b>9,107,216</b>	<b>8,787,347</b>	<b>9,251,679</b>

## Notes:

1. Appropriation for services does not match appropriation for departmental services due to appropriation returned of \$67.559 million raised in 2011-12.
2. Includes State and Commonwealth funding.
3. Commonwealth Health Reform Funding flows directly to Queensland Health (from 1 July 2012).

## Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2012-13 Budget. Further details are contained in Budget Paper No. 4.

<b>Health Consolidated</b>	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental	..	182,765	195,729	201,685	220,161
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	1,000	1,000	..	..

### Notes:

- Expense measures do not reconcile with Budget Paper No. 4 (BP4) due to funding for initiatives to support the rehabilitation of road trauma victims included in the Road Safety measure being reported wholly in the Department of Transport and Main Roads' section of BP4.



**Staffing<sup>1</sup>**

<b>Health Consolidated</b>	<b>Notes</b>	<b>2012-13 Budget</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Estimate</b>
Hospital and Health Services	2,3	57,647	57,332	58,937
Department of Health	4	8,463	6,892	6,892
<b>Total</b>		<b>66,110</b>	<b>64,224</b>	<b>65,829</b>

## Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 2012-13 Estimated Actuals for Hospital and Health Services (HHSs) are less than forecast, principally due to the impact of the Commonwealth National Health Reform Specific Purpose Payment (SPP) funding reductions.
3. Projected increases for HHSs in 2013-14 are based on increased service levels as outlined in 2013-14 service agreements, however where HHSs elect to deliver additional public health services under arrangements with the private sector and/or non-government organisations, FTEs in the public system may not increase commensurate with activity.
4. The Department of Health currently holds funding of over \$150 million which is available for the purchase of additional activity from Hospital and Health Services in 2013-14. Where the activity is delivered in the public health system it may increase FTEs, however it is expected that the additional FTEs will be offset by implementation of reforms underway including contestability.

## SERVICE PERFORMANCE

### Services

Queensland Health reports service delivery under six service areas that reflect our planning priorities and support investment decision-making across the Queensland public healthcare system. Our service areas are:

#### Prevention Promotion and Protection

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

#### Primary Health Care

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

#### Ambulatory Care

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

#### Acute Care

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

#### Rehabilitation and Extended Care

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

#### Integrated Mental Health Services

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

## Red tape reduction

The Department of Health is undertaking a range of actions to support the Government's commitment to red tape reduction and reports quarterly to Queensland Treasury and Trade on these actions.

Many of the red tape reduction actions relate to reducing or removing onerous regulatory burdens leading to a reduction in, or cessation of, administrative processes. Examples of initiatives currently underway, or recently completed, by the Department of Health include:

- the cessation of State-based registration of speech pathologists and dental technicians
- repeal of regulatory provisions arising from the National Poisons Control Project, establishing nationally agreed provisions for dealing with poisons
- aligning the format of Sentinel Events reporting with the State Coroner's reporting requirements
- reviewing Private Health Facilities Standards (to align with National Standards)
- amending the *Water Fluoridation Act 2008* and the *Water Fluoridation Regulation 2008* to remove the mandatory requirement to fluoridate water supplies serving over 1,000 people and allowing local governments to decide if fluoridation is in the best interest of their communities
- amending the *Public Health Regulations 2005* to reduce monitoring requirements in relation to recycled water providers.

## 2013-14 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Prevention Promotion and Protection	576,981	306,638	19,256	243,596	7,490
Primary Health Care	674,065	574,348	2,614	94,893	2,211
Ambulatory Care	2,461,713	1,603,079	161,017	686,829	10,788
Acute Care	6,435,674	3,978,876	794,546	1,630,831	31,421
Rehabilitation and Extended Care	1,058,216	549,600	43,604	353,910	111,102
Integrated Mental Health Service	1,119,770	701,822	24,425	389,682	3,841
<b>TOTAL</b>	<b>12,326,421</b>	<b>7,714,363</b>	<b>1,045,462</b>	<b>3,399,742</b>	<b>166,854</b>

### Notes:

1. Explanations of variances are provided in the financial statements.
2. Totals may not exactly equal sum of components due to rounding.

## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Reporting of measures in the Service Delivery Statement will continue to be reviewed annually. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels, including the bi-annual Chief Health Officer's Report, *'The Health of Queenslanders'*. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Health Consolidated	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service Area: Prevention, Promotion and Protection</b>				
<b>Service standards</b>				
Percentage of the Queensland population who consume recommended amounts of:				
• fruits		55.6%	61.1%	56.1%
• vegetables	1, 2	9.7%	10.4%	9.7%
Percentage of the Queensland population who engaged in levels of physical activity for health benefit:				
• Persons		61.0%	52.6%	63.0%
• Male		65.8%	58.5%	68.2%
• Female	2	56.3%	45.0%	57.7%
Percentage of the Queensland population who are overweight or obese:				
• Persons		58.3%	61.0%	59.1%
• Male		65.6%	68.7%	66.2%
• Female	2	51.0%	57.0%	52.2%
Percentage of the Queensland population who consume alcohol at risky and high risk levels:				
• Persons		11.0%	9.8%	11.4%
• Male		12.3%	12.7%	13.1%
• Female	2	9.6%	8.0%	9.8%

<b>Health Consolidated</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Percentage of the Queensland population who smoke daily:				
• Persons		13.3%	13.5%	12.5%
• Male		14.6%	14.3%	13.7%
• Female	2	12.1%	13.0%	11.3%
Percentage of the Queensland population who were sunburnt in the last 12 months:				
• Persons			58.8%	52.7%
• Male		New	53.6%	57.2%
• Female	2, 3	measure	62.0%	48.3%
Annual notification rate of HIV infection	4	5.0%	4.6%	5.0%
Number of rapid HIV tests performed	5	New measure	500	6,000
Vaccination rates at designated milestones for:				
• All children 12-15 months		92%	92%	92%
• All children 24-27 months		92%	92%	92%
• All children 60-63 months		92%	91%	92%
Percentage of target population screened for:				
• Breast cancer		57.6%	57.6%	57.6%
• Cervical cancer		55.3%	55.3%	55.3%
• Bowel cancer		38.0%	38.0%	38.0%
Percentage of invasive cancers detected through BreastScreen Queensland that are small (<15mm) in diameter	6	63.9%	57.1%	60.0%

Health Consolidated	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	New measure	0.9	0.9
<b>State contribution (\$000)</b>		<b>303,075</b>	<b>303,650</b>	<b>306,638</b>
<b>Other revenue (\$000)</b>		<b>260,940</b>	<b>252,166</b>	<b>270,343</b>
<b>Total cost (\$000)</b>		<b>564,015</b>	<b>555,816</b>	<b>576,981</b>
<b>Service Area: Primary Health Care</b>				
<b>Service standards</b>				
Ratio of potentially preventable hospitalisations - rate of Aboriginal and Torres Strait Islander hospitalisations to rate of non-Aboriginal and Torres Strait Islander hospitalisations	8	New measure	1.9	1.7
Percentage of women who, during their pregnancy were smoking after 20 weeks:				
• Non-Aboriginal and Torres Strait Islander women		10.5%	9.9%	10.1%
• Aboriginal and Torres Strait Islander women		41.2%	41.2%	39.4%
Number of in-home visits, families with newborns (in accordance with the Mums and Bubs commitment)	9	New measure	56,622	75,827
Number of adult oral health weighted occasions of service (ages 16+)	10, 11	1,800,000	1,864,350	2,400,000
Number of children and adolescent oral health weighted occasions of service (0-15 years)	10	1,300,000	1,299,400	1,300,000

<b>Health Consolidated</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Percentage of oral health weighted occasions of service which are preventive	12	New measure	13.2%	15%
Percentage of oral health weighted occasions of service provided by private dental partners	13	New measure	2.9%	8%
<b>State contribution (\$000)</b>		<b>549,536</b>	<b>556,919</b>	<b>574,348</b>
<b>Other revenue (\$000)</b>		<b>98,333</b>	<b>91,624</b>	<b>99,718</b>
<b>Total cost (\$000)</b>		<b>647,869</b>	<b>648,543</b>	<b>674,065</b>
<b>Service Area: Ambulatory Care</b>				
<b>Service standards</b>				
Percentage of patients transferred off-stretcher within 30 minutes	14	New measure	83%	90%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	15	74%	69%	80%
Median wait time for treatment in emergency departments (minutes)		20	20	20
Percentage of emergency department patients seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	84%	80%
• Category 3 (within 30 minutes)		75%	65%	75%
• Category 4 (within 60 minutes)		70%	71%	70%
• Category 5 (within 120 minutes)		70%	89%	70%
• All categories	15, 16, 17	..	71%	..



<b>Health Consolidated</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			48%	48%
• Category 2 (90 days)		New	33%	33%
• Category 3 (365 days)	18	measure	55%	90%
Percentage of babies born of low birth weight to:				
• Non-Aboriginal and Torres Strait Islander mothers		5.8%	5.3%	5.8%
• Aboriginal and Torres Strait Islander mothers	19	9.1%	9.2%	8.7%
Total weighted activity units:				
• Emergency Department		192,717	189,068	193,482
• Outpatients		190,249	192,068	187,631
• Interventions and Procedures	20, 21, 22, 23	131,922	126,641	156,729
<b>State contribution (\$000)</b>		<b>1,549,181</b>	<b>1,566,162</b>	<b>1,603,079</b>
<b>Other revenue (\$000)</b>		<b>817,892</b>	<b>776,102</b>	<b>858,634</b>
<b>Total cost (\$000)</b>		<b>2,367,073</b>	<b>2,342,264</b>	<b>2,461,713</b>

**Service Area: Acute Care****Service standards**

Median wait time for elective surgery (days):

• Category 1 (30 days)		..	13	..
• Category 2 (90 days)		..	52	..
• Category 3 (365 days)		..	123	..
• All categories	24	25	28	25

Percentage of elective surgery patients treated within clinically recommended times:

• Category 1 (30 days)		95%	91%	100%
• Category 2 (90 days)		84%	77%	91%
• Category 3 (365 days)	25	93%	86%	96%

<b>Health Consolidated</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Percentage of admitted patients discharged against medical advice:				
• Non-Aboriginal and Torres Strait Islander patients		0.8%	1.1%	0.8%
• Aboriginal and Torres Strait Islander patients		1.9%	3.5%	1.7%
Average cost per weighted activity unit for Activity Based Funding facilities	26	\$4,536	\$4,589	\$4,568
Total weighted activity units – acute inpatient	20, 22, 23, 27	840,654	842,484	853,015
<b>State contribution (\$000)</b>		<b>3,825,488</b>	<b>3,874,298</b>	<b>3,978,876</b>
<b>Other revenue (\$000)</b>		<b>2,376,094</b>	<b>2,302,939</b>	<b>2,456,798</b>
<b>Total cost (\$000)</b>		<b>6,201,582</b>	<b>6,177,237</b>	<b>6,435,674</b>
<b>Service Area: Rehabilitation and Extended Care</b>				
<b>Service standards</b>				
Total weighted activity units – sub acute	20, 22, 23	96,212	97,686	102,859
<b>State contribution (\$000)</b>		<b>522,682</b>	<b>528,506</b>	<b>549,600</b>
<b>Other revenue (\$000)</b>		<b>486,815</b>	<b>485,585</b>	<b>508,616</b>
<b>Total cost (\$000)</b>		<b>1,009,497</b>	<b>1,014,091</b>	<b>1,058,216</b>
<b>Service Area: Integrated Mental Health Services</b>				
<b>Service standards</b>				
Proportion of re-admissions to acute psychiatric care within 28 days of discharge	28	10%-14%	12.6%	<12%
Rate of community follow up within 1 – 7 days following discharge from an acute mental health inpatient unit		55% - 60%	61.7%	>60%
Percentage of the population receiving clinical mental health care	29	New measure	1.8%	1.8% - 2.0%

Health Consolidated	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Ambulatory mental health service contact duration	30, 31	New measure	694,483	961,388 – 1,164,571
Total weighted activity units – Mental Health	20, 22, 23	115,292	111,250	120,537
<b>State contribution (\$000)</b>		<b>691,166</b>	<b>693,627</b>	<b>701,822</b>
<b>Other revenue (\$000)</b>		<b>380,930</b>	<b>362,167</b>	<b>417,948</b>
<b>Total cost (\$000)</b>		<b>1,072,096</b>	<b>1,055,794</b>	<b>1,119,770</b>

## Notes:

1. The previous measure 'Percentage of the Queensland population who consume recommended amounts of fruits and vegetables' has been amended to show fruits and vegetables as discrete indicators as the sensitivity to detect change is reduced when fruit and vegetables are reported as a combined indicator. For example in 2011-12, based on individual indicators, 53.7% of adults consumed the recommended serves of fruits and 9.7% the recommended vegetable serves. When combined fewer consume recommended serves of both, 7.4%. Separating the indicators improves understanding of healthy nutrition behaviours as fruit consumption is good and generally improving while vegetable consumption remains low and static.
2. The 2012-13 Est. Actual data is derived from an unweighted interim data set. The 2013-14 Target/Est. is based on population trends, using comparable data collections from the previous five to ten years.
3. The previous measure 'Percentage of the Queensland population who were sunburnt on the previous weekend' has been discontinued as the previous measure was not sensitive enough to gauge a true reflection of behaviour across the population. The new measure 'Percentage of the Queensland population who were sunburnt in the last 12 months' better captures behaviour over a 12 month period— for example, in 2011-12, 51.6% of the adult population reported sun burn in the previous 12 months. Using the previous measure, 9.2% reported sun burn on the past weekend. The limitation of the previous measure is that it reflects weather and seasonal patterns rather than sustained changed behaviour.
4. The annual notification rate of HIV infection is a reflection of the number of notifications per 100,000 population. The 2012-13 Estimated Actual figure is an estimate based on the number of first diagnoses of HIV in Queensland for the 2012 calendar year. From 2012, measures to address HIV notifications have been under the direction of the new HIV Ministerial Advisory Committee. The Department of Health anticipates increased testing will result in a short-term increase in the notification rate, but is committed to meeting the United Nations and Commonwealth declarations to reduce transmission rates by 50% by 2015.
5. Rapid HIV testing is being implemented from 3 June 2013 in eleven Sexual Health Services across the State. A HIV rapid test is a point of care test which enables clinicians to test the patient for HIV on site. It takes 20 minutes to perform and their use is primarily for people at higher risk of HIV than the general population. The rapid tests are not a replacement for existing testing but are an additional measure designed to increase testing among high risk populations to meet the United Nations' target for a reduction in HIV notifications and to get 90% of people living with HIV into treatment by the end of 2015.
6. The 2013-14 Target/est. is based on trend data from the previous five to 10 years. The Est. actual results may fluctuate from year to year based on the demographics of the women screened.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly infections in the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days.

8. The previous measure (number and age standardised rate of potentially preventable admitted patient episodes of care) has been discontinued as published time-series data are not comparable due to coding changes over time. The new indicator provides the ratio of total potentially preventable hospitalisations for Aboriginal and Torres Strait Islander hospitalisations as a percentage of total admissions relative to the total number of non-Aboriginal and Torres Strait Islander potentially preventable hospitalisations as a percentage of total admissions. The methodology aligns to the proposed 2013-14 Hospital and Health Service Agreement key performance indicators and Closing the Gap reporting requirements. The target is based on a trajectory to Close the Gap by 2032-33.
9. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
10. It is proposed that reporting on oral health weighted occasions of service as service standards is continued in the Service Delivery Statement. This reflects the way in which Hospital and Health Services are funded for outputs. The information reported here is complimentary to the data on oral health service waiting lists published on the Queensland Health internet site.
11. For adult oral health weighted occasions of service, the 2012-13 Est. Actual and the 2013-14 Target/Est. both include additional oral health service activity funded under the National Partnership Agreement for Treating More Public Dental Patients which commenced in Queensland on 27 February 2013.
12. Preventive treatment is reported according to item numbers recorded in each patient's clinical record and includes procedures such as removal of plaque and calculus from teeth, application of fluoride to teeth, dietary advice, oral hygiene instruction, quit smoking advice, mouthguards and fissure sealants. All of these items are important to improve and maintain the health of teeth, gums and soft tissues within the mouth, and also have general health benefits.
13. The expected increase in the percentage of oral health weighted occasions of service provided by private dental partners between 2012-14 is primarily due to additional funding for oral health services from the National Partnership Agreement for Treating More Public Dental Patients.
14. Off-stretcher time is defined as the time interval between the ambulance arriving at the Emergency Department and the patient transferred off the Queensland Ambulance Service (QAS) stretcher. (QAS Code 1 & 2 Patients only).
15. Target set as the midway point between the 2013 and the 2014 calendar year National Emergency Access Targets (NEAT), as agreed to in the National Partnership Agreement (NPA) on Improving Public Hospital Services.
16. A target is not included for 'all categories' as there is no national benchmark, however the service standard has been included (without a target) as it is a nationally recognised standard measure of Emergency Department performance.
17. While performance for triage Category 3 is under target, results have improved from the 2011-12 Est. Actual (62%) to the 2012-13 Est. actual (65%). Category 3 patients represent the largest cohort of patients among the categories (42%).
18. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-13 estimated actual performance for Categories 1 and 2, and on the target set by the Blueprint for better healthcare in Queensland of 90% for Category 3. 2012-13 Est. Actual is based on preliminary data as a 1 May 2013.
19. Low birth weight is defined as less than 2,500 grams and excludes multiple births, stillbirths and births of unknown birth weight.
20. While Weighted Activity Units (WAU) focus on outputs rather than efficiency or effectiveness, these service standards have been continued in the Service Delivery Statements as an important indicator of the activity purchased from Hospital and Health Services.
21. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
22. Estimates of the number of WAUs are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2012-13 Target/Est. that was published in the 2012-13 Service Delivery Statements and the 2012-13 Est. Actuals have been recalculated based on the Phase 16 ABF model applying in 2013-14 to enable comparison with 2013-14 Target/Est. figures.

23. Statewide totals sum to more than the totals for individual HHSs because of public hospital activity by the Mater Public Hospitals and St Vincent's Private Hospital, and activity that has not yet been allocated to HHSs in Service Agreements (e.g. funding for activity held in the in-year activity pool and other amounts yet to be allocated).
24. A target is not included for categories 1-3 as there is no national benchmark at the 50<sup>th</sup> percentile. A target has been included for 'All categories' to align with the HHS service agreements.
25. The 2013-14 Target/Est. is set at the midway point between the 2013 and 2014 calendar year National Elective Surgery Targets (NEST), as agreed in the NPA on Improving Public Hospital Services.
26. Estimates of average cost per WAU are affected by the parameters of the ABF model and are specific to the ABF model under which they are calculated. The 2012-13 Target/Est. that was published in the 2012-13 Service Delivery Statements and the 2012-13 Est. Actuals have been recalculated based on the Phase 16 ABF model to enable comparison with 2013-14 Target/Est. figures. The increase in the 2012-13 Est. Actual figure compared to the 2012-13 Target/ Est. is because the 2012-13 Target/ Est. was based on the statewide ABF price and did not take account of transition payments to some HHSs with costs above the statewide price.
27. The previous measure 'Total weighted activity units – inpatients (including critical care)' has been amended to 'Total weighted activity units - acute inpatient' as this reflects the continued refinement of the activity based funding (ABF) model and implementation of the national ABF model.
28. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
29. This indicator provides a mechanism for monitoring population treatment rates and assess these against what is known about distribution of mental disorder in the community. This measure is linked to the data collected as part of the Report on Government Services (ROGS).
30. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
31. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## CAPITAL

### Capital program

The total capital program for Queensland Health (including Queensland Health, Hospital and Health Services and capital grants) will invest \$1.731 billion in 2013-14, with an additional capital investment of \$21 million for the Council of the Queensland Institute of Medical Research.

In 2013-14, Queensland Health will continue its capital investment across a broad range of health infrastructure including hospitals, health technology, research and scientific services, mental health services, residential care, staff accommodation, and information and communication technologies.

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

### Capital budget statement

Health System	Notes	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total property, plant and equipment	2	1,827,092	1,625,549	1,725,148
Total capital grants		58,988	60,105	5,660
<b>Total Capital Purchases</b>		<b>1,886,080</b>	<b>1,685,654</b>	<b>1,730,808</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. Decrease from the 2012-13 Budget to the 2012-13 Estimated Actual relates primarily to deferred investment in the Information Communication and Technology (ICT) program including e-Health Clinical Systems, Other Software Development, the Queensland Children's Hospital and Academic Research Facility.

# BUDGETED FINANCIAL STATEMENTS

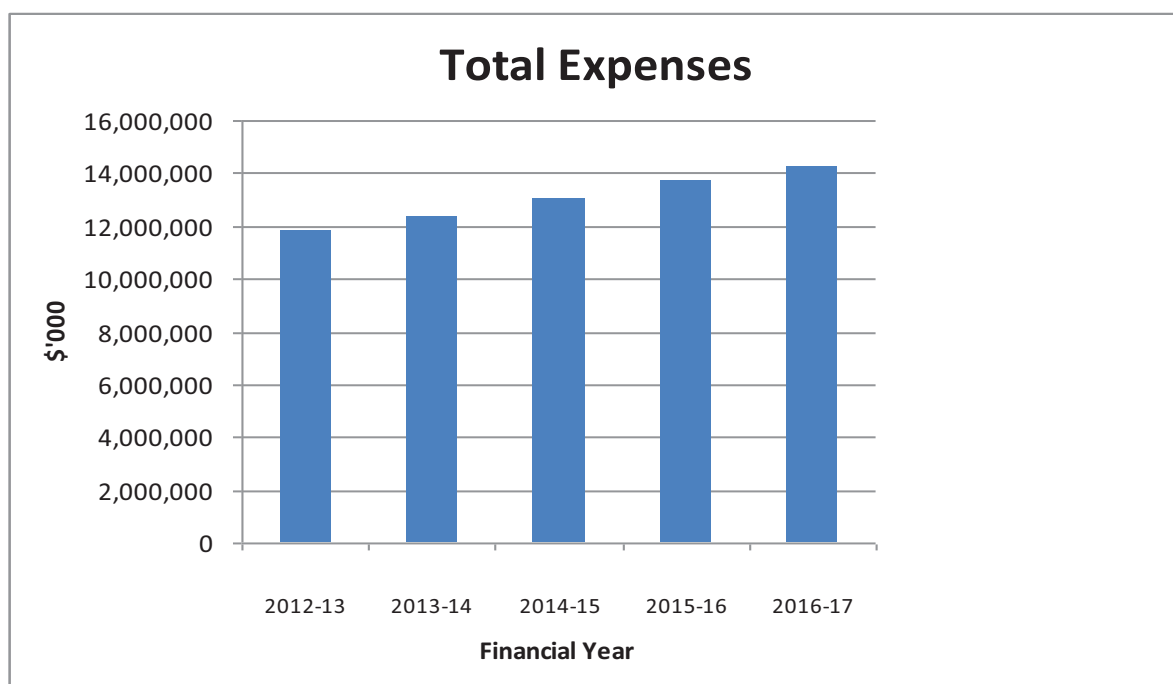
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

### Queensland Health income statement

Total expenses are estimated to be \$12.326 billion in 2013-14, an increase of \$532.7 million from the 2012-13 estimated actual budget. The 2013-14 budget supports growing demand and critical service needs and includes increased expenditure for Enterprise Bargaining Agreements and new and existing initiatives including the Payroll System, backlog maintenance, Revitalisation of Regional, Rural and Remote Health Services and Hospital in the Home. This increase is offset by the reduction of funds associated with the Government's savings initiatives and the impact of expenses associated with new and existing initiatives, including the Aged Care Assessment program and Nursing Home funding.

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



### Queensland Health balance sheet

Queensland Health's major assets are in Property, Plant & Equipment \$11,028 million and Intangibles \$153 million and these categories are expected to increase by 17.8% and 9.9% respectively by 2015-16, as a result of a revaluation indexation of buildings and commissioning of major projects. Queensland Health's main liabilities relate to Accrued Employee Benefits \$807 million and are estimated to decrease by 27.6% by 2015-16. This decrease is attributed to the end of year payroll accrual reducing from 23 to 11 days in 2015-16.

## INCOME STATEMENT

Health Consolidated	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
Service revenue	1, 9, 18	7,792,873	7,788,423	8,109,547
User charges	10, 19	999,864	999,536	1,045,462
Grants and other contributions	2, 11, 20	3,042,447	2,975,984	3,139,864
Other revenue	3, 12	26,948	29,802	31,548
Gains on sale/revaluation of property, plant and equipment and investments	..	..	..	..
<b>Total income</b>		<b>11,862,132</b>	<b>11,793,745</b>	<b>12,326,421</b>
<b>Expenses</b>				
Employee expenses	4, 13, 21	7,569,239	7,540,575	7,834,112
Supplies and services	5, 14, 22	2,767,025	2,823,468	2,930,859
Grants and subsidies	6	924,702	840,960	877,730
Depreciation and amortisation	15, 23	436,815	432,672	528,292
Finance/borrowing costs		..	..	..
Other expenses	7, 16	136,190	129,698	130,169
Losses on sale/revaluation of property, plant and equipment and investments	8, 17	28,161	26,372	25,259
<b>Total expenses</b>		<b>11,862,132</b>	<b>11,793,745</b>	<b>12,326,421</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Health Consolidated	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	24, 26, 28	144,354	74,192	260,038
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>144,354</b>	<b>74,192</b>	<b>260,038</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>144,354</b>	<b>74,192</b>	<b>260,038</b>
Equity injection/(withdrawal)	25, 27	1,341,837	1,077,556	1,121,518
Equity adjustments (MoG transfers)		4,702	4,701	3
<b>Total movement in equity for period</b>		<b>1,490,893</b>	<b>1,156,449</b>	<b>1,381,559</b>



**BALANCE SHEET**

<b>Health Consolidated</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	29, 38	(72,241)	146,910	141,014
Receivables		685,648	687,967	718,665
Other financial assets		..	..	..
Inventories		132,060	131,954	133,475
Other	30	137,621	124,100	136,582
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>883,088</b>	<b>1,090,931</b>	<b>1,129,736</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		20,191	20,911	20,911
Other financial assets	31, 39	90,769	119,038	119,038
Property, plant and equipment	40, 47	9,909,533	9,674,118	11,027,717
Intangibles	32, 48	159,867	127,981	152,951
Other	33, 41	..	7,628	7,628
<b>Total non-current assets</b>		<b>10,180,360</b>	<b>9,949,676</b>	<b>11,328,245</b>
<b>TOTAL ASSETS</b>		<b>11,063,448</b>	<b>11,040,607</b>	<b>12,457,981</b>
<b>CURRENT LIABILITIES</b>				
Payables		469,777	479,296	469,096
Accrued employee benefits	34, 42	463,299	762,970	806,891
Interest-bearing liabilities and derivatives	35, 43	179,857	273,881	276,100
Provisions		..	..	..
Other		2,068	469	469
<b>Total current liabilities</b>		<b>1,115,001</b>	<b>1,516,616</b>	<b>1,552,556</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	36, 44	59,977	..	..
Provisions		..	..	..
Other		1,776	2,111	1,986
<b>Total non-current liabilities</b>		<b>61,753</b>	<b>2,111</b>	<b>1,986</b>
<b>TOTAL LIABILITIES</b>		<b>1,176,754</b>	<b>1,518,727</b>	<b>1,554,542</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>9,886,694</b>	<b>9,521,880</b>	<b>10,903,439</b>
<b>EQUITY</b>				
Capital/contributed equity	37, 45, 49	6,380,685	6,066,425	7,187,946
Accumulated surplus/(accumulated deficit)		2,417,194	2,436,802	2,436,802
Reserves:				
- Asset revaluation surplus	46, 50	1,088,815	1,018,653	1,278,691
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>9,886,694</b>	<b>9,521,880</b>	<b>10,903,439</b>

**CASH FLOW STATEMENT**

<b>Health Consolidated</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	56, 64	7,725,314	7,720,864	8,109,547
User charges		961,493	1,051,806	1,001,179
Grants and other contributions	57, 65	3,042,447	2,975,984	3,139,864
Other	58, 66	503,210	506,540	534,080
<b>Outflows:</b>				
Employee costs	67	(7,525,241)	(7,189,434)	(7,794,451)
Supplies and services	59, 68	(3,243,621)	(3,271,700)	(3,460,824)
Grants and subsidies	51	(924,702)	(840,960)	(877,730)
Borrowing costs		..	..	..
Other		(124,921)	(130,752)	(130,169)
<b>Net cash provided by/(used in) operating activities</b>		<b>413,979</b>	<b>822,348</b>	<b>521,496</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	60, 69	..	..	74,328
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	52, 70	(1,827,092)	(1,625,549)	(1,725,148)
Payments for investments	61, 71	(29,846)	(29,846)	..
Loans and advances made	53, 72	(309)	(112,341)	(309)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,857,247)</b>	<b>(1,767,736)</b>	<b>(1,651,129)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings	54, 62, 73	45,436	79,483	2,219
Equity injections	55, 74	2,068,824	1,805,810	2,013,358
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	63, 75	(677,009)	(728,254)	(891,840)
<b>Net cash provided by/(used in) financing activities</b>		<b>1,437,251</b>	<b>1,157,039</b>	<b>1,123,737</b>
<b>Net increase/(decrease) in cash held</b>		<b>(6,017)</b>	<b>211,651</b>	<b>(5,896)</b>
<b>Cash at the beginning of financial year</b>		<b>(66,224)</b>	<b>(64,741)</b>	<b>146,910</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>(72,241)</b>	<b>146,910</b>	<b>141,014</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. The decrease in Service Revenue is due to non recurrent funding provided under the Voluntary Separation process, offset by funding changes resultant from the Departmental Pay Date Change and the deferral of Commonwealth operating funds in line with progress of Capital projects.
2. The decrease is due to the reduction in funding under the National Health Reform Agreement offset by increases in Commonwealth funding for activities such as Aged Care Assessment program, Transition care and Nursing Home funding.
3. The increase is due to unrequited grants now being reported as Other Revenue.
4. The decrease in employee expenses is associated with a reduction in expenses resultant from the Government's savings strategy, revised expenditure expectations under the new Hospital and Health Services structure offset by increased costs arising from existing and new funded initiatives. The decrease was further offset by the non recurrent expense of the redundancies related to the fiscal repair measures announced in the 2012-13 Budget.
5. The increase is associated with revised estimates of the purchases of goods and services to support the provision of health service delivery for existing and new services under the new Hospital and Health Services structure.
6. The decrease is associated with lower than forecast expenditure on new and existing initiatives.
7. The decrease is due to lower than expected Sundry expenses offset by increased Queensland Government Insurance Fund (QGIF) expense payment.
8. The decrease is due to a lower estimate of bad debt expense.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

9. The increase in Service Revenue is attributed to increased funding for Enterprise Bargaining Agreements and existing and new initiatives including Payroll System, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding. These increases are offset by the reduction of funds through the Government's savings initiatives.
10. The increase is due to indexation for various chargeable Goods and Services and revenues from other Government Departments to cover costs associated with providing services to residents of other states.
11. The increase is due to additional funding under the National Health Reform Agreement, being growth funding calculated based on the Commonwealth's model, plus increased Aged Care Assessment program and Nursing Home funding. These increases are offset by the reduction in funding from other Government entities for programs that are either ceasing or are yet to be renewed.
12. The increase is due to unrequited grants now being reported as Other Revenue.
13. Increase in Employee expenses is associated with increased expenditure for Enterprise Bargaining Agreements and new and existing initiatives.
14. The increase is associated with revised estimates for the purchases of goods and services to support the provision of health service delivery under the new Hospital and Health Services structure.
15. The increase relates to additional depreciation on newly commissioned assets.
16. The decrease is due to lower than expected Sundry expenses offset by increased QGIF expense payment.
17. The decrease is due to a lower estimate of bad debt expense.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

18. The increase in Service Revenue is attributed to increased funding for Enterprise Bargaining Agreements and existing and new initiatives including Payroll System, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding. These increases are offset by the reduction of funds through the Government's savings initiatives.
19. The increase is due to indexation for various chargeable Goods and Services and revenues from other Government Departments to cover costs associated with providing services to residents of other states.
20. The increase is due to additional funding under the National Health Reform Agreement being growth funding calculated based on the Commonwealth's model, plus increased Aged Care Assessment program and Nursing Home funding. These increases are offset by the reduction in funding from other Government entities for programs that are either ceasing or are yet to be renewed.
21. Increase in Employee expenses is associated with increased expenditure for Enterprise Bargaining Agreements and new and existing initiatives.

22. The increase is associated with revised estimates for the purchases of goods and services to support the provision of health service delivery under the new Hospital and Health Services structure.
23. The increase relates to additional depreciation on newly commissioned assets.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

24. Decrease relates to a slower increase in asset valuations.
25. Decrease reflects deferrals in the capital program.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

26. Increase reflects the application of the Building Price Index to the valuation of buildings.
27. Decrease reflects deferrals in the capital program.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

28. Increase reflects the application of the Building Price Index to the valuation of buildings.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

29. Increase in Cash assets is primarily due to the movement of the payroll period which has increased the payroll accrual and cash required to fund the salaries and wages payment due early in the 2013-14 financial year.
30. The decrease is due to the reclassification of Current prepayments to Non-Current.
31. Increase relates to a revised share of profit under equity accounting for the Translational Research Institute.
32. Decrease predominantly due to reclassification of Computer Software to Property, Plant and Equipment.
33. The increase is due to the reclassification of Current prepayments to Non Current.
34. Increase predominantly relates to an additional 14 days accrual of salary and wages due to the movement of the payroll period.
35. Increase due to reclassification of Translational Research Institute payments from Non-Current to Current.
36. Decrease due to reclassification of Translational Research Institute payments from Non-Current to Current.
37. Decrease reflects deferral of expenditure on projects in the capital program.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

38. Increase in Cash assets is primarily due to the movement of the payroll period which has increased the payroll accrual and cash required to fund the salaries and wages payment due early in the 2013-14 financial year.
39. Increase relates to share of profit under equity accounting for the Translational Research Institute.
40. Increase reflects investment in the capital program including the Queensland Children's Hospital, Gold Coast University Hospital, Sunshine Coast University Hospital, Mackay Base Hospital, Cairns Base Hospital and other capital projects.
41. The increase is due to the reclassification of Current prepayments to Non-Current.
42. Increase in accrued employee benefits relates to the additional 14 days accrual of salaries and wages expense required due to the movement of the payroll period.
43. Increase due to funding received in respect of the construction of the Translational Research Institute Building.
44. Decrease due to reclassification of TRI payments from Non-Current to Current.
45. Increase reflects investment in the capital program including the Queensland Children's Hospital, Gold Coast University Hospital, Sunshine Coast University Hospital, Mackay Base Hospital, Cairns Base Hospital and other capital projects.
46. Increase reflects the application of the Building Price Index to the valuation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

47. Increase reflects investment in the capital program including the Queensland Children's Hospital, Gold Coast University Hospital, Sunshine Coast University Hospital, Mackay Base Hospital, Cairns Base Hospital and other capital projects.
48. Increase is due to Information Technology purchases including eHealth Clinical Systems.
49. Increase reflects investment in the capital program including the Queensland Children's Hospital, Gold Coast University Hospital, Sunshine Coast University Hospital, Mackay Base Hospital, Cairns Base Hospital and other capital projects.
50. Increase reflects the application of the Building Price Index to the valuation of buildings.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

51. The decrease is due to the reduction in funding under the National Health Reform Agreement, based on the revised Commonwealth funding model. This is offset by increases in Commonwealth funding for activities such as Aged Care Assessment program, Transition Care and Nursing Home funding.
52. Decrease relates to deferral of various projects in the Capital Acquisition Plan (CAP).
53. Increase relates to the payroll advance for moving the payroll period back by 7 days.
54. Increase is due to a re-scheduling of payments in respect to the construction of the Translational Research Institute building.
55. Decrease reflects deferrals in the capital program.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

56. The increase in Service receipts is attributed to increases in Enterprise Bargaining Agreements and increased funding for other initiatives including Payroll System, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding. These increases are offset by the reduction of funds through the Government's savings initiatives.
57. The increase is due to additional funding under the National Health Reform Agreement, plus increased Aged Care Assessment program and Nursing Home funding. These increases are offset by the reduction in funding from other Government entities for programs that are either ceasing or are yet to be renewed.
58. Increase relates to Input Tax Credit receipts.
59. The increase is associated with revised estimates of the purchases of goods and services to support the provision of health service delivery under the new Hospital and Health Services structure.
60. Increase relates to sale of assets to fund the Queensland Health Capital program.
61. Decrease reflects actual payments made to the TRI Pty Ltd for construction of the Translational Research Institute building in 2012-13. The building reached practical completion on 14 November 2012, therefore no further payments will be made to TRI Pty Ltd in 2013-14 for construction.
62. Decrease is due to a re-scheduling of payments by in respect to the construction of the Translational Research Institute building.
63. Increase relates to the accounting treatment and the cash withdrawal for depreciation funding provided to Hospital and Health Services.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

64. The increase in Service receipts is attributed to increases in Enterprise Bargaining Agreements and increased funding for initiatives including Payroll System, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding. This increase is offset by the reduction of funds through the Government's savings initiatives.
65. The increase is due to additional funding under the National Health Reform Agreement plus increased Aged Care Assessment program and Nursing Home funding. These increases are offset by the reduction in funding from other Government entities for programs that are either ceasing or are yet to be renewed.
66. Increase relates to Input Tax Credit receipts.
67. Increase in Employee expenses is associated with increased expenditure for Enterprise Bargaining Agreements and new and existing initiatives.
68. The increase is associated with revised estimates of the purchases of goods and services to support the provision of health service delivery for existing and new services under the new Hospital and Health Services structure.
69. Increase relates to sale of assets to fund the Queensland Health Capital program.
70. Increase reflects various projects in the Capital Acquisition Plan that were deferred from 2012-13.

71. Decrease reflects actual payments made to the TRI Pty Ltd for construction of the Translational Research Institute building in 2012-13. The building reached practical completion on 14 November 2012, therefore no further payments will be made to TRI Pty Ltd in 2013-14 for construction.
72. Decrease relates to the payroll advance for moving the payroll period back by 7 days.
73. Decrease is due to a re-scheduling of payments in respect to the construction of the Translational Research Institute building.
74. Increase reflects increased investment in the capital program including the Queensland Children's Hospital, Gold Coast University Hospital, Sunshine Coast University Hospital, Mackay Base Hospital and Cairns Base Hospital.
75. Increase relates to the accounting treatment and the cash withdrawal for depreciation funding provided to Hospital and Health Services.

# DEPARTMENT OF HEALTH

## OVERVIEW

On 1 July 2012 Hospital and Health Boards commenced operation and Queensland Health's former Corporate Office transitioned to become the Department of Health, responsible for the overall management of the Queensland public healthcare system. The reforms have decentralised the delivery of healthcare while transforming Queensland Health into a collection of independent agencies under the umbrella of the Health portfolio.

Among the responsibilities of the Department of Health are to:

- lead implementation of the Blueprint for better healthcare in Queensland
- manage, guide and coordinate the healthcare system through policy and regulation
- manage statewide planning, industrial relations and major capital works
- purchase health services
- monitor the performance of individual Hospital and Health Services (HHSs) and the system as a whole
- collate and validate statewide performance data and provide performance and other data to the Australian Government
- issue binding Health Service Directives
- employ departmental staff and non-prescribed HHS staff
- own land and buildings and enter into occupancy agreements with the HHSs, prior to proposed devolution to HHSs.

Hospital and Health Services have assumed responsibility and accountability for providing health services in their local area with the separation of Queensland Health into 18 separate legal entities.

The Department of Health purchases services from the 17 HHSs and other organisations, including Mater Health Services. The delivery of public health services is monitored through individual Service Agreements which identify the health services to be provided, funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved.

To give greater planning certainty to HHS boards and executive teams, from 2013-14, service agreements between HHSs and the Department of Health are moving from a one year to three year timeframe with the intent of providing HHSs a medium term funding outlook and therefore enabling better planning.

## RESOURCES AND PERFORMANCE

The Department of Health has delivered strong performance in achieving the required reductions in Full Time Equivalent (FTE) staffing numbers, particularly in the former Corporate Office. Following the restructure of the Department of Health in 2012-13 the delivery of front-line health care services is supported by the functions of the corporate divisions:

- **System Policy and Performance Division** – provides a range of policy and 'Ministry' functions and has accountabilities in three broad areas: governance; policy and planning; and funding, purchasing and performance

- **Health Service and Clinical Innovation Division** – responsible for statutory functions related to public health, private health licensing and mental health, as required under relevant legislation, and for Statewide coordination and monitoring in areas such as health protection, disease surveillance, prevention and control. The Division provides advice and support to maximise patient safety outcomes and clinical process improvement to help resolve and improve patient access to care and improve health system performance. The Division also develops strategies to meet future workforce clinician challenges and has responsibility for emergency coordination and response in crisis situations
- **System Support Services Division** – responsible for major corporate functions including financial, legal and human resources services, administering the capital infrastructure program and overseeing key governance functions such as audit and ethical standards. Also provides strategic oversight and coordination on contestability reforms.

Additionally, the Department of Health includes two agencies which are transitioning to Commercialised Business Units (CBU). The services provided by these two agencies are principally delivered under fee-for-service arrangements:

- **Health Services Support Agency** – provides a range of Statewide support services such as pathology, forensic and scientific, procurement and logistics and biomedical technology, with the aim of increasing the efficiency of public hospital services
- **Health Services Information Agency** – provides Information and Communication Technology (ICT) support for the HHSs and the Department of Health and administers programs such as eHealth.



**Staffing<sup>1</sup>**

Department of Health	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
		8,463	6,892	6,892

Notes:

1. Full-time equivalents (FTEs) as at 30 June.

## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Department of Health	Notes	2012-13 Target/est.	2012-13 Est. Actual	2013-14 Target/est.
<b>Service Area: Performance and Governance</b>				
<b>Service standards</b>				
Percentage of Hospital and Health Services demonstrating an improvement from the starting performance category	1	100%	29%	100%
<b>Service Area: Corporate Support Services</b>				
<b>Service standards</b>				
Proportion of the organisation receiving an outcome rated as "conforming" in the annual audit for Safer Healthier Workplaces Standard with no major non-conformances recorded		100%	100%	100%
Percentage of capital infrastructure projects delivered on scope, time, cost and quality with a variance to budget less than +/- 5%		95%	94.7%	95%
<b>Service Area: Safety, Quality and Clinical Support</b>				
<b>Service standards</b>				
Percentage of Hospital and Health Services participating in Statewide Clinical Networks		100%	100%	100%
Percentage of Clinical Service Redesign projects delivered on time and with a variance to budget less than +/- 2%		100%	100%	100%

Department of Health	Notes	2012-13 Target/est.	2012-13 Est. Actual	2013-14 Target/est.
Percentage of formal reviews undertaken on Hospital and Health Service responses to significant negative variance in Variable Life Adjusted Displays and other National Safety and Quality indicators	2	100%	100%	100%
<b>Service Area: Human Resources</b>				
<b>Service standards</b>				
Percentage of off cycle pays	3	1.4%	1.3%	0.6%
<b>Service Area: Health Services Support Agency – Safety, Quality and Clinical Support</b>				
<b>Service standards</b>				
Percentage of calls to 13HEALTH answered within 20 seconds	4	80%	81.8%	80%
<b>Service Area: Health Services Information Agency – Health Information Technology</b>				
<b>Service standards</b>				
Percentage of ICT availability for major enterprise applications:				
• Metro		99.8%	99.9%	99.8%
• Regional		95.7%	99.8%	95.7%
• Remote	5	92%	99.7%	92%
Percentage of all high level ICT incidents resolved within targets defined in the Service Catalogue	6	80%	85.3%	80%
Percentage of initiatives with a status reported as critical (Red)	7, 8	<20%	30%	<20%

## Notes:

- Under the HHS Performance Framework, each HHS is assigned a performance category. The performance category is a measure of a HHS's performance against the Tier One key performance indicators in the service agreements. The HHS Performance Management Framework includes the criteria assigned to each performance category and the performance required for a HHS to move to another performance category.
- All eligible Hospital and Health Service facilities participate in clinical monitoring including Variable Life Adjusted Displays (VLADs) and other National Patient Safety and Quality indicators. All mandatory investigations by Hospital and Health Services into significant negative variation are required to be formally reviewed by the QH VLAD Committee to ensure clinical appropriateness.

3. Off cycle payments are payments made outside of the normal fortnightly pay run to facilitate employee payments in specific circumstances including separation payments and to address late receipt and processing of payroll forms in the previous roster period. Figures represent the number of off cycle payments in a year as a percentage of the total number of payments made during the year. In October 2012 the employee pay date was moved by one week to allow additional time to submit, approve and process payroll forms each roster period. Targets/estimates for off cycle payments are based on the estimated impact of the pay date change (part year impact in 2012-13 and full year impact in 2013-14) on the volume of off cycle payments required because of late receipt and processing of payroll forms.
4. The 2012-13 and 2013-14 Target/est. are set at 80% as this is internationally recognised as a suitable target / grade of service (GOS) for health call centres.
5. This service standard measures continuity and availability of ICT services. The 2013-14 Target/est. is based on trend data from previous years.
6. This service standard measures ICT incidents resolved within recommended timeframes.
7. This measure relates to all new initiatives and initiatives that are not yet fully operational.
8. The Estimated Actual exceeded the critical 20% target due to the restructure of the Health Service Information Agency over the reporting period.

**INCOME STATEMENT**

Department of Health - Controlled	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
Service revenue	1, 9, 19	7,792,873	7,788,423	8,109,547
User charges	2, 10	473,357	473,856	487,093
Grants and other contributions	3, 11, 20	2,771,610	2,735,017	2,895,108
Other revenue	4, 12	11,194	14,046	14,749
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>11,049,034</b>	<b>11,011,342</b>	<b>11,506,497</b>
<b>Expenses</b>				
Employee expenses	13, 21	1,224,465	928,981	1,163,238
Supplies and services	14, 22	410,313	417,080	431,584
Grants and subsidies	5, 15, 23	9,197,675	9,452,164	9,683,839
Depreciation and amortisation	6, 16, 24	95,102	99,447	113,711
Finance/borrowing costs		..	..	..
Other expenses	7, 17	114,241	109,014	109,455
Losses on sale/revaluation of property, plant and equipment and investments	8, 18	7,238	4,656	4,670
<b>Total expenses</b>		<b>11,049,034</b>	<b>11,011,342</b>	<b>11,506,497</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

**STATEMENT OF CHANGES IN EQUITY**

Department of Health - Controlled	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	25, 28, 31	89,410	2,926	12,632
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>89,410</b>	<b>2,926</b>	<b>12,632</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>89,410</b>	<b>2,926</b>	<b>12,632</b>
Equity injection/(withdrawal)	26, 29	1,574,166	1,305,160	1,426,205
Equity adjustments (MoG transfers)	27, 30, 32	(8,131,588)	(1,066,502)	(2,417,391)
<b>Total movement in equity for period</b>		<b>(6,468,012)</b>	<b>241,584</b>	<b>(978,554)</b>

**BALANCE SHEET**

<b>Department of Health - Controlled</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	33, 44	(231,090)	(320,849)	(347,948)
Receivables	34, 45	713,384	987,703	1,045,021
Other financial assets		..	..	..
Inventories		60,295	57,925	58,593
Other	35, 53	125,080	114,016	125,484
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>667,669</b>	<b>838,795</b>	<b>881,150</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		20,191	20,911	20,911
Other financial assets	36, 46	90,769	119,038	119,038
Property, plant and equipment	37, 47, 54	2,019,426	3,440,683	2,433,060
Intangibles	38, 48, 55	157,037	124,546	150,625
Other	39	(2,217)	7,446	7,446
<b>Total non-current assets</b>		<b>2,285,206</b>	<b>3,712,624</b>	<b>2,731,080</b>
<b>TOTAL ASSETS</b>		<b>2,952,875</b>	<b>4,551,419</b>	<b>3,612,230</b>
<b>CURRENT LIABILITIES</b>				
Payables		318,314	307,116	300,554
Accrued employee benefits	40, 49, 56	463,095	761,689	805,522
Interest-bearing liabilities and derivatives	41, 50	179,857	273,881	276,100
Provisions		..	..	..
Other		2,068	104	104
<b>Total current liabilities</b>		<b>963,334</b>	<b>1,342,790</b>	<b>1,382,280</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	42, 51	59,977	..	..
Provisions		..	..	..
Other		1,775	2,111	1,986
<b>Total non-current liabilities</b>		<b>61,752</b>	<b>2,111</b>	<b>1,986</b>
<b>TOTAL LIABILITIES</b>		<b>1,025,086</b>	<b>1,344,901</b>	<b>1,384,266</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,927,789</b>	<b>3,206,518</b>	<b>2,227,964</b>
<b>EQUITY</b>				
Capital/contributed equity	43, 52, 57	(1,523,276)	(177,671)	(1,168,857)
Accumulated surplus/(accumulated deficit)		2,417,194	2,436,802	2,436,802
Reserves:		..	..	..
- Asset revaluation surplus		1,033,871	947,387	960,019
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,927,789</b>	<b>3,206,518</b>	<b>2,227,964</b>

**CASH FLOW STATEMENT**

Department of Health - Controlled	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	66, 76	7,725,314	7,720,864	8,109,547
User charges	67, 77	292,944	285,100	434,024
Grants and other contributions	78	2,771,610	2,735,017	2,895,108
Other	68, 79	302,781	306,109	322,613
<b>Outflows:</b>				
Employee costs	58, 80	(1,180,671)	(578,630)	(1,123,665)
Supplies and services	59, 69	(702,889)	(806,130)	(758,621)
Grants and subsidies	70	(9,197,675)	(9,452,164)	(9,683,839)
Borrowing costs		..	..	..
Other		(102,972)	(110,009)	(109,455)
<b>Net cash provided by/(used in) operating activities</b>		<b>(91,558)</b>	<b>100,157</b>	<b>85,712</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	71, 81	..	..	74,328
Investments redeemed		..	..	..
Loans and advances redeemed		1,711	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	60, 82	(1,717,708)	(1,519,928)	(1,615,254)
Payments for investments	72, 83	(29,846)	(29,846)	..
Loans and advances made	61, 84	(262)	(112,341)	(309)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,746,105)</b>	<b>(1,662,115)</b>	<b>(1,541,235)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings	62, 73, 85	45,436	79,483	2,219
Equity injections	63, 86	1,959,440	1,700,189	1,903,464
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	64, 74, 87	(335,296)	(395,029)	(477,259)
<b>Net cash provided by/(used in) financing activities</b>		<b>1,669,580</b>	<b>1,384,643</b>	<b>1,428,424</b>
<b>Net increase/(decrease) in cash held</b>		<b>(168,083)</b>	<b>(177,315)</b>	<b>(27,099)</b>
<b>Cash at the beginning of financial year</b>		<b>(66,224)</b>	<b>(143,534)</b>	<b>(320,849)</b>
Cash transfers from restructure	65, 75	3,217	..	..
<b>Cash at the end of financial year</b>		<b>(231,090)</b>	<b>(320,849)</b>	<b>(347,948)</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. The decrease in Service Revenue is due to non recurrent funding provided under the Voluntary Separation process, funding changes resultant from the Departmental Pay Date Change and the deferral of Commonwealth operating funds in line with progress of Capital projects.
2. The increase is due to indexation for various accounts and revised estimates for Third Party agreements including revenues from other Government Departments to cover costs associated with providing services to residents of other states.
3. The decrease is due to the reduction in funding under the National Health Reform Agreement offset by increases in Commonwealth funding for corporately receipted programs.
4. The increase is due to the realignment of accounts from Grants and Contributions to Other Revenue.
5. The increase is associated with increased grant payments to the Hospital and Health Services aligned to revised Service Agreements together with lower than forecast expenditure on new and existing initiatives in conjunction with the revised payments processes.
6. The increase is due to additional depreciation on newly commissioned assets.
7. The decrease is due to lower than expected Sundry expenses offset by increased Queensland Government Insurance Fund expense payment.
8. The decrease is due to lower estimate of bad debt expense offset by inventory adjustments.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

9. The increase in Service Revenue is attributed to funding for Enterprise Bargaining Agreements and initiatives including Payroll and Rostering System, Regional Rural and Remote Services, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding.
10. The increase is due to indexation for various accounts and revised estimates for Third Party agreements including revenues from other Government Departments to cover costs associated with providing services to residents of other states.
11. The increase is due to additional funding under the National Health Reform Agreement, based on the Commonwealth's funding model. This increase is offset by the reduction in funding from other Government entities for programs that are either ceasing or yet to be renewed.
12. The increase is due to unrequited grants now being reported as Other Revenue.
13. The increase in Employee expenses is associated with increased expenditure for new and existing initiatives and increases due to Enterprise Bargaining.
14. The increase is associated with revised expectations of the purchases of goods and services to support the provision of health service delivery for existing and new services under the new Hospital and Health Services structure.
15. The increase is associated with increased grant payments to the Hospital and Health Services aligned to revised Service Agreements together with lower than forecast expenditure on new and existing initiatives in conjunction with the revised payments processes.
16. The increase is due to additional depreciation on newly commissioned assets.
17. The decrease is due to lower than expected Sundry expenses offset by increased Queensland Government Insurance Fund expense payment.
18. The decrease is due to lower estimate of bad debt expense offset by inventory adjustments.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

19. The increase in Service Revenue is attributed to funding for Enterprise Bargaining Agreements and initiatives including Payroll and Rostering System, Regional Rural and Remote Services, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding.
20. The increase is due to additional funding under the National Health Reform Agreement, based on the Commonwealth's funding model. This increase is offset by the reduction in funding from other Government entities for programs that are either ceasing or are yet to be renewed.
21. The increase in Employee expenses is associated with increased expenditure for Enterprise Bargaining Agreements and new and existing initiatives.
22. The increase is associated with revised expectations of the purchases of goods and services to support the provision of health service delivery for existing and new services.



23. The increase is associated with increased grant payments to the Hospital and Health Services aligned to revised Service Agreements together with lower than forecast expenditure on new and existing initiatives in conjunction with the revised payments process.
24. The increase is due to additional depreciation on newly commissioned assets.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

25. Decrease relates to a slower increase in asset valuations.
26. Decrease reflects deferrals in the capital program.
27. Movement is due to a change in accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

28. Decrease relates to a slower increase in asset valuations.
29. Decrease reflects deferrals in the capital program.
30. Movement is due to a change in accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

31. Increase reflects the application of the Building Price Index to the valuation of buildings.
32. Movement reflects the increase in commissioning of programs in the capital program, predominantly relating to Gold Coast University Hospital to be transferred to the HHS.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

33. Increase predominantly relates to the loan paid to staff as a result of the paydate change.
34. Increase due to receivable for the loan paid to staff as a result of the paydate move and the increase in receivable from HHS's for the increased payroll accrual.
35. Decrease predominantly relates to the reclassification of Current prepayments to Non-Current.
36. Increase relates to a revised share of profit under equity accounting for the Translational Research Institute (TRI).
37. Increase predominantly relates to change in commissioning date for Gold Coast University Hospital.
38. Decrease predominantly due to reclassification of Computer Software to Property, Plant and Equipment.
39. The increase predominantly relates to the reclassification of Current prepayments to Non-Current.
40. Increase predominantly relates to an additional 14 days accrual of salary and wages due to pay date being moved back by 7 days.
41. Increase due to reclassification of Translational Research Institute payments from Non-Current to Current.
42. Decrease due to reclassification of Translational Research Institute payments from Non-Current to Current.
43. Movement is due to revised estimate of buildings and Plant & Equipment transferred on creation of HHSs.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

44. Increase predominantly relates to the loan paid to staff as a result of the paydate change.
45. Increase due to receivable for the 7 day paydate move and the increase in receivable from HHS's for the increased payroll accrual.
46. Increase relates to share of profit under equity accounting for the Translational Research Institute.
47. Increase reflects investment in the capital program including the Queensland Children's Hospital, Gold Coast University Hospital, Sunshine Coast University Hospital, Mackay Base Hospital, Cairns Base Hospital and other capital projects.
48. The decrease predominantly relates to the reclassification of Current prepayments to Non-Current.
49. Increase predominantly relates to an additional 14 days accrual of salary and wages due to pay date being moved back by 7 days. Increase also relates to an additional day's accrual for salaries and wages payable in 2013-14 over 2012-13.
50. The increase relates to funding received in respect of the construction of the Translational Research Institute Building. The building reached practical completion on 14 November 2012 and is now recognised by TRI Pty Ltd under a finance lease.

- 51. Movement is due to reclassification of TRI payments from Non-Current to Current.
- 52. Decrease due to lower estimate of buildings and Plant & Equipment transferred on creation of HHSs.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 53. Increase relates to increase in prepaid expenses.
- 54. Decrease due to commissioning and transfer of projects in the Capital Acquisition Plan to HHSs including Gold Coast University Hospital. This is offset by new investment in the capital program including the Queensland Children's Hospital, Sunshine Coast University Hospital, Mackay Base Hospital and Cairns Base Hospital.
- 55. Increase is due to Information Technology purchases including eHealth Clinical Systems.
- 56. Increase relates to additional day's accrual for Salary and Wages.
- 57. Movement is predominantly due to expected commissioning of Gold Coast University Hospital to be transferred to the HHS, offset by investment in the capital program.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

- 58. Decrease in cash outflow relates to the payroll period moving back by 7 days. This one-off movement has caused a 2012-13 pay period to be made in the 2013-14 financial year. This is partially offset by the cost of redundancies related to the fiscal repair measures.
- 59. Increase predominantly relates to the repayment of the liability for the initial cash balances on creation of the HHSs.
- 60. Decrease relates to deferral of various projects in the Capital Acquisition Plan (CAP).
- 61. Increase predominantly relates to the loan paid to staff as a result of the paydate change.
- 62. Increase is due to a re-scheduling of payments in respect to the construction of the Translational Research Institute building.
- 63. Decrease reflects deferrals in the capital program.
- 64. Increase in outflow relates to repayment of end of year appropriation liability.
- 65. Decrease relates to changes in accounting treatment for cash transferred on creation of HHSs.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 66. The increase in Service Receipts predominantly relates to funding for Enterprise Bargaining Agreements and initiatives including Payroll and Rostering System, Regional Rural and Remote Services, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding.
- 67. The increase reflects the cash effect of the movement in the operating receivables balance.
- 68. Increase relates to Input Tax Credit receipts.
- 69. The increase is associated with revised expectations of the purchases of goods and services to support the provision of health service delivery under the new Hospital and Health Services structure.
- 70. The Increase is associated with increased grant payments to the Hospital and Health Services aligned to revised Service Agreements.
- 71. Increase relates to the sale of assets to fund the Queensland Health Capital program.
- 72. Decrease reflects actual payments made to the TRI Pty Ltd for construction of the Translational Research Institute building in 2012-13. The building reached practical completion on 14 November 2012, therefore no further payments will be made to TRI Pty Ltd in 2013-14 for construction.
- 73. Decrease is due to a re-scheduling of payments in respect to the construction of the Translational Research Institute building.
- 74. Decrease in outflow due to repayment of 2011-12 end of year appropriation liability and the withdrawal of cash relating to funding for depreciation.
- 75. Decrease relates to changes in accounting treatment for cash transferred on creation of HHSs.

Major variations between 2012-13 Estimated actual and 2013-14 Estimate

- 76. The increase in Service Receipts predominantly relates to funding for Enterprise Bargaining Agreements and initiatives including Payroll and Rostering System, Regional Rural and Remote Services, Backlog Maintenance, Depreciation Funding and recognition of deferred Commonwealth operating funding.
- 77. The increase reflects the cash effect of the movement in the operating receivables balance.
- 78. The increase is due to additional funding under the National Health Reform Agreement plus increased Aged Care Assessment program and Nursing Home funding. This increase is offset by the reduction in funding from other Government entities for programs.
- 79. Increase relates to Input Tax Credits.

80. Increase in employee expenses relates to the payroll period moving back by 7 days. This one-off movement has caused a 2012-13 pay period to be made in the 2013-14 financial year.
81. Increase relates to the sale of assets to fund the Queensland Health Capital program.
82. Increase reflects various projects from the Capital Acquisition Plan that were deferred from 2012-13.
83. Decrease reflects actual payments made to the TRI Pty Ltd for construction of the Translational Research Institute building in 2012-13. The building reached practical completion on 14 November 2012, therefore no further payments will be made to TRI Pty Ltd in 2013-14 for construction.
84. Decrease relates to the one-off reduction in cash relating to the loan paid to staff in 2012-13 as a result of the movement of the payroll period.
85. Decrease is due to rescheduling of payments in respect to the construction of the Translational Research Institute building.
86. Increase reflects increased investment in the capital program including the Queensland Children's Hospital, Gold Coast University Hospital, Sunshine Coast University Hospital, Mackay Base Hospital and Cairns Base Hospital.
87. Increase in outflow due to repayment of the 2011-12 appropriation liability and the withdrawal of cash relating to funding for depreciation.

**ADMINISTERED INCOME STATEMENT**

<b>Department of Health - Administered</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>Revenues</b>				
Commonwealth grants		..	..	..
Taxes, fees and fines		50	..	..
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	1, 2, 3	26,741	25,581	32,499
Other		..	..	..
<b>Total revenues</b>		<b>26,791</b>	<b>25,581</b>	<b>32,499</b>
<b>Expenses</b>				
Supplies and services		..	..	..
Depreciation and amortisation				
Grants and subsidies	4, 5, 6	20,192	19,032	25,950
Benefit payments				
Borrowing costs		6,549	6,549	6,549
Other		7	..	..
<b>Total expenses</b>		<b>26,748</b>	<b>25,581</b>	<b>32,499</b>
<b>Net surplus or deficit before transfers to Government</b>		<b>43</b>	<b>..</b>	<b>..</b>
<b>Transfers of administered revenue to Government</b>		<b>43</b>	<b>..</b>	<b>..</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

**ADMINISTERED BALANCE SHEET**

<b>Department of Health - Administered</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets		11	21	21
Receivables		8,870	9,261	9,261
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>8,881</b>	<b>9,282</b>	<b>9,282</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	7, 8	77,723	77,166	68,304
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>77,723</b>	<b>77,166</b>	<b>68,304</b>
<b>TOTAL ADMINISTERED ASSETS</b>		<b>86,604</b>	<b>86,448</b>	<b>77,586</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	(180)	(180)
Transfers to Government payable		32	29	29
Interest-bearing liabilities		8,849	9,433	9,433
Other		..	..	..
<b>Total current liabilities</b>		<b>8,881</b>	<b>9,282</b>	<b>9,282</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Interest-bearing liabilities	9, 10	77,723	77,166	68,304
Other		..	..	..
<b>Total non-current liabilities</b>		<b>77,723</b>	<b>77,166</b>	<b>68,304</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>		<b>86,604</b>	<b>86,448</b>	<b>77,586</b>
<b>ADMINISTERED NET ASSETS/(LIABILITIES)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>EQUITY</b>				
Capital/Contributed equity		..	..	..
Accumulated surplus/(Accumulated deficit)		..	..	..
Reserves:		..	..	..
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL ADMINISTERED EQUITY</b>		<b>..</b>	<b>..</b>	<b>..</b>

**ADMINISTERED CASH FLOW STATEMENT**

<b>Department of Health - Administered</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Administered item receipts	11, 12	26,921	25,761	32,499
Grants and other contributions		..	..	..
Taxes, fees and fines		50	..	..
Royalties, property income and other territorial revenues		..	..	..
Other		(7)	..	..
<b>Outflows:</b>				
Transfers to Government		(43)	..	..
Grants and subsidies	13, 14	(20,372)	(19,212)	(25,950)
Supplies and services		..	..	..
Borrowing costs		(6,549)	(6,549)	(6,549)
Other		..	..	..
<b>Net cash provided by/(used in) operating activities</b>		..	..	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		8,862	8,862	8,862
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>8,862</b>	<b>8,862</b>	<b>8,862</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		(8,862)	(8,862)	(8,862)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	..	..
<b>Administered cash at beginning of financial year</b>		<b>11</b>	<b>21</b>	<b>21</b>
Cash transfers from restructure		..	..	..
<b>Administered cash at end of financial year</b>		<b>11</b>	<b>21</b>	<b>21</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Administered income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease is due to funding correction in relation to Enterprise Bargaining adjustment.
2. Decrease is due to funding correction in relation to Enterprise Bargaining adjustment.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

3. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining adjustments.
4. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining adjustments.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

5. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining funding.
6. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining funding.

### Administered balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

7. Decrease reflects the transfer from non-current to current liability for the amount payable to QTC in respect of borrowings for the Mater Hospital redevelopment loan.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

8. Decrease reflects the transfer from non-current to current receivable for the portion of the advance to the Mater Hospital for repayment.
9. Decrease reflects the transfer from non-current to current liability for the amount payable to QTC in respect of borrowings for the Mater Hospital redevelopment loan.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

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

### Administered cash flow statement

Major variations between 2012-13 Budget and 2013-14 Estimate include:

11. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining adjustments.
12. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining adjustments.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

13. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining adjustments.
14. Increase is due to the establishment of the Queensland Mental Health Commission and Enterprise Bargaining adjustments.





# STATUTORY BODIES

## CAIRNS AND HINTERLAND HOSPITAL AND HEALTH SERVICE

### OVERVIEW

#### Strategic direction

On 1 July 2012 the Cairns and Hinterland Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of around 250,000 people residing in a geographical area stretching from Tully in the south to Mossman in the north and Croydon in the west.

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

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

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

The HHS also provides outreach services to Cape York HHS and Torres Strait-Northern Peninsula HHS. Some higher level acute services are provided outside the HHS area in either Townsville or Brisbane.

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

The Cairns and Hinterland HHS's key priorities for 2013-14 include:

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

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Cairns and Hinterland HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Cairns and Hinterland HHS has an operating budget of \$620.4 million for 2013-14 which is an increase of \$39.4 million (6.8%) from its 2012-13 operating budget of \$581 million.

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

The Hospital and Health Services Performance Framework 2013-14 outlines the requirements for the ongoing performance monitoring and reporting of activity against the targets contained in the Service Agreement. The Cairns and Hinterland HHS Strategic Plan aligns with the *Statement of Government Health Priorities* and the *Blueprint for better healthcare in Queensland* (February 2013).

In September 2012, the Cairns and Hinterland HHS began the 'Redesigning from the Inside Out' Project to improve efficiencies and reduce costs while improving patient care. Benefits from this initiative include improved procedures around discharge planning to improve patient flow and enhanced surgical services and operating theatre utilisation.

In December 2012, the Cairns and Hinterland HHS also completed a 'Review from the Outside in' which identified a number of savings strategies, some of which have already been implemented and others which will be implemented in 2013-14 to ensure the future financial sustainability of the Cairns and Hinterland HHS.

Commencing in the 2012-13 financial year, the Government provided additional funding of \$15 million over four years to put the Cairns Base Hospital on the Path to "Tier One" status. The additional funds enabled the recruitment of extra specialists and commenced the revitalisation of frontline health services.

During 2013-14, work will continue on the Cairns Base Hospital Redevelopment which will provide an additional 168 beds (overnight and same day) and improved health services by the end of 2015.

## STATEMENTS

### Staffing

Cairns and Hinterland Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	3,673	3,641	3,761

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 3,756 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Cairns and Hinterland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	86%	80%
• Category 3 (within 30 minutes)		75%	75%	75%
• Category 4 (within 60 minutes)		70%	81%	70%
• Category 5 (within 120 minutes)		70%	96%	70%
• All categories	1	..	80%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	66%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	14	20
Median wait time for elective surgery (days)				
		25	39	25

Cairns and Hinterland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	88%	100%
• Category 2 (90 days)		84%	75%	91%
• Category 3 (365 days)	2	93%	77%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			49%	49%
• Category 2 (90 days)		New	38%	38%
• Category 3 (365 days)	3	measure	67%	90%
Total weighted activity units:				
• Acute Inpatient		57,697	55,258	56,918
• Outpatients		11,290	11,798	11,806
• Sub-acute		8,998	8,505	10,460
• Emergency Department		13,807	15,016	13,998
• Mental Health		2,793	4,260	2,793
• Interventions and Procedures	4, 5	8,913	9,621	10,013
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,262	\$4,393
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	0.9	0.9
Number of in-home visits, families with newborns	7	New measure	3,271	4,189
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	59.2%	>60%

Cairns and Hinterland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	13.0%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	47,671	74,156 – 91,010

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Cairns and Hinterland Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		42,098	42,098	45,696
Grants and other contributions	1, 4, 8	538,385	556,745	574,056
Other revenue		547	546	600
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>581,030</b>	<b>599,389</b>	<b>620,352</b>
<b>Expenses</b>				
Employee expenses		868	896	952
Supplies and services	2, 5, 9	550,200	569,752	588,414
<i>Department of Health Contract Staff</i>		<i>394,544</i>	<i>414,908</i>	<i>427,503</i>
Grants and subsidies		3,691	3,400	3,448
Depreciation and amortisation	6, 10	20,598	20,438	22,567
Finance/borrowing costs		..	..	..
Other expenses	3, 7	2,179	1,165	1,181
Losses on sale/revaluation of property, plant and equipment and investments		3,494	3,738	3,790
<b>Total expenses</b>		<b>581,030</b>	<b>599,389</b>	<b>620,352</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Cairns and Hinterland Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	11, 13, 16	2,543	4,389	14,349
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>2,543</b>	<b>4,389</b>	<b>14,349</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>2,543</b>	<b>4,389</b>	<b>14,349</b>
Equity injection/(withdrawal)	14, 17	(14,955)	(14,568)	(17,201)
Equity adjustments (MoG transfers)	12, 15, 18	418,232	20,900	46,889
<b>Total movement in equity for period</b>		<b>405,820</b>	<b>10,721</b>	<b>44,037</b>

**BALANCE SHEET**

<b>Cairns and Hinterland Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	19, 25	11,403	28,720	29,949
Receivables	20, 26	11,378	9,161	9,739
Other financial assets		..	..	..
Inventories		5,192	4,958	5,015
Other		336	86	95
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>28,309</b>	<b>42,925</b>	<b>44,798</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21, 27, 31	404,332	329,809	373,893
Intangibles		73	142	95
Other		..	..	..
<b>Total non-current assets</b>		<b>404,405</b>	<b>329,951</b>	<b>373,988</b>
<b>TOTAL ASSETS</b>		<b>432,714</b>	<b>372,876</b>	<b>418,786</b>
<b>CURRENT LIABILITIES</b>				
Payables	22, 28	26,877	41,234	43,104
Accrued employee benefits		17	42	45
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	1	1
<b>Total current liabilities</b>		<b>26,894</b>	<b>41,277</b>	<b>43,150</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>26,894</b>	<b>41,277</b>	<b>43,150</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>405,820</b>	<b>331,599</b>	<b>375,636</b>
<b>EQUITY</b>				
Capital/contributed equity	23, 29, 32	403,277	327,210	356,898
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	24, 30, 33	2,543	4,389	18,738
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>405,820</b>	<b>331,599</b>	<b>375,636</b>

**CASH FLOW STATEMENT**

<b>Cairns and Hinterland Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	34, 41	38,168	43,819	41,361
Grants and other contributions	35, 42, 48	538,385	556,745	574,056
Other		14,652	14,651	15,468
<b>Outflows:</b>				
Employee costs		(851)	(870)	(949)
Supplies and services	36, 43, 49	(552,627)	(562,295)	(601,511)
Grants and subsidies		(3,691)	(3,400)	(3,448)
Borrowing costs		..	..	..
Other	37, 44	(2,179)	(1,170)	(1,181)
<b>Net cash provided by/(used in) operating activities</b>		<b>31,857</b>	<b>47,480</b>	<b>23,796</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(4)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	38, 45, 50	(5,643)	(5,870)	(5,366)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(5,647)</b>	<b>(5,870)</b>	<b>(5,366)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	39, 46, 51	5,643	5,870	5,366
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	40, 47, 52	(20,598)	(20,438)	(22,567)
<b>Net cash provided by/(used in) financing activities</b>		<b>(14,955)</b>	<b>(14,568)</b>	<b>(17,201)</b>
<b>Net increase/(decrease) in cash held</b>		<b>11,255</b>	<b>27,042</b>	<b>1,229</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>1,678</b>	<b>28,720</b>
Cash transfers from restructure		148	..	..
<b>Cash at the end of financial year</b>		<b>11,403</b>	<b>28,720</b>	<b>29,949</b>



## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for in amendments in the Service Agreement between Cairns and Hinterland Hospital and Health Service (CHHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Decrease due to lower forecast sundry expenditure.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

4. Increase reflects additional grant funding provided for in amendments in the Service Agreement between CHHHS and the Department of Health, including growth in outpatients, emergency and sub/non-acute activity, Enterprise Bargaining agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
5. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in outpatients, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
6. Increase in depreciation expense relates predominantly to the commissioning of assets in the 2013-14 financial year.
7. Decrease due to lower forecast sundry expenditure.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

8. Increase reflects additional grant funding provided for in amendments in the Service Agreement between CHHHS and the Department of Health, including growth in outpatients, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
9. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in outpatients, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
10. Increase in depreciation expense relates predominantly to the commissioning of assets in the 2013-14 financial year.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

11. Increase relates to the expected upward movement in the revaluation of buildings.
12. Decrease due to a change in the accounting treatment, where assets transferred to the newly created HHSs are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

13. Increase relates to the expected upward movement in the revaluation of buildings.
14. Increase predominantly due to changes in depreciation funding.
15. Decrease due to a change in the accounting treatment, where assets transferred to the newly created HHSs are treated as opening balances.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

16. Increase relates to the expected upward movement in the revaluation of buildings.
17. Increase predominantly due to changes in depreciation funding.
18. Increase due to the commissioning of assets in 2013-14.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

19. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
20. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
21. Decrease predominantly relates to transfer of assets from the Department of Health to CHHHS.
22. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
23. Decrease predominantly relates to transfer of assets from the Department of Health to CHHHS.
24. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

25. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
26. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
27. Decrease predominantly relates to transfer of assets from the Department of Health to CHHHS.
28. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
29. Decrease predominantly relates to transfer of assets from the Department of Health to CHHHS.
30. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

31. Increase predominantly relates to property, plant and equipment commissioned.
32. Increase relates to property, plant and equipment commissioned.
33. Increase relates to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

34. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
35. Increase reflects additional grant funding provided for in amendments in the Service Agreement between the CHHHS and the Department of Health, including growth in activity and non-labour escalation.
36. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity and non-labour escalation.
37. Decrease due to lower forecast sundry expenditure.
38. Increase due to changes in expected procurement of property, plant and equipment.
39. Increase due to changes in expected procurement of property, plant and equipment.
40. Decrease reflects changes in depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

41. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
42. Increase reflects additional grant funding provided for in amendments in the Service Agreement between the CHHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation.
43. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation.
44. Decrease due to lower forecast sundry expenditure.
45. Decrease due to changes in expected procurement of property, plant and equipment.
46. Decrease due to changes in expected procurement of property, plant and equipment.
47. Increase reflects changes in depreciation funding.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

48. Increase reflects additional grant funding provided for in amendments in the Service Agreement between the CHHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation.
49. Additional expenditure reflects amendments in the Service Agreement between CHHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation.
50. Decrease due to changes in expected procurement of property, plant and equipment.
51. Decrease due to changes in expected procurement of property, plant and equipment.
52. Increase reflects changes in depreciation funding.



# CAPE YORK HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Cape York Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board.

The Cape York HHS is responsible for providing primary health and sub-acute care services from Wujal Wujal and Kowanyama in the south to Mapoon in the north to a population of over 13,000 people.

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

- |                  |                |
|------------------|----------------|
| • Cooktown       | • Weipa        |
| • Napranum       | • Pormpuraaw   |
| • Mapoon         | • Kowanyama    |
| • Coen           | • Hope Vale    |
| • Aurukun        | • Laura        |
| • Lockhart River | • Wujal Wujal. |

The Cape York HHS's key objectives for 2013-14 include:

- improve equity in access and health outcomes for Aboriginal and Torres Strait Islander people
- care is person focused and family centred, appropriate, safe and effective
- partnerships deliver effective, high quality services and improved health outcomes for Cape York residents
- sustainable, responsible and innovative workforce solutions and use of resources.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Cape York HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Cape York HHS has an operating budget of \$82 million for 2013-14 which is an increase of \$14.1 million (20.8%) from its 2012-13 budget of \$67.9 million.

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

The Cape York HHS Strategic Plan 2013-2017 reflects local priorities in line with whole-of-Government statewide plans and commitments including the Queensland Government's Health Priorities for Action and Blueprint for better healthcare in Queensland.

In alignment with the Government direction to improve front-line services, the Cape York HHS initiated an organisational review in November 2012. Completed by Ernst & Young, the review was approved by the Health Service Board on 14 February 2013. It has informed broader organisational changes including a revision of Executive roles and positions, reduction in service duplications between major partner groups, and addressing the current fragmentation of corporate services, administration, travel, and human resource management. The changes are expected to improve the Cape York HHS's fiscal position and are not expected to impact on frontline clinical service delivery.

During 2013-14, work will continue on:

- transforming the Model of Care across the Cape York HHS to support patient and family centred care
- progressing an e-Health project to provide an integrated electronic medical record solution that increases the availability of information and enhances the ability to deliver safe and effective primary and community health care in Far North Queensland
- preparation for the implementation of Activity Based Funding.

## STATEMENTS

### Staffing

Cape York Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3, 4	370	372	408

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 407 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Adjusted in line with forecast FTE related funding activity. Following discussion with HHS there has been reclassification of program funding that was labelled as not attracting FTE (resultant increase to target of 23 FTE). Cape York HHS inherited both outreach oral health and making tracks services from the Cairns and Hinterland HHS (18 FTE).
4. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Cape York Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Total weighted activity units:				
• Acute Inpatient		2,275	1,906	1,870
• Outpatients		2,053	1,066	951
• Sub-acute		145	181	227
• Emergency Department		978	598	869
• Mental Health		27	33	51
• Interventions and Procedures	1, 2, 3	79	50	55
Number of in-home visits, families with newborns				
	4	New measure	105	207
Ambulatory mental health service contact duration				
	5, 6	New measure	3,675	2,795 – 3,494

## Notes:

1. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
2. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
3. The 2012-13 Target/Est. and Est. Actual WAUs are not directly comparable. The data is affected by a range of definitional issues, including changes in the treatment of some primary care services and services provided by multi-purpose health services which do not generate WAUs under the national ABF model. Est. Actuals for 2012-13 are used as the starting point for the 2013-14 Target/Est.
4. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
5. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
6. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.



## INCOME STATEMENT

Cape York Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	1, 7	1,341	1,015	1,071
Grants and other contributions	2, 8	66,489	79,783	80,872
Other revenue		39	42	36
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>67,869</b>	<b>80,840</b>	<b>81,979</b>
<b>Expenses</b>				
Employee expenses	3, 9, 13	382	508	574
Supplies and services	4, 10	58,174	71,549	71,342
<i>Department of Health Contract Staff</i>		<i>37,154</i>	<i>41,588</i>	<i>40,355</i>
Grants and subsidies	11	2,684	2,939	3,027
Depreciation and amortisation	5, 14	6,507	5,610	6,798
Finance/borrowing costs		..	..	..
Other expenses	6, 12	127	234	238
Losses on sale/revaluation of property, plant and equipment and investments		(5)	..	..
<b>Total expenses</b>		<b>67,869</b>	<b>80,840</b>	<b>81,979</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Cape York Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	15, 18, 20	766	1,147	4,558
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>766</b>	<b>1,147</b>	<b>4,558</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>766</b>	<b>1,147</b>	<b>4,558</b>
Equity injection/(withdrawal)	16, 21	(5,632)	(4,753)	(5,844)
Equity adjustments (MoG transfers)	17, 19, 22	152,144	43,638	3,214
<b>Total movement in equity for period</b>		<b>147,278</b>	<b>40,032</b>	<b>1,928</b>

**BALANCE SHEET**

<b>Cape York Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	23, 28	1,097	3,921	4,060
Receivables	24, 29	1,305	781	825
Other financial assets		..	..	..
Inventories	25, 30	350	449	454
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>2,752</b>	<b>5,151</b>	<b>5,339</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		147,244	133,830	135,758
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>147,244</b>	<b>133,830</b>	<b>135,758</b>
<b>TOTAL ASSETS</b>		<b>149,996</b>	<b>138,981</b>	<b>141,097</b>
<b>CURRENT LIABILITIES</b>				
Payables	26, 31	2,714	5,077	5,264
Accrued employee benefits		4	18	19
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	22	22
<b>Total current liabilities</b>		<b>2,718</b>	<b>5,117</b>	<b>5,305</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>2,718</b>	<b>5,117</b>	<b>5,305</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>147,278</b>	<b>133,864</b>	<b>135,792</b>
<b>EQUITY</b>				
Capital/contributed equity		146,512	132,717	130,087
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	27, 32, 33	766	1,147	5,705
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>147,278</b>	<b>133,864</b>	<b>135,792</b>

**CASH FLOW STATEMENT**

<b>Cape York Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	34, 39, 43	1,306	2,523	1,029
Grants and other contributions	35, 40	66,489	79,783	80,872
Other		2,017	2,020	2,121
<b>Outflows:</b>				
Employee costs	36, 41, 44	(378)	(497)	(573)
Supplies and services	37, 42	(59,149)	(71,160)	(73,247)
Grants and subsidies		(2,684)	(2,939)	(3,027)
Borrowing costs		..	..	..
Other		(127)	(234)	(238)
<b>Net cash provided by/(used in) operating activities</b>		<b>7,474</b>	<b>9,496</b>	<b>6,937</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		1	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	45	(875)	(857)	(954)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(874)</b>	<b>(857)</b>	<b>(954)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	46	875	857	954
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	38, 47	(6,507)	(5,610)	(6,798)
<b>Net cash provided by/(used in) financing activities</b>		<b>(5,632)</b>	<b>(4,753)</b>	<b>(5,844)</b>
<b>Net increase/(decrease) in cash held</b>		<b>968</b>	<b>3,886</b>	<b>139</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>35</b>	<b>3,921</b>
Cash transfers from restructure		129	..	..
<b>Cash at the end of financial year</b>		<b>1,097</b>	<b>3,921</b>	<b>4,060</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease in user charges reflects amendments to the Service Agreement between Cape York Hospital and Health Service (CYHHS) and the Department of Health where funding is now held by the Department of Health and not the CYHHS.
2. Increase reflects additional grant funding provided for amendments in the Service Agreement between CYHHS and the Department of Health, including non-labour escalation.
3. Employee expenses revised upwards to reflect amended board fees.
4. Additional expenditure reflects the amendments in the Service Agreement between CYHHS and the Department of Health, including non-labour escalation.
5. Decrease in depreciation expense due to revised commissioning of assets in 2012-13.
6. Increase in other expenses due to external audit fees.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

7. Decrease in user charges reflects amendments to the Service Agreement between CYHHS and the Department of Health.
8. Increase reflects additional grant funding provided for amendments in the Service Agreement between CYHHS and the Department of Health relating to Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
9. Employee expenses revised upwards to reflect staff employed directly by the HHS and amended Board fees.
10. Additional expenditure reflects amendments in the Service Agreement between CYHHS and the Department of Health relating to Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
11. Increase to grants and subsidies due to additional purchases as part of Service Agreement amendments.
12. Increase in other expenses due to external audit fees.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

13. Employee expenses revised upwards to reflect staff employed directly by the HHS and amended board fees.
14. Increase predominantly due to depreciation associated with commissioning of Cape York Improved Primary Health Care Centre (Commonwealth).

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

15. Increase in relates to the expected upward movement in the revaluation of buildings.
16. Decrease predominantly due to changes in depreciation funding.
17. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

18. Increase relates to the expected upward movement in the revaluation of buildings.
19. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

20. Increase relates to the expected upward movement in the revaluation of buildings.
21. Increase predominantly due to changes in depreciation funding.
22. Decrease due to lower level of buildings commissioned for 2013-14.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

23. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
24. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.

- 25. Increase relates to inventories transferred on creation of HHS being higher than estimated.
- 26. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
- 27. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 28. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
- 29. Decrease in receivables primarily due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
- 30. Increase relates to inventories transferred on creation of HHS being higher than estimated.
- 31. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
- 32. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 33. Increase relates to the expected upward movement in the revaluation of buildings.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

- 34. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
- 35. Increase reflects additional grant funding provided for amendments in the Service Agreement between CYHHS and the Department of Health, including non-labour escalation.
- 36. Employee expenses revised upwards to reflect amended board fees.
- 37. Additional expenditure reflects the amendments in the Service Agreement between CYHHS and the Department of Health, including non-labour escalation.
- 38. Decrease reflects changes in depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 39. Decrease in user charges reflect amendments to the Service Agreement between CYHHS and the Department of Health where funding is now held by the Department of Health and not the CYHHS
- 40. Increase reflects additional grant funding provided for amendments in the Service Agreement between CYHHS and the Department of Health relating to Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
- 41. Employee expenses revised upwards to reflect staff employed directly by the HHS and amended board fees.
- 42. Additional expenditure reflects amendments in the Service Agreement between CYHHS and the Department of Health relating to Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 43. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
- 44. Employee expenses revised upwards to reflect staff employed directly by the HHS and amended board fees.
- 45. Decrease due to changes in expected procurement of property, plant and equipment.
- 46. Increase due to changes in expected procurement of property, plant and equipment.
- 47. Decrease reflects changes in depreciation funding.



# CENTRAL QUEENSLAND HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Central Queensland Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The Central Queensland 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 from Miriam Vale in the south, inland to the Southern and Central Highlands and north along the Capricorn Coast, serving a population of around 225,000 people.

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

- Rockhampton Hospital
- Capricorn Coast Hospital (Yeppoon)
- Emerald Hospital
- Gladstone Hospital
- Moura Hospital
- Biloela Hospital.

The Central Queensland HHS also provides services from a number of Multi-Purpose Health Services (MPHS) and a number of outpatient clinics. MPHS are located in:

- Baralaba
- Blackwater
- Mount Morgan
- Springsure
- Theodore
- Woorabinda.

The Central Queensland HHS's key priorities for 2013-14 include:

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

The Central Queensland HHS is focussed on developing the range of acute and ambulatory services that promote regional self-sufficiency for health care provision over the next 10 to 15 years. The Regional Cancer Centre being constructed at Rockhampton Hospital will allow a range of oncology services, including radiation oncology, to be delivered locally and reduce referrals to metropolitan hospitals for assessment and treatment. Gastroenterology and ophthalmology services are priority developments for the future, as outlined in the *Health Service Plan 2012-2027 for the Central Queensland Hospital and Health Service*.

The Central Queensland HHS is actively pursuing partnerships with the Central Queensland Medicare Local and GPs, as well as the private and non-government health sectors, to clarify its role in primary health care service delivery and to better configure its hospital and hospital-related services to improve health outcomes within the community.

The key objectives of the Central Queensland HHS are:

- delivering integrated health services in partnership with other providers
- providing accessible, sustainable, network services in a quality framework
- striving for better care in Central Queensland
- providing a great place to work
- underpinning our business through stakeholder, clinician, consumer and community engagement
- living within our means.

The introduction of the National Efficient Price (NEP) funding model from 2013-14 presents considerable challenges for the Central Queensland HHS. The two Activity-Based Funded (ABF) facilities of Rockhampton and Gladstone Hospitals represent less than 50% of the total Central Queensland HHS budget allocation, with the remainder allocated to non-ABF facilities across the rural health, community-based, mental health and aged care sectors.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Central Queensland HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Central Queensland HHS has an operating budget of \$447.1 million for 2013-14 which is an increase of \$15.2 million (3.5%) from its 2012-13 operating budget of \$431.9 million.

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

The Central Queensland HHS Strategic Plan 2013-2017 reflects local priorities in line with whole-of-Government Statewide plans and commitments.

A project to expand Rockhampton Hospital is underway. This has delivered a number of improvements to the hospital including a new Emergency Department which was opened in April 2011. A Regional Cancer Care Centre on the Rockhampton Hospital site comprising radiation oncology and day oncology is scheduled to be completed in 2014.

The Central Queensland HHS undertook an Australian Council of Healthcare Standards accreditation and certification survey for the first time in 2012-13. A number of services had been accredited under other standards bodies previously; these were brought into alignment through certification in order for the whole organisation to seek a single survey process in the future.

The Central Queensland HHS was funded to implement clinical services redesign projects across Rockhampton and Gladstone Hospitals, focusing on patient flow management and efficient use of resources. The projects were primarily directed at achieving the National Emergency Access Targets (NEAT), National Elective Surgery Targets (NEST) and Specialist Outpatients targets.



## STATEMENTS

### Staffing

Central Queensland Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	2,621	2,533	2,696

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 2,690 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

Central Queensland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 min)		80%	86%	80%
• Category 3 (within 30 min)		75%	79%	75%
• Category 4 (within 60 min)		70%	74%	70%
• Category 5 (within 120 min)		70%	90%	70%
• All categories	1	..	78%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	77%	77%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	18	20
Median wait time for elective surgery (days)				
		25	36	25

Central Queensland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		100%	97%	100%
• Category 2 (90 days)		87%	80%	91%
• Category 3 (365 days)	2	94%	100%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			51%	51%
• Category 2 (90 days)		New	31%	31%
• Category 3 (365 days)	3	measure	71%	90%
Total weighted activity units:				
• Acute Inpatient		30,128	30,594	29,892
• Outpatients		7,338	6,086	7,118
• Sub acute		5,021	4,499	5,393
• Emergency Department		12,460	12,925	12,848
• Mental Health		2,124	1,762	2,389
• Interventions and Procedures	4, 5	3,272	4,014	4,936
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,948	\$4,658
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	0.8	0.8
Number of in-home visits, families with newborns	7	New measure	2,082	3,105
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	63.9%	>60%

Central Queensland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	11.2%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	27,363	39,724 – 48,752

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-13 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Central Queensland Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	4, 8	21,374	21,374	22,193
Grants and other contributions	1, 5, 9	409,947	421,564	424,349
Other revenue		568	569	600
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>431,889</b>	<b>443,507</b>	<b>447,142</b>
<b>Expenses</b>				
Employee expenses		498	510	523
Supplies and services	2, 6	404,778	415,901	417,965
<i>Department of Health Contract Staff</i>		270,098	281,871	283,222
Grants and subsidies		9,218	8,522	8,533
Depreciation and amortisation	3, 7, 10	15,570	17,311	18,857
Finance/borrowing costs		..	..	..
Other expenses		934	989	990
Losses on sale/revaluation of property, plant and equipment and investments		891	274	274
<b>Total expenses</b>		<b>431,889</b>	<b>443,507</b>	<b>447,142</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Central Queensland Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	11, 14, 17	2,069	3,706	12,610
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>2,069</b>	<b>3,706</b>	<b>12,610</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>2,069</b>	<b>3,706</b>	<b>12,610</b>
Equity injection/(withdrawal)	12, 15	(11,403)	(13,498)	(14,065)
Equity adjustments (MoG transfers)	13, 16, 18	352,015	42,040	26,652
<b>Total movement in equity for period</b>		<b>342,681</b>	<b>32,248</b>	<b>25,197</b>

**BALANCE SHEET**

<b>Central Queensland Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	19, 24	8,075	31,453	32,439
Receivables	20, 25	6,380	2,909	3,125
Other financial assets		..	..	..
Inventories		2,328	2,396	2,424
Other		644	536	590
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>17,427</b>	<b>37,294</b>	<b>38,578</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21, 28	341,022	320,130	345,327
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>341,022</b>	<b>320,130</b>	<b>345,327</b>
<b>TOTAL ASSETS</b>		<b>358,449</b>	<b>357,424</b>	<b>383,905</b>
<b>CURRENT LIABILITIES</b>				
Payables	22, 26	15,758	32,691	33,975
Accrued employee benefits		10	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	3	3
<b>Total current liabilities</b>		<b>15,768</b>	<b>32,694</b>	<b>33,978</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>15,768</b>	<b>32,694</b>	<b>33,978</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>342,681</b>	<b>324,730</b>	<b>349,927</b>
<b>EQUITY</b>				
Capital/contributed equity		340,612	321,024	333,611
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	23, 27, 29	2,069	3,706	16,316
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>342,681</b>	<b>324,730</b>	<b>349,927</b>

**CASH FLOW STATEMENT**

Central Queensland Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	30, 32, 35	20,441	31,904	21,772
Grants and other contributions	31, 33	409,947	421,564	424,349
Other		15,883	15,834	16,691
<b>Outflows:</b>				
Employee costs		(488)	(510)	(523)
Supplies and services	34, 36	(412,831)	(415,126)	(432,923)
Grants and subsidies		(9,218)	(8,522)	(8,533)
Borrowing costs		..	..	..
Other		(934)	(990)	(990)
<b>Net cash provided by/(used in) operating activities</b>		<b>22,750</b>	<b>44,154</b>	<b>19,843</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(3)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(4,167)	(3,813)	(4,792)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,170)</b>	<b>(3,813)</b>	<b>(4,792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		4,167	3,813	4,792
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(15,570)	(17,311)	(18,857)
<b>Net cash provided by/(used in) financing activities</b>		<b>(11,403)</b>	<b>(13,498)</b>	<b>(14,065)</b>
<b>Net increase/(decrease) in cash held</b>		<b>7,177</b>	<b>26,843</b>	<b>986</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>4,610</b>	<b>31,453</b>
Cash transfers from restructure		898	..	..
<b>Cash at the end of financial year</b>		<b>8,075</b>	<b>31,453</b>	<b>32,439</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for in amendments in the Service Agreement between Central Queensland HHS (CQHHS) and the Department of Health, including growth in activity, and non-labour escalation.
2. Additional expenditure reflects the amendments in the Service Agreement between CQHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Increase in depreciation relates to higher than expected commissioning of buildings, plant and equipment during the year.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

4. Increase relates to projected increases in own source revenue generation combined with an increase due to CPI changes.
5. Increase reflects additional grant funding provided for amendments in the Service Agreement between CQHHS and Department of Health, including growth in Emergency, Regional Cancer Centres and Sub-Acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
6. Additional expenditure reflects amendments in the Service Agreement between CQHHS and the Department of Health, including growth in Emergency, Regional Cancer Centres and Sub-Acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
7. Increase in depreciation expense relates to commissioning of buildings, plant and equipment associated with the Rockhampton Hospital, Yeppoon Hospital and Mount Morgan Hospital redevelopments.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

8. Increase relates to projected increases in own source revenue generation combined with an increase due to CPI changes.
9. Increase reflects additional grant funding provided for amendments in the Service Agreement between CQHHS and Department of Health, including growth in Emergency, Regional Cancer Centres and Sub-Acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
10. Increase in depreciation expense relates to commissioning of buildings, plant and equipment associated with the Rockhampton Hospital, Yeppoon Hospital and Mount Morgan Hospital redevelopments.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

11. Increase relates to the expected upward movement in the revaluation of buildings.
12. Increase in equity withdrawals reflects changes in depreciation funding.
13. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

14. Increase relates to the expected upward movement in the revaluation of buildings.
15. Increase in equity withdrawals reflects changes in depreciation and asset revaluation estimates.
16. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

17. Increase relates to the expected upward movement in the revaluation of buildings.
18. Decrease due to lower level of buildings commissioned for 2013-14.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

19. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
20. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
21. Decrease relates to less than expected commissioning of property, plant and equipment assets to the CQHHS.
22. Increase in payables is associated with end of year labour accrual due to the change in pay date by the Department of Health.
23. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

24. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
25. Decrease in receivables primarily due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
26. Increase in payables is associated with end of year labour accrual due to the change in pay date by the Department of Health.
27. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

28. Increase relates to the expected upward movement in the revaluation of buildings and the transfer of new assets from the Department of Health.
29. Increase relates to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

30. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
31. Increase reflects additional grant funding provided for amendments in the Service Agreement between CQHHS and the Department of Health, including growth in activity and non-labour escalation.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

32. Increase relates to projected increase in own source revenue generation by CQHHS.
33. Increase reflects additional grant funding provided for amendments in the Service Agreement between CQHHS and Department of Health, including growth in Emergency, Regional Cancer Centres and Sub-Acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
34. Additional expenditure reflects amendments in the Service Agreement between CQHHS and the Department of Health, including growth in Emergency, Regional Cancer Centres and Sub-Acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

35. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
36. Additional expenditure reflects amendments in the Service Agreement between CQHHS and Department of Health, including growth in Emergency, Regional Cancer Centres and Sub-Acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.



# CENTRAL WEST HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Central West Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The Central West HHS is responsible for providing public hospital and health services including acute care, general surgery, emergency care, medical, paediatrics, gynaecology, obstetrics to the communities of rural central west Queensland from Tambo in the south-east to Boulia in the north-west and serves a population of around 12,000 people.

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

- Alpha Hospital and Multipurpose Health Service
- Barcaldine Hospital and Multipurpose Health Service
- Blackall Hospital.
- Longreach Hospital
- Winton Hospital and Multipurpose Health Service

The model of service delivery is based on a procedural hub at Longreach, service spokes at Barcaldine, Blackall and Winton, and satellite services at Alpha, Aramac, Boulia, Isisford, Jundah, Muttaborra, Tambo and Windorah. Central West HHS doctors also work in general practices across the region under contract or right of Private Practice arrangements.

The Central West HHS's strategic objectives for 2013-14 are to:

- ensure patients have access to safe and high quality health care services
- sustain existing health care services to our communities in a financially responsible manner
- encourage innovation and the use of health technologies to improve access to specialised services
- attract and retain a skilled and motivated healthcare workforce to meet our communities future needs
- engage with our communities and stakeholders.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Central West HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Central West HHS has an operating budget of \$51.1 million for 2013-14. The Service Agreement between the Central West HHS and the Department of Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved. The Central West HHS Strategic Plan reflects local priorities in line with whole-of-Government Statewide plans and commitments.

## STATEMENTS

### Staffing

Central West Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3, 4	273	289	278

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 277 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. The HHS is working towards replacing a limited number of agency nursing and medical locum positions with permanent salaried positions during 2013-14.
4. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Central West Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Total weighted activity units:				
• Acute Inpatient		2,354	1,878	2,017
• Outpatients		500	453	475
• Sub acute		355	299	254
• Emergency Department		1,480	1,354	1,125
• Mental Health		97	111	61
• Interventions and Procedures	1, 2, 3	45	48	41
Number of in-home visits, families with newborns				
	4	New measure	131	187
Ambulatory mental health service contact duration				
	5, 6	New measure	1,416	1,886 – 2,357

Notes:

1. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
2. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.

3. The 2012-13 Target/Est. and Est. Actual WAUs are not are not directly comparable. The data is affected by a range of definitional issues, including changes in the treatment of some primary care services and services provided by multi-purpose health services which do not generate WAUs under the national ABF model. Est. Actuals for 2012-13 are used as the starting point for the 2013-14 Target/Est.
4. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
5. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
6. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

**INCOME STATEMENT**

Central West Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		2,709	2,709	2,812
Grants and other contributions	1, 8	48,394	50,275	48,278
Other revenue		29	29	30
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>51,132</b>	<b>53,013</b>	<b>51,120</b>
<b>Expenses</b>				
Employee expenses		195	205	234
Supplies and services	2, 5, 9	46,112	49,712	47,522
<i>Department of Health Contract Staff</i>		26,764	27,543	26,432
Grants and subsidies	3, 6	2,182	120	120
Depreciation and amortisation	4, 7	2,481	2,826	3,100
Finance/borrowing costs		..	..	..
Other expenses		104	72	69
Losses on sale/revaluation of property, plant and equipment and investments		58	78	75
<b>Total expenses</b>		<b>51,132</b>	<b>53,013</b>	<b>51,120</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

**STATEMENT OF CHANGES IN EQUITY**

Central West Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	10, 12, 14	180	805	2,591
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>180</b>	<b>805</b>	<b>2,591</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>180</b>	<b>805</b>	<b>2,591</b>
Equity injection/(withdrawal)		(1,467)	(2,140)	(1,813)
Equity adjustments (MoG transfers)	11, 13, 15	30,304	1,417	7,000
<b>Total movement in equity for period</b>		<b>29,017</b>	<b>82</b>	<b>7,778</b>

**BALANCE SHEET**

<b>Central West Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	16, 22	549	2,911	3,023
Receivables	17, 23	362	150	160
Other financial assets		..	..	..
Inventories		365	382	386
Other		62	80	88
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,338</b>	<b>3,523</b>	<b>3,657</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18, 24, 28	29,004	44,837	52,615
Intangibles		..	..	..
Other		..	28	28
<b>Total non-current assets</b>		<b>29,004</b>	<b>44,865</b>	<b>52,643</b>
<b>TOTAL ASSETS</b>		<b>30,342</b>	<b>48,388</b>	<b>56,300</b>
<b>CURRENT LIABILITIES</b>				
Payables	19, 25	1,321	3,542	3,676
Accrued employee benefits		4	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>1,325</b>	<b>3,542</b>	<b>3,676</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>1,325</b>	<b>3,542</b>	<b>3,676</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>29,017</b>	<b>44,846</b>	<b>52,624</b>
<b>EQUITY</b>				
Capital/contributed equity	20, 26, 29	28,837	44,041	49,228
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	21, 27, 30	180	805	3,396
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>29,017</b>	<b>44,846</b>	<b>52,624</b>

**CASH FLOW STATEMENT**

<b>Central West Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	31, 41	2,695	3,987	2,801
Grants and other contributions		48,394	50,275	48,278
Other		1,648	1,648	1,737
<b>Outflows:</b>				
Employee costs		(191)	(205)	(234)
Supplies and services	32	(47,026)	(49,788)	(49,181)
Grants and subsidies	33, 37	(2,182)	(120)	(120)
Borrowing costs		..	..	..
Other		(104)	(72)	(69)
<b>Net cash provided by/(used in) operating activities</b>		<b>3,234</b>	<b>5,725</b>	<b>3,212</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(1)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	34, 38, 42	(1,014)	(686)	(1,287)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,015)</b>	<b>(686)</b>	<b>(1,287)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	35, 39, 43	1,014	686	1,287
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	36, 40, 44	(2,481)	(2,826)	(3,100)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,467)</b>	<b>(2,140)</b>	<b>(1,813)</b>
<b>Net increase/(decrease) in cash held</b>		<b>752</b>	<b>2,899</b>	<b>112</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>12</b>	<b>2,911</b>
Cash transfers from restructure		(203)	..	..
<b>Cash at the end of financial year</b>		<b>549</b>	<b>2,911</b>	<b>3,023</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for in amendments in the Service Agreement between Central West Hospital and Health Service (CWHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Increase reflects the reclassification of fixed wing services from grants and subsidies and additional purchases of supplies as part of the Service Agreement amendments.
3. Decrease reflects the reclassification of fixed wing services to supplies and services.
4. Increase in depreciation expense due to revised commissioning of assets in 2012-13.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Increase reflects the reclassification of fixed wing services from grants and subsidies.
6. Decrease reflects the reclassification of fixed wing services to supplies and services.
7. Increase in depreciation expense due to revised useful lives of assets in 2013-14.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

8. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between CWHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
9. Decrease in expenditure reflects amendments in the Service Agreement for the government's 2013-14 fiscal recovery target.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

10. Increase due to the expected upward movement in the revaluation of buildings.
11. Decrease due to the change in accounting treatment where assets transferred on creation of the CWHHS are now treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

12. Increase due to the expected upward movement in the revaluation of buildings.
13. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

14. Increase due to the expected upward movement in the revaluation of buildings.
15. Increase due to revised commissioning of assets in 2013-14.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

16. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
17. Decrease due to the initial estimate of operating receivables prior to HHS creation being greater than the final operating receivables transferred.
18. Increase predominantly due to investment in new buildings at Isisford and Winton.
19. Increase associated with end of year labour hire accrual due to the pay date change.
20. Increase due to the commissioning of property, plant and equipment.
21. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

22. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
23. Decrease due to the initial estimate of operating receivables prior to the creation of the HHS being greater than the final operating receivables transferred.
24. Increase predominantly due to investment in new buildings at Isisford and Winton.
25. Increase associated with end of year labour hire accrual due to the pay date change.

- 26. Increase due to the commissioning of property, plant and equipment.
- 27. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 28. Increase predominantly due to investment in new buildings at Isisford and Winton.
- 29. Increase due to the commissioning of property, plant and equipment.
- 30. Increase due to the expected upward movement in the revaluation of buildings.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

- 31. Increase reflects movement in receivables. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
- 32. Increase reflects the reclassification of fixed wing services from grants and subsidies and additional purchases of supplies as part of the Service Agreement amendments, including growth in activity and non-labour escalation.
- 33. Decrease reflects the reclassification of fixed wing services to supplies and services.
- 34. Decrease relates to the timing of recognition of minor capital works funding.
- 35. Decrease relates to the timing of recognition of minor capital works funding.
- 36. Increase reflects changes in depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 37. Decrease reflects the reclassification of fixed wing services to supplies and services.
- 38. Increase relates to the timing of recognition of minor capital works funding.
- 39. Increase relates to the timing of recognition of minor capital works funding.
- 40. Increase reflects changes in depreciation funding.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 41. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
- 42. Increase relates to the timing of recognition of minor capital works funding.
- 43. Increase relates to the timing of recognition of minor capital works funding.
- 44. Increase reflects changes in depreciation funding.



# CHILDREN'S HEALTH QUEENSLAND HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

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

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

The CHQ HHS key priorities for 2013-14 include:

- implementing CHQ's statewide role to improve care for children and health outcomes across the state, helping to support and empower local communities and providers
- building strong engagement and developing closer working relationships with patients, families, community groups, GPs and other primary health providers
- enhancing financial stewardship and accountability to help focus resources on frontline services and revitalise services for patients
- improving the value of the service through translating innovation, research and education into health outcomes
- collaborating with the Queensland Children's Hospital project team in the building and operational commissioning of the Queensland Children's hospital.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Children's Health Queensland HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Children's Health Queensland HHS has an operating budget of \$303.8 million for 2013-14 which is an increase of \$2.9 million (1%) from its 2012-13 operating budget of \$300.9 million.

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

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

CHQ HHS is the only Statewide HHS, which provides a unique opportunity to work with other HHSs and health care providers to improve the health care of children across the State. In 2012-13, with input from a wide range of key stakeholders, CHQ HHS defined its Statewide role and in 2013-14 will work with other HHSs and providers to commence implementation of a number of important initiatives including improved complex care coordination, paediatric education and training and paediatric advice.

Work in preparation for the building and operational commissioning of the new Queensland Children's Hospital (QCH) continues, with the QCH due to open at the end of 2014. The QCH will bring together the existing specialist paediatric services delivered at the Royal Children's Hospital and Mater Children's Hospital. The consolidation of acute clinical services, along with the integration of Child and Youth Community Health Services and Child and Youth Mental Health Services will provide a critical mass of clinicians to focus and improve quality of care and health outcomes for children across the State. There are significant opportunities as well as challenges in effectively bringing together a new organisation and a new culture.

The Government approved additional funding to address the current waiting list for children and adolescents requiring Cochlear Implants. This funding will enable an additional 22 children with moderate to profound hearing loss to receive implants in 2013-14.

The Government has also approved an additional \$3.2 million in 2013-14 increasing to \$3.7 million in 2014-15 to implement CHQ HHS's statewide role which will provide funding to employ a network of dedicated care coordinators, a 24 hour clinical advice service and education and training programs. Funding for these service enhancements is not currently reflected in the 2013-14 Estimate (Income Statement), however this will be ratified in subsequent 2013-14 Service Agreement amendments.

## STATEMENTS

### Staffing

Children's Health Queensland Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	1,801	1,913	1,858

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 1,850 staff included in the 2013-14 Estimate are employees of the Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Children's Health Queensland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	99%	80%
• Category 3 (within 30 minutes)		75%	83%	75%
• Category 4 (within 60 minutes)		70%	89%	70%
• Category 5 (within 120 minutes)		70%	99%	70%
• All categories	1	..	89%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	87%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	11	20

Children's Health Queensland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Median wait time for elective surgery (days)		25	27	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	90%	100%
• Category 2 (90 days)		84%	82%	91%
• Category 3 (365 days)	2	93%	100%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			68%	68%
• Category 2 (90 days)		New	43%	43%
• Category 3 (365 days)	3	measure	80%	90%
Total weighted activity units:				
• Acute Inpatients		20,746	21,346	20,886
• Outpatients		6,867	6,083	6,613
• Sub acute		856	527	867
• Emergency Department		3,253	2,845	3,253
• Mental Health		3,372	4,006	3,372
• Interventions and Procedures	4, 5	1,209	1,931	1,917
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$5,721	\$5,425
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	1.3	1.3
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	47.1%	>60%

Children's Health Queensland Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	7	10% - 14%	4.4%	<12%
Ambulatory mental health service contact duration	8, 9	New measure	21,324	42,535 – 51,042

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-13 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
8. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
9. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Children's Health Queensland Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	1, 7, 13	19,276	18,775	19,852
Grants and other contributions	2, 8, 14	280,354	292,873	282,596
Other revenue		1,269	1,269	1,339
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>300,899</b>	<b>312,917</b>	<b>303,787</b>
<b>Expenses</b>				
Employee expenses	3, 9, 15	848	1,571	1,928
Supplies and services	4, 10, 16	288,925	302,194	290,516
<i>Department of Health Contract Staff</i>		<i>222,110</i>	<i>232,010</i>	<i>223,287</i>
Grants and subsidies		442	65	63
Depreciation and amortisation	5, 11, 17	6,707	7,091	9,354
Finance/borrowing costs		..	..	..
Other expenses	6, 12, 18	2,766	959	925
Losses on sale/revaluation of property, plant and equipment and investments		1,211	1,037	1,001
<b>Total expenses</b>		<b>300,899</b>	<b>312,917</b>	<b>303,787</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Children's Health Queensland Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	21, 24	1,351	1,598	5,103
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>1,351</b>	<b>1,598</b>	<b>5,103</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>1,351</b>	<b>1,598</b>	<b>5,103</b>
Equity injection/(withdrawal)	19, 22	(3,514)	(5,029)	(5,152)
Equity adjustments (MoG transfers)	20, 23, 25	114,085	3,000	80,000
<b>Total movement in equity for period</b>		<b>111,922</b>	<b>(431)</b>	<b>79,951</b>

**BALANCE SHEET**

<b>Children's Health Queensland Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	26, 30	1,819	14,901	15,429
Receivables	27, 31	9,792	7,221	7,602
Other financial assets		..	..	..
Inventories		3,012	3,374	3,413
Other		315	162	178
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>14,938</b>	<b>25,658</b>	<b>26,622</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	28, 32, 35	106,068	104,042	183,994
Intangibles		3	2	1
Other		..	14	14
<b>Total non-current assets</b>		<b>106,071</b>	<b>104,058</b>	<b>184,009</b>
<b>TOTAL ASSETS</b>		<b>121,009</b>	<b>129,716</b>	<b>210,631</b>
<b>CURRENT LIABILITIES</b>				
Payables	29, 33	9,071	19,013	19,977
Accrued employee benefits		16	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	1	1
<b>Total current liabilities</b>		<b>9,087</b>	<b>19,014</b>	<b>19,978</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>9,087</b>	<b>19,014</b>	<b>19,978</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>111,922</b>	<b>110,702</b>	<b>190,653</b>
<b>EQUITY</b>				
Capital/contributed equity	34, 36	110,571	109,104	183,952
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		1,351	1,598	6,701
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>111,922</b>	<b>110,702</b>	<b>190,653</b>

**CASH FLOW STATEMENT**

<b>Children's Health Queensland Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	37, 44, 52	18,017	16,392	18,814
Grants and other contributions	38, 45, 53	280,354	292,873	282,596
Other		5,629	5,629	5,935
<b>Outflows:</b>				
Employee costs	39, 46, 54	(832)	(1,571)	(1,928)
Supplies and services	40, 47, 55	(288,210)	(296,984)	(294,547)
Grants and subsidies		(442)	(65)	(63)
Borrowing costs		..	..	..
Other	41, 48	(2,766)	(959)	(925)
<b>Net cash provided by/(used in) operating activities</b>		<b>11,750</b>	<b>15,315</b>	<b>9,882</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(100)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	42, 49, 56	(3,193)	(2,062)	(4,202)
Payments for investments		..	..	..
Loans and advances made		(3)	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,296)</b>	<b>(2,062)</b>	<b>(4,202)..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		3,193	2,062	4,202
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	50, 57	(6,707)	(7,091)	(9,354)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,514)</b>	<b>(5,029)</b>	<b>(5,152)</b>
<b>Net increase/(decrease) in cash held</b>		<b>4,940</b>	<b>8,224</b>	<b>528</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>6,677</b>	<b>14,901</b>
Cash transfers from restructure	43, 51	(3,121)	..	..
<b>Cash at the end of financial year</b>		<b>1,819</b>	<b>14,901</b>	<b>15,429</b>



## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease due to a revision of the own source revenue estimate associated with admitted patients.
2. Increase reflects additional grant funding provided for amendments in the Service Agreement between Children's Health Queensland Hospital and Health Service (CHQHHS) and the Department of Health, including growth in activity and non-labour escalation. The increase has also been related to the transfer of DoH staff to CHQHHS for corporate services and statewide hosting services that will be provided by CHQHHS. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2012-13 financial year, revenue will be adjusted for any changes under these negotiations.
3. Increase due to revised estimate as staff numbers employed directly by CHQHHS now known.
4. Additional expenditure reflects the amendments in the Service Agreement between CHQHHS and the Department of Health, including growth in activity and non-labour escalation.
5. Additional depreciation expense due to revised asset acquisitions and commissioning.
6. Decrease in other expenses reflects revised sundry expenditure forecasts and reclassification of expenses to Supplies and Services.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

7. Increase in own source revenue relating to private patient fees, other revenues and reimbursements.
8. Increase reflects additional grant funding provided for amendments in the Service Agreement between CHQHHS and the Department of Health including growth in ambulatory activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements. The increase has also been related to the transfer of DoH staff to CHQHHS for corporate services and statewide hosting services that will be provided by CHQHHS. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2012-13 financial year, revenue will be adjusted for any changes under these negotiations.
9. Increase due to full year effect of staff employed by CHQHHS.
10. Additional expenditure reflects amendments in the Service Agreement between CHQHHS and the Department of Health, including growth in ambulatory activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
11. Increase in depreciation and amortisation due to depreciation associated with the commissioning of the Academic and Research facility in 2013-14.
12. Decrease in other expenses reflects revised sundry expenditure forecasts and reclassification of expenses to Supplies and Services.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

13. Increase in own source revenue due to increase relating to private patient fees, right of private practice revenue, other revenues and reimbursements.
14. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between CHQHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2012-13 financial year, revenue will be adjusted for any changes under these negotiations.
15. Increase due to full year effect of staff employed by CHQHHS.
16. Decrease in expenditure reflects amendments in the Service Agreement between CHQHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
17. Increase in depreciation and amortisation due to depreciation associated with the commissioning of the Academic and Research facility in 2013-14.
18. Decrease in other expenses reflects revised sundry expenditure forecasts and reclassification of expenses to Supplies and Services.

## Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

19. Decrease predominantly due to changes in depreciation funding.
20. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

21. Increase relates to the expected upward movement in the revaluation of buildings.
22. Increase predominantly due to changes in depreciation funding.
23. Decrease due to changes in accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

24. Increase relates to the expected upward movement in the revaluation of buildings.
25. The increase in equity is due to the Academic and Research Facility of the Queensland Children's Hospital transferred in 2013-14 being lower than the net assets transferred to establish CHQHHS in 2012-13. Commissioning dates and values are based on estimated cash flows in the Queensland Health Capital Acquisition Plan, these figures may not represent the final date or value for individual assets commissioned.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

26. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
27. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
28. Decrease relates to depreciation of property, plant and equipment.
29. Increase in payables is associated with end of year labour accrual due to the pay date change.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

30. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
31. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
32. Increase in property, plant and equipment due to the commissioning of the Academic and Research Facility for the Queensland Children's Hospital.
33. Increase in payables is associated with end of year labour accrual due to the pay date change.
34. Increase in equity is due to the commissioning of the Academic and Research Facility.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

35. Increase in property, plant and equipment due to the commissioning of the Academic and Research Facility. Commissioning dates and values are based on estimated cash flows in the Queensland Health Capital Acquisition Plan, these figures may not represent the final date or value for individual assets commissioned.
36. Increase in equity is due to the commissioning of the Academic and Research Facility.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

37. Decrease in user charges due to a revision of the own source revenue estimate associated with inpatients and receivables.
38. Increase reflects additional grant funding provided for amendments in the Service Agreement between CHQHHS and the Department of Health, including growth in activity and non-labour escalation. The increase has also been related to the transfer of DoH staff to CHQHHS for corporate services and statewide hosting services that will be provided by CHQHHS.

- 39. Increase due to revised estimate as staff numbers employed directly by CHQHHS now known.
- 40. Additional expenditure reflects the amendments in the Service Agreement between CHQHHS and the Department of Health, including growth in activity and non-labour escalation.
- 41. Decrease in other expenditure reflects revised sundry expenditure forecasts and reclassification of expenses to Supplies and Services.
- 42. Decrease in payments for property, plant and equipment due to changes in expected procurement.
- 43. Policy change to record cash transfers from restructure to cash at the beginning of financial year.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 44. Increase due to a revision of the own source revenue estimate associated with inpatients and receivables.
- 45. Increase reflects additional grant funding provided for amendments in the Service Agreement between CHQHHS and Department of Health, including growth in ambulatory activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements. The increase has also been related to the transfer of DoH staff to CHQHHS for corporate services and statewide hosting services that will be provided by CHQHHS.
- 46. Increase due to full year effect of staff employed by CHQHHS.
- 47. Additional expenditure reflects amendments in the Service Agreement between CHQHHS and the Department of Health, including growth in ambulatory activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
- 48. Decrease in other expenses reflects revised sundry expenditure forecasts and reclassification of expenses to Supplies and Services.
- 49. Increase in payments for property, plant and equipment due to changes in expected procurement.
- 50. Increase reflects the changes in depreciation funding.
- 51. Policy change to record cash transfers from restructure to cash at the beginning of financial year.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 52. Increase in own source revenue due to increase relating to private patient fees, right of private practice revenue, other revenues and reimbursements.
- 53. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between CHQHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
- 54. Increase due to full year effect of staff employed by CHQHHS.
- 55. Decrease in expenditure reflects amendments in the Service Agreement between CHQHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
- 56. Increase in depreciation associated with the commissioning of the Academic and Research facility for the Queensland Children's Hospital in 2013-14.
- 57. Increase reflects the changes in depreciation funding.



# DARLING DOWNS HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

The Darling Downs HHS is an independent statutory body, overseen by a local Hospital and Health Board, with responsibility for providing public hospital and health services to a population of almost 300,000 people covering a predominantly rural area. The area serviced extends from the New South Wales border south of Stanthorpe to west of Goondiwindi to Taroom in the north and east to Murgon and including the major regional centre of Toowoomba. The Darling Downs HHS provides public hospital and health services as defined in the Service Agreement with the Department of Health as the manager of the public hospital system.

Services provided include a major hospital at Toowoomba, rural hospitals, multipurpose health services, community and mental health services.

The majority of the Darling Downs HHS residents receive inpatient care within the Darling Downs HHS's area, either at one of the local hospitals or at the Toowoomba Hospital, although patients are required to travel to Brisbane to access some types of specialist care.

The Darling Downs HHS will have a strong focus in 2013-14 on:

- providing better access to health services
- providing more care locally
- supporting the Government commitments to revitalise frontline services for families and deliver better infrastructure
- enhancing engagement and developing closer working relationships with patients, families, community groups, GPs and other health providers.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Darling Downs HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Darling Downs HHS has an operating budget of \$568.3 million for 2013-14 which is an increase of \$27.4 million (5.1%) from its 2012-13 operating budget of \$540.9 million.

The Service Agreement between the Darling Downs HHS and the Department of Health identifies the services to be provided, the funding arrangements for those services and defined performance indicators and targets to ensure outputs and outcomes are achieved. The Darling Downs HHS Strategic Plan reflects local priorities in line with whole-of-Government Statewide plans and commitments.

During 2013-14 the replacement Wandoan Primary Health Care and Dalby Community Health Centres are expected to open and commence operation. Construction of a Mental Health Community Care Unit (CCU) for Toowoomba and a new kitchen at Toowoomba Hospital will commence. Upgrade of fire safety and electrical safety at Kingaroy Hospital will be undertaken as part of the Rural and Remote Infrastructure Rectification Works Program.

The 2012-13 financial year saw a considerable devolution of cost previously borne by the Department of Health, such as Queensland Government Insurance Fund (QGIF) premiums and functions previously performed by the Department of Health, such as Queensland Country Practice, Public Health and relief programs for Pharmacy, Medical Imaging, Radiographers and other Allied Health, now managed on a Statewide basis by Darling Downs HHS.

## STATEMENTS

### Staffing

Darling Downs Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	3,794	3,736	3,855

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 3,850 staff included in the 2013-14 Estimate are employees of the Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Darling Downs Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	93%	80%
• Category 3 (within 30 minutes)		75%	77%	75%
• Category 4 (within 60 minutes)		70%	74%	70%
• Category 5 (within 120 minutes)		70%	85%	70%
• All categories	1	..	77%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	70%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	21	20
Median wait time for elective surgery (days)				
		25	28	25

Darling Downs Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	90%	100%
• Category 2 (90 days)		84%	51%	91%
• Category 3 (365 days)	2	93%	78%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			64%	64%
• Category 2 (90 days)		New	20%	20%
• Category 3 (365 days)	3	measure	46%	90%
Total weighted activity units:				
• Acute Inpatients		37,303	39,558	37,078
• Outpatients		7,036	7,137	7,114
• Sub acute		6,145	5,311	6,160
• Emergency Department		13,199	13,701	13,596
• Mental Health		14,912	21,811	14,983
• Interventions and Procedures	4, 5, 6	4,755	4,025	5,458
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,398	\$4,575
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	New measure	0.9	0.9
Number of in-home visits, families with newborns	8	New measure	2,646	3,742
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	67.2%	>60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	9	10% - 14%	14.3%	<12%



<b>Darling Downs Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Ambulatory mental health service contact duration	10, 11	New measure	49,189	56,491 – 69,330

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services. Darling Downs HHS allocated \$3 million to undertake additional Category 2 and Category 3 elective surgery commencing in May 2013.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-13 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. The significant variance between the 2012-13 Target/Est. and 2012-13 Est. Actual Mental Health WAUs relates to fluctuations in recorded activity at the tertiary mental health facility Baillie Henderson Hospital based on separations and does not represent real growth in service levels.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
8. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
9. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
10. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
11. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Darling Downs Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	6, 13	27,499	27,499	28,755
Grants and other contributions	1, 7, 14	512,911	532,809	539,051
Other revenue		512	512	541
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>540,922</b>	<b>560,820</b>	<b>568,347</b>
<b>Expenses</b>				
Employee expenses	8	1,874	1,964	2,142
Supplies and services	2, 9, 15	514,083	534,175	540,204
<i>Department of Health Contract Staff</i>		<i>403,529</i>	<i>416,205</i>	<i>420,682</i>
Grants and subsidies		2,304	2,384	2,404
Depreciation and amortisation	10, 16	19,615	19,804	21,083
Finance/borrowing costs		..	..	..
Other expenses	3, 11	1,767	951	959
Losses on sale/revaluation of property, plant and equipment and investments	4, 12	1,279	1,542	1,555
<b>Total expenses</b>		<b>540,922</b>	<b>560,820</b>	<b>568,347</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	5	<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Darling Downs Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	17, 19, 21	2,920	5,220	17,249
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>2,920</b>	<b>5,220</b>	<b>17,249</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>2,920</b>	<b>5,220</b>	<b>17,249</b>
Equity injection/(withdrawal)		(14,123)	(14,022)	(15,420)
Equity adjustments (MoG transfers)	18, 20, 22	328,338	34,157	2,400
<b>Total movement in equity for period</b>		<b>317,135</b>	<b>25,355</b>	<b>4,229</b>

**BALANCE SHEET**

<b>Darling Downs Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	23, 29	10,447	31,955	33,646
Receivables	24, 30	5,283	3,985	4,226
Other financial assets		..	..	..
Inventories		5,044	4,751	4,806
Other		272	190	209
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>21,046</b>	<b>40,881</b>	<b>42,887</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25, 31, 35	315,277	325,408	329,637
Intangibles		..	..	..
Other		3	..	..
<b>Total non-current assets</b>		<b>315,280</b>	<b>325,408</b>	<b>329,637</b>
<b>TOTAL ASSETS</b>		<b>336,326</b>	<b>366,289</b>	<b>372,524</b>
<b>CURRENT LIABILITIES</b>				
Payables	26, 32	19,180	38,461	40,467
Accrued employee benefits		11	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	3	3
<b>Total current liabilities</b>		<b>19,191</b>	<b>38,464</b>	<b>40,470</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>19,191</b>	<b>38,464</b>	<b>40,470</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>317,135</b>	<b>327,825</b>	<b>332,054</b>
<b>EQUITY</b>				
Capital/contributed equity	27, 33, 36	314,215	322,605	309,585
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	28, 34, 37	2,920	5,220	22,469
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>317,135</b>	<b>327,825</b>	<b>332,054</b>

**CASH FLOW STATEMENT**

<b>Darling Downs Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	38, 46	26,206	33,892	27,449
Grants and other contributions	39, 42, 47	512,911	532,809	539,051
Other		11,676	11,676	12,309
<b>Outflows:</b>				
Employee costs	43	(1,863)	(1,964)	(2,142)
Supplies and services	40, 44, 48	(514,410)	(523,752)	(550,530)
Grants and subsidies		(2,304)	(2,384)	(2,404)
Borrowing costs		..	..	..
Other	41, 45	(1,767)	(951)	(959)
<b>Net cash provided by/(used in) operating activities</b>		<b>30,449</b>	<b>49,326</b>	<b>22,774</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(73)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(5,492)	(5,782)	(5,663)
Payments for investments		..	..	..
Loans and advances made		(2)	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(5,567)</b>	<b>(5,782)</b>	<b>(5,663)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		5,492	5,782	5,663
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(19,615)	(19,804)	(21,083)
<b>Net cash provided by/(used in) financing activities</b>		<b>(14,123)</b>	<b>(14,022)</b>	<b>(15,420)</b>
<b>Net increase/(decrease) in cash held</b>		<b>10,759</b>	<b>29,522</b>	<b>1,691</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>2,433</b>	<b>31,955</b>
Cash transfers from restructure		(312)	..	..
<b>Cash at the end of financial year</b>		<b>10,447</b>	<b>31,955</b>	<b>33,646</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for in amendments to the Service Agreement between Darling Downs Hospital and Health Service (DDHHS) and the Department of Health.
2. Additional expenditure reflects the amendments in the Service Agreement between DDHHS and the Department of Health including growth in activity.
3. Decrease is due to lower than forecast sundry expenditure and reclassification of expenditure to Supplies and Services.
4. Increase is due to higher forecast losses.
5. In line with 2013-14 fiscal repair requirements being met early there is a significant possibility that the DDHHS will have a one-off operating surplus for 2012-13, which would be used for additional services and facility improvements.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

6. Increase relates to projected increases in own source revenue generation.
7. Increase reflects additional grant funding provided for amendments in the Service Agreement between DDHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
8. Employee expenses revised upwards to reflect staff employed directly by DDHHS.
9. Additional expenditure reflects amendments in the Service Agreement between DDHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
10. Increase due to commissioning of capital projects including Regional Cancer Centre and Yannanda Adolescent Mental Health Unit.
11. Decrease is due to lower than forecast sundry expenditure and reclassification of expenditure to Supplies and Services.
12. Increase is due to higher forecast losses.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

13. Increase relates to projected increases in own source revenue generation.
14. Increase reflects additional grant funding provided for amendments in the Service Agreement between DDHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
15. Additional expenditure reflects amendments in the Service Agreement between DDHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
16. Increase due to depreciation associated with commissioning of capital projects including Regional Cancer Centre and Yannanda Adolescent Mental Health Unit.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

17. Increase due to the expected upward movement in the revaluation of buildings.
18. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

19. Increase due to the expected upward movement in the revaluation of buildings.
20. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

21. Increase due to the expected upward movement in the revaluation of buildings.
22. Decrease due to lower level of buildings commissioned for 2013-14.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

23. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
24. Decrease due to the initial estimate of operating receivables prior to the creation of the HHS being greater than the final operating receivables transferred.
25. Increase due to commissioning of capital projects including Regional Cancer Centre and Yannanda Adolescent Mental Health Unit, together with expected upward movement in the revaluation of land and buildings.
26. Increase associated with end of year labour hire accrual due to the pay date change.
27. Increase due to capital works transferred from the Department of Health to DDHHS.
28. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

29. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
30. Decrease due to the initial estimate of operating receivables prior to the creation of the HHS being greater than the final operating receivables transferred.
31. Increase due to commissioning of property, plant and equipment, together with expected upward movement in the revaluation of land.
32. Increase associated with end of year labour hire accrual due to the pay date change.
33. Decrease due to equity withdrawal associated with depreciation funding, partly offset by increase due to capital works transferred from the Department of Health to DDHHS.
34. Increase due to the expected upward movement in the revaluation of land and buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

35. Increase due to commissioning of property, plant and equipment, together with expected upward movement in the revaluation of land and buildings, partially offset by depreciation.
36. Decrease due to equity withdrawal associated with depreciation funding, partly offset by increase due to commissioning of property, plant and equipment.
37. Increase due to the expected upward movement in the revaluation of land and buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

38. Increase reflects movement in receivables. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
39. Increase reflects additional grant funding provided for amendments in the Service Agreement between DDHHS and the Department of Health, including growth in activity and non-labour escalation.
40. Additional expenditure reflects the amendments in the Service Agreement between DDHHS and the Department of Health, including growth in activity and non-labour escalation.
41. Decrease is due to lower than forecast sundry expenditure and reclassification of expenditure to Supplies and Services.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

42. Increase reflects additional grant funding provided for amendments in the Service Agreement between DDHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
43. Employee expenses revised upwards to reflect staff employed directly by DDHHS.
44. Additional expenditure reflects amendments in the Service Agreement between DDHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
45. Decrease is due to lower than forecast sundry expenditure and reclassification of expenditure to Supplies and Services.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

46. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
47. Increase reflects additional grant funding provided for amendments in the Service Agreement between DDHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
48. Additional expenditure reflects amendments in the Service Agreement between DDHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.





# GOLD COAST HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012 the Gold Coast Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The Gold Coast HHS is responsible for the delivery of public hospital and health services from the New South Wales border in the south to the Coomera region and north to the Logan River, and services a population of over 540,000 people.

The Gold Coast HHS is responsible for the direct management of the facilities within the HHS's geographical boundaries. The Gold Coast HHS currently offers services over two campuses in Southport and Robina and provides a comprehensive range of community and primary health services, including aged care assessment, Aboriginal and Torres Strait Islander health programs; child and maternal health services; mental health; alcohol, tobacco and other drug services; home care services; community health nursing; sexual health service; allied health services; oral health and public health programs.

The Gold Coast HHS's key priorities for 2013-14 include:

- successful opening of the \$1.762 billion Gold Coast University Hospital (GCUH), including a safe transition of patients and staff from the Gold Coast Hospital site
- commencing new clinical services of a tertiary, quaternary level such as comprehensive cancer care
- enhancing community access to care, through reduced waiting times for outpatient clinics, emergency care, and elective surgery
- enhancing services at Robina Hospital so that the community benefits from the significant capital investment made in 2012-13, including additional surgical capacity
- finalise planning for, and commission future use of, the Southport Health Precinct building
- strengthening the clinician and community engagement strategies that were implemented by the Board in 2012-13, to underpin service planning, delivery and review
- launching the Centre for Health Innovation to catalyse opportunities for collaborative research and education
- developing in conjunction with the Gold Coast Medicare Local integrated care pathways which provide seamless transition for patients with chronic illness
- enhancing systems and practices which deliver tangible improvements to the safety and quality of our patients, visitors and staff
- collaborating with NSW Health to improve co-ordination of care for patients who access services across the border
- addressing and improving key population health challenges and risks
- supporting the Government commitments to revitalise frontline services for families and deliver better infrastructure.

The Gold Coast HHS's strategic direction is underpinned by the four principal themes articulated in the *Blueprint for better healthcare in Queensland*. In striving to achieve its vision of becoming a world-class provider of health services through innovation and patient-centred care, in 2013-14 the Gold Coast HHS will focus delivery upon seven strategic goals:

- provide world-class services for patients
- provide integrated healthcare
- engage with Gold Coast communities
- value and empower our staff
- ensure transparency
- optimise utilisation of resources
- establish a world-class Health Knowledge Precinct.

The environment of Gold Coast HHS is characterised by unprecedented change, challenge and opportunity. This is being stimulated by the planned delivery of Gold Coast University Hospital in September 2013, opening of new complex clinical services, the de-commissioning of Gold Coast Hospital, further investments in Robina Hospital and the maturing of significant community based services such as Robina Health Precinct.

The growth in population and associated demand for health services, particularly for community members with chronic disease, necessitates new ways of delivering health care across the continuum. For this reason, the Gold Coast HHS's positive partnerships with the Gold Coast Medicare Local and university partners provide a strong platform for the development of new integrated care pathways, which optimise the wider investment in health, and provide more seamless transitions for those who need to navigate the primary health care and hospital sectors.

As the largest employer on the Gold Coast, it is incumbent on the Gold Coast HHS to adopt the best people practices so that organisational culture is aligned with the service's values. This is also critical to the development of the workforce for GCUH.

Like other hospital and health services, the Gold Coast HHS must meet the challenge of delivering increased services, with higher levels of productivity. It has developed a strong track record in its financial stewardship, and must continue this system wide effort to ensure financial integrity.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Gold Coast HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Gold Coast HHS has an operating budget of \$964 million for 2013-14 which is an increase of \$136.2 million (16.5%) from its 2012-13 operating budget of \$827.8 million.

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

In 2012-13 the Gold Coast HHS continued its recent trend of delivering a balanced budget. In 2012-13 efficiencies were achieved, which enabled re-investment to enhance service delivery and further reduce waitlists.

While the Gold Coast HHS currently performs well against a number of key clinical performance indicators, strengthening output performance in the quality and timeliness of care will be a key priority for 2013-14. This will be achieved through initiatives to develop and embed integrated clinical pathways and maximise our partnerships with primary health care providers, universities, private and non-government sector partners. In the 2013-14 fiscal environment maximising those opportunities will assist in maintaining and expanding services to deliver quality public healthcare to the Gold Coast community.

The Gold Coast HHS *Strategic Plan 2013-2017* reflects local priorities in line with whole-of-Government Statewide plans and commitments. The Strategic Plan reflects the Queensland Government's focus on patients with increased alignment between performance and patient-centred care, along with focussing on delivering safe and accessible services aligned with the needs of the local community.

## STATEMENTS

### Staffing

Gold Coast Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	5,089	5,021	5,456

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 5,446 staff included in the 2013-14 Estimate are employees of the Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Gold Coast Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	80%	80%
• Category 3 (within 30 minutes)		75%	47%	75%
• Category 4 (within 60 minutes)		70%	62%	70%
• Category 5 (within 120 minutes)		70%	86%	70%
• All categories	1	..	57%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	67%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	28	20
Median wait time for elective surgery (days)				
		25	32	25

Gold Coast Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	91%	100%
• Category 2 (90 days)		84%	82%	91%
• Category 3 (365 days)	2	93%	96%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			44%	44%
• Category 2 (90 days)		New	27%	27%
• Category 3 (365 days)	3	measure	51%	90%
Total weighted activity units:				
• Acute Inpatients		78,139	73,731	85,815
• Outpatients		14,641	15,367	16,164
• Sub acute		9,935	9,707	10,184
• Emergency Department		13,751	15,452	14,851
• Mental Health		6,853	10,038	7,607
• Interventions and Procedures	4, 5	12,640	10,920	15,050
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,504	\$4,588
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	0.5	0.5
Number of in-home visits, families with newborns	7	New measure	5,411	7,474
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	51.7%	>60%

<b>Gold Coast Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	12.1%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	54,830	92,482 – 110,979

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

**INCOME STATEMENT**

<b>Gold Coast Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>Income</b>				
User charges		43,203	43,203	48,387
Grants and other contributions	1, 6, 12	784,245	798,162	915,278
Other revenue		306	306	335
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>827,754</b>	<b>841,671</b>	<b>964,000</b>
<b>Expenses</b>				
Employee expenses	7, 13	1,436	1,442	1,642
Supplies and services	2, 8, 14	766,424	806,847	892,086
<i>Department of Health Contract Staff</i>		<i>572,788</i>	<i>581,106</i>	<i>638,951</i>
Grants and subsidies	3, 9	2,966	766	807
Depreciation and amortisation	4, 10, 15	54,487	30,321	67,046
Finance/borrowing costs		..	..	..
Other expenses	5, 11	1,059	740	780
Losses on sale/revaluation of property, plant and equipment and investments		1,382	1,555	1,639
<b>Total expenses</b>		<b>827,754</b>	<b>841,671</b>	<b>964,000</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

**STATEMENT OF CHANGES IN EQUITY**

<b>Gold Coast Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	16, 19, 22	4,746	5,634	25,034
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>4,746</b>	<b>5,634</b>	<b>25,034</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>4,746</b>	<b>5,634</b>	<b>25,034</b>
Equity injection/(withdrawal)	17, 20, 23	(47,621)	(23,200)	(59,369)
Equity adjustments (MoG transfers)	18, 21, 24	2,141,525	346,541	1,590,917
<b>Total movement in equity for period</b>		<b>2,098,650</b>	<b>328,975</b>	<b>1,556,582</b>

**BALANCE SHEET**

<b>Gold Coast Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	25, 31	719	36,726	38,509
Receivables	26, 32	11,916	8,749	9,262
Other financial assets		..	..	..
Inventories		7,615	7,696	7,785
Other		3,292	2,657	2,924
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>23,542</b>	<b>55,828</b>	<b>58,480</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	27, 33, 37	2,095,553	784,773	2,341,752
Intangibles		1,573	2,163	1,766
Other		2,089	8	8
<b>Total non-current assets</b>		<b>2,099,215</b>	<b>786,944</b>	<b>2,343,526</b>
<b>TOTAL ASSETS</b>		<b>2,122,757</b>	<b>842,772</b>	<b>2,402,006</b>
<b>CURRENT LIABILITIES</b>				
Payables	28, 34	24,079	53,245	55,891
Accrued employee benefits		28	86	92
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	23	23
<b>Total current liabilities</b>		<b>24,107</b>	<b>53,354</b>	<b>56,006</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>24,107</b>	<b>53,354</b>	<b>56,006</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>2,098,650</b>	<b>789,418</b>	<b>2,346,000</b>
<b>EQUITY</b>				
Capital/contributed equity	29, 35, 38	2,093,904	783,784	2,315,332
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	30, 36, 39	4,746	5,634	30,668
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>2,098,650</b>	<b>789,418</b>	<b>2,346,000</b>



**CASH FLOW STATEMENT**

<b>Gold Coast Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	40, 46	41,295	46,634	46,510
Grants and other contributions	41, 47, 53	784,245	798,162	915,278
Other		7,506	7,506	7,925
<b>Outflows:</b>				
Employee costs	48, 54	(1,408)	(1,389)	(1,636)
Supplies and services	42, 49, 55	(759,494)	(784,859)	(897,661)
Grants and subsidies	43, 50	(2,966)	(766)	(807)
Borrowing costs		..	..	..
Other	44, 51	(1,059)	(747)	(780)
<b>Net cash provided by/(used in) operating activities</b>		<b>68,119</b>	<b>64,541</b>	<b>68,829</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(232)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(6,866)	(7,121)	(7,677)
Payments for investments		..	..	..
Loans and advances made		(6)	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(7,104)</b>	<b>(7,121)</b>	<b>(7,677)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		6,866	7,121	7,677
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	45, 52, 56	(54,487)	(30,321)	(67,046)
<b>Net cash provided by/(used in) financing activities</b>		<b>(47,621)</b>	<b>(23,200)</b>	<b>(59,369)</b>
<b>Net increase/(decrease) in cash held</b>		<b>13,394</b>	<b>34,220</b>	<b>1,783</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>2,506</b>	<b>36,726</b>
Cash transfers from restructure		(12,675)	..	..
<b>Cash at the end of financial year</b>		<b>719</b>	<b>36,726</b>	<b>38,509</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between Gold Coast Hospital and Health Service (GCHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Additional expenditure reflects the amendments in the Service Agreement between GCHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Decrease due to revised grant funding arrangements for new and existing arrangements since the creation of the HHS.
4. Decrease due to the change in commissioning date of the Gold Coast University Hospital.
5. Decrease due to lower forecast sundry expenditure and reclassification of expenditure to Supplies and Services.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

6. Increase reflects additional grant funding provided for amendments in the Service Agreement between GCHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
7. Increase in Employee expenses to reflect additional staff employed directly by the HHS.
8. Additional expenditure reflects amendments in the Service Agreement between GCHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
9. Decrease due to revised grant funding arrangements for new and existing arrangements since the creation of the HHS.
10. Increase due to the expected commissioning of the Gold Coast University Hospital in 2013-14.
11. Decrease due to lower forecast sundry expenditure and reclassification of expenditure to Supplies and Services.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

12. Increase reflects additional grant funding provided for amendments in the Service Agreement between GCHHS and the Department of Health including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
13. Increase in Employee expenses to reflect additional staff employed directly by the HHS.
14. Additional expenditure reflects amendments in the Service Agreement between GCHHS and Department of Health, including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
15. Increase due to the expected commissioning of the Gold Coast University Hospital in 2013-14.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

16. Increase due to the expected upward movement in the revaluation of buildings.
17. Decrease predominantly due to changes in depreciation funding associated with the change of commissioning of Gold Coast University Hospital to 2013-14.
18. Decrease due to the change in accounting treatment where assets transferred to the newly created HHS are treated as opening balances and the expected commissioning of Gold Coast University Hospital occurring in 2013-14.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

19. Increase due to the expected upward movement in the revaluation of buildings.
20. Increase predominantly due to changes in depreciation funding associated with the change of commissioning of Gold Coast University Hospital to 2013-14.
21. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012 and the expected commissioning of Gold Coast University Hospital occurring in 2013-14.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

22. Increase due to the expected upward movement in the revaluation of buildings.
23. Increase predominantly due to changes in depreciation funding associated with the change of commissioning of Gold Coast University Hospital to 2013-14.
24. Increase due to the expected commissioning of the Gold Coast University Hospital in 2013-14.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

25. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
26. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
27. Decrease due to the expected commissioning of the Gold Coast University Hospital in 2013-14.
28. Increase associated with end of year labour hire accrual due to the pay date change.
29. Decrease due to the expected commissioning of the Gold Coast University Hospital in 2013-14.
30. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

31. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
32. Decrease in receivables primarily due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
33. Increase due to the expected commissioning of the Gold Coast University Hospital in 2013-14.
34. Increase associated with end of year labour hire accrual due to the pay date change.
35. Increase due to the expected commissioning of the Gold Coast University Hospital in 2013-14.
36. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

37. Increase due to the expected commissioning of the Gold Coast University Hospital in 2013-14.
38. Increase due to the expected commissioning of the Gold Coast University Hospital in 2013-14.
39. Increase due to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

40. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
41. Increase reflects additional grant funding provided for amendments in the Service Agreement between GCHHS and the Department of Health, including growth in activity and non-labour escalation.
42. Additional expenditure reflects the amendments in the Service Agreement between GCHHS and the Department of Health, including growth in activity and non-labour escalation.
43. Decrease due to revised grant payments for new and existing arrangements since the creation of the HHS.
44. Decrease due to lower forecast sundry expenditure and reclassification of expenditure to Supplies and Services.
45. Decrease due to the change in commissioning date of the Gold Coast University Hospital.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

46. Increase relates to revised estimate for hospital fees and sales of goods and services.
47. Increase reflects additional grant funding provided for amendments in the Service Agreement between GCHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
48. Increase in Employee expenses to reflect additional staff employed directly by the HHS.
49. Additional expenditure reflects amendments in the Service Agreement between GCHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
50. Decrease due to revised grant payments for new and existing arrangements since the creation of the HHS.
51. Decrease due to lower forecast sundry expenditure and reclassification of expenditure to Supplies and Services.
52. Increase due to the change in commissioning date of the Gold Coast University Hospital.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

53. Increase reflects additional grant funding provided for amendments in the Service Agreement between GCHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
54. Increase in Employee expenses to reflect additional staff employed directly by the HHS.
55. Additional expenditure reflects amendments in the Service Agreement between GCHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory, emergency and sub/non-acute activity, Enterprise Bargaining agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
56. Increase due to the change in commissioning date of the Gold Coast University Hospital.

# MACKAY HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Mackay Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board.

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

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

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

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

The Mackay HHS will have a strong focus in 2013-14 on:

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

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Mackay HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Mackay HHS has an operating budget of \$295.9 million for 2013-14 which is an increase of \$8.1 million (2.8%) from its 2012-13 operating budget of \$287.8 million.

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

An extensive redevelopment of the Mackay Base Hospital is underway and is scheduled for completion in mid 2014. At a cost of \$408 million, the redevelopment will double the capacity of the existing hospital to provide 318 beds. The redeveloped hospital will offer the local community a wider range of public health services and will be equipped to offer additional and extended specialised services, enabling more patients to be treated locally and minimise the need to travel for certain types of care and treatment.

A cardiac catheter laboratory, costing over \$2.5 million, is scheduled to open at the Mackay Base Hospital in October 2013. This service will enable angiograms and insertion of pacemakers to be performed in Mackay for the first time and will reduce the need for Mackay residents to travel to Townsville or Brisbane for this treatment.

In addition, the fit out of a Magnetic Resonance Imaging (MRI) suite at Mackay Base Hospital will also be completed in 2013-14 at a cost of over \$1.5 million.

In 2012-13, the Mackay HHS was allocated \$2.7 million, under the Australian Government's Health and Hospital Fund 2011 Regional Priority Round 4, for the redevelopment of an Acute and Primary Care Clinic at the Proserpine Hospital and Bowen Hospital Clinical Space Redesign and construction.

The Mackay HHS has experienced strong demand growth in recent years that has been driven by a growing population related to increased mining activity in the Bowen Basin. In 2012-13 performance has exceeded or been close to targets for Emergency Access and Elective Surgery. At the same time, staffing levels and expenditure have been maintained within budget.

## STATEMENTS

### Staffing

Mackay Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	1,777	1,714	1,834

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 1,830 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Mackay Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	74%	80%
• Category 3 (within 30 minutes)		75%	66%	75%
• Category 4 (within 60 minutes)		70%	72%	70%
• Category 5 (within 120 minutes)		70%	95%	70%
• All categories	1	..	71%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	76%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	19	20

<b>Mackay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Median wait time for elective surgery (days)		25	30	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	92%	100%
• Category 2 (90 days)		84%	78%	91%
• Category 3 (365 days)	2	93%	90%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			47%	47%
• Category 2 (90 days)		New	42%	42%
• Category 3 (365 days)	3	measure	67%	90%
Total weighted activity units:				
• Acute Inpatients		24,654	23,943	24,521
• Outpatients		6,800	6,251	6,761
• Sub acute		1,608	1,200	2,336
• Emergency Department		7,710	8,302	7,856
• Mental Health		1,627	1,467	1,707
• Interventions and Procedures	4, 5	2,317	2,091	3,355
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$5,262	\$4,686
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	1.3	1.3
Number of in-home visits, families with newborns	7	New measure	2,389	3,231
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	75.7%	>60%



<b>Mackay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	15.3%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	23,611	27,460 – 33,702

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

**INCOME STATEMENT**

<b>Mackay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>Income</b>				
User charges		18,314	18,314	18,987
Grants and other contributions	1, 6, 11	269,275	268,571	276,685
Other revenue		202	203	214
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>287,791</b>	<b>287,088</b>	<b>295,886</b>
<b>Expenses</b>				
Employee expenses		268	272	295
Supplies and services	2, 7, 12	273,374	275,241	283,645
<i>Department of Health Contract Staff</i>		<i>191,119</i>	<i>195,912</i>	<i>194,479</i>
Grants and subsidies	3, 8	2,790	14	14
Depreciation and amortisation	4, 9	9,751	10,521	10,876
Finance/borrowing costs		..	..	..
Other expenses		1,069	828	841
Losses on sale/revaluation of property, plant and equipment and investments	5, 10	539	212	215
<b>Total expenses</b>		<b>287,791</b>	<b>287,088</b>	<b>295,886</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

**STATEMENT OF CHANGES IN EQUITY**

<b>Mackay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	13, 15, 18	868	2,090	6,917
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>868</b>	<b>2,090</b>	<b>6,917</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>868</b>	<b>2,090</b>	<b>6,917</b>
Equity injection/(withdrawal)	16	(6,864)	(7,422)	(7,722)
Equity adjustments (MoG transfers)	14, 17, 19	161,409	14,528	2,300
<b>Total movement in equity for period</b>		<b>155,413</b>	<b>9,196</b>	<b>1,495</b>

**BALANCE SHEET**

<b>Mackay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	20, 26	5,374	14,819	15,593
Receivables	21, 27	2,933	2,107	2,226
Other financial assets		..	..	..
Inventories		1,571	1,712	1,732
Other		466	390	429
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>10,344</b>	<b>19,028</b>	<b>19,980</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	22, 28	153,925	171,736	173,231
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>153,925</b>	<b>171,736</b>	<b>173,231</b>
<b>TOTAL ASSETS</b>		<b>164,269</b>	<b>190,764</b>	<b>193,211</b>
<b>CURRENT LIABILITIES</b>				
Payables	23, 29	8,851	17,738	18,690
Accrued employee benefits		5	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>8,856</b>	<b>17,738</b>	<b>18,690</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>8,856</b>	<b>17,738</b>	<b>18,690</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>155,413</b>	<b>173,026</b>	<b>174,521</b>
<b>EQUITY</b>				
Capital/contributed equity	24, 30	154,545	170,936	165,514
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	25, 31, 32	868	2,090	9,007
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>155,413</b>	<b>173,026</b>	<b>174,521</b>

**CASH FLOW STATEMENT**

<b>Mackay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	33, 42	17,906	21,258	18,786
Grants and other contributions		269,275	268,571	276,685
Other		4,967	4,968	5,237
<b>Outflows:</b>				
Employee costs		(263)	(272)	(295)
Supplies and services	38	(273,114)	(269,640)	(287,908)
Grants and subsidies	34, 39	(2,790)	(14)	(14)
Borrowing costs		..	..	..
Other		(1,069)	(836)	(841)
<b>Net cash provided by/(used in) operating activities</b>		<b>14,912</b>	<b>24,035</b>	<b>11,650</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(6)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	35, 40	(2,887)	(3,099)	(3,154)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,893)</b>	<b>(3,099)</b>	<b>(3,154)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	36	2,887	3,099	3,154
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	37, 41	(9,751)	(10,521)	(10,876)
<b>Net cash provided by/(used in) financing activities</b>		<b>(6,864)</b>	<b>(7,422)</b>	<b>(7,722)</b>
<b>Net increase/(decrease) in cash held</b>		<b>5,155</b>	<b>13,514</b>	<b>774</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>1,305</b>	<b>14,819</b>
Cash transfers from restructure		219	..	..
<b>Cash at the end of financial year</b>		<b>5,374</b>	<b>14,819</b>	<b>15,593</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease reflects additional grant funding provided for amendments in the Service Agreement between Mackay Hospital and Health Service (MHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Additional expenditure reflects the amendments in the Service Agreement between MHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Decrease due to changes in accounting treatment as part of the transfer to MHHS. This reflects the reclassification of fixed wing services to supplies and services.
4. Increase in depreciation expense due to revised commissioning of assets in 2012-13.
5. Decrease relates to lower than expected debt expenses and inventory adjustments.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

6. Increase reflects additional grant funding provided for amendments in the Service Agreement between MHHS and the Department of Health, including growth in ambulatory and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
7. Additional expenditure reflects amendments in the Service Agreement between MHHS and the Department of Health, including growth in ambulatory and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
8. Decrease due to changes in accounting treatment as part of the transfer to MHHS. This reflects the reclassification of fixed wing services to supplies and services.
9. Increase in depreciation expense due to revised commissioning of assets in 2012-13.
10. Decrease relates to lower than expected debt expenses and inventory adjustments.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

11. Increase reflects additional grant funding provided for amendments in the Service Agreement between MHHS and the Department of Health, including growth in ambulatory and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
12. Additional expenditure reflects amendments in the Service Agreement between MHHS and the Department of Health, including growth in ambulatory and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

13. Increase due to the expected upward movement in the revaluation of buildings.
14. Decrease due to the change in accounting treatment for assets transferred on creation of MHHS with net assets now being treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

15. Increase due to the expected upward movement in the revaluation of buildings.
16. Increase due to changes in depreciation funding.
17. Decrease due to the change in accounting treatment for assets transferred on creation of MHHS with net assets transferred now being treated as opening balances.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

18. Increase due to the expected upward movement in the revaluation of buildings.
19. Decrease due to lower level of buildings commissioned for 2013-14.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

20. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
21. Decrease due to the initial estimate of operating receivables prior to creation of the HHS being greater than the final operating receivables transferred.
22. Increase predominantly relates to the investment in the Mackay Base Hospital redevelopment project.
23. Increase associated with end of year labour hire accrual due to the pay date change.
24. Increase due to the commissioning of property, plant and equipment.
25. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

26. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
27. Decrease due to the initial estimate of operating receivables prior to the creation of the HHS being greater than the final operating receivables transferred.
28. Increase predominantly relates to the investment in the Mackay Base Hospital redevelopment project.
29. Increase associated with end of year labour hire accrual due to the pay date change.
30. Increase due to the commissioning of property, plant and equipment.
31. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

32. Increase due to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

33. Increase reflects movement in receivables. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
34. Decrease due to changes in accounting treatment as part of the transfer to MHHS. This reflects the reclassification of fixed wing services to supplies and services.
35. Increase due to changes in expected procurement of property, plant and equipment.
36. Increase due to changes in expected procurement of property, plant and equipment.
37. Increase reflects changes in depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

38. Additional expenditure reflects amendments in the Service Agreement between Mackay HHS and DoH, including growth in ambulatory and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
39. Decrease due to changes in accounting treatment as part of the transfer to MHHS. This reflects the reclassification of fixed wing services to supplies and services.
40. Increase due to changes in expected procurement of property, plant and equipment.
41. Increase reflects changes in depreciation funding.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

42. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to the HHS receiving cash on creation, with payment being recorded as receivables.

# METRO NORTH HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Metro North Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The Metro North HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of approximately 900,000 people residing in a geographical area extending from the Brisbane River to north of Kilcoy.

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

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

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

The Metro North HHS's key priorities for 2013-14 include:

- providing the right care in the right place at the right time
- supporting the Government commitments to revitalise frontline services for families
- addressing key population health challenges including chronic disease and ageing
- enhance system and workforce capacity
- enhancing engagement and developing closer working relationships with patients, families, community groups, GPs and other providers.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Metro North HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Metro North HHS has an operating budget of \$2.036 billion for 2013-14 which is an increase of \$1.5 million (0.1%) from its 2012-13 operating budget of \$2.035 billion.

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

The Metro North HHS Strategic Plan, Health Service Plan and Sub-Acute Plan 2012-16 reflect local priorities in line with whole-of-Government Statewide plans and commitments.

The Government approved an additional \$5.8 million to address the current waiting list for children, adolescents and adults requiring Cochlear Implants. A proportion of this funding will enable an additional 50 patients with moderate to profound hearing loss to receive Implants in 2013-14 at the Royal Brisbane and Women's Hospital.

A number of health infrastructure projects will continue in 2013-14, including:

- paediatric upgrades underway at the Caboolture and Redcliffe Hospital Emergency Departments
- Caboolture Hospital Education and Skills Centre.



## STATEMENTS

### Staffing

Metro North Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	12,886	12,707	12,691

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 12,680 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Metro North has inherited significant National Health Reform reductions (-266 FTE) as well as inheriting the public health (41 FTE, clinical skills (38 FTE) and Offender Health services (27 FTE) from the Department of Health.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Metro North Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	76%	80%
• Category 3 (within 30 minutes)		75%	61%	75%
• Category 4 (within 60 minutes)		70%	70%	70%
• Category 5 (within 120 minutes)		70%	89%	70%
• All categories	1	..	68%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	61%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	20	20

<b>Metro North Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Median wait time for elective surgery (days)		25	26	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	93%	100%
• Category 2 (90 days)		84%	74%	91%
• Category 3 (365 days)	2	93%	81%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			49%	49%
• Category 2 (90 days)		New	37%	37%
• Category 3 (365 days)	3	measure	64%	90%
Total weighted activity units:				
• Acute Inpatients		179,120	184,772	175,624
• Outpatients		42,381	42,380	41,852
• Sub acute		19,713	21,121	20,165
• Emergency Department		28,032	28,640	28,032
• Mental Health		22,621	17,956	25,224
• Interventions and Procedures	4, 5	33,086	32,356	34,880
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,754	\$4,641
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	1.3	1.3
Number of in-home visits, families with newborns	7	New measure	9,673	13,262
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55%	62.0%	>60%

<b>Metro North Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Proportions of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	14%	16.7%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	108,654	165,454 – 198,545

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-13 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

**INCOME STATEMENT**

<b>Metro North Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>Income</b>				
User charges		132,005	132,005	137,390
Grants and other contributions	1, 7	1,896,168	1,934,125	1,891,937
Other revenue		6,471	6,470	6,827
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>2,034,644</b>	<b>2,072,600</b>	<b>2,036,154</b>
<b>Expenses</b>				
Employee expenses		3,588	3,646	3,890
Supplies and services	2, 8	1,954,071	1,983,326	1,936,911
<i>Department of Health Contract Staff</i>		<i>1,454,759</i>	<i>1,485,810</i>	<i>1,453,409</i>
Grants and subsidies		3,692	4,317	4,248
Depreciation and amortisation	3, 5, 9	68,683	73,552	83,470
Finance/borrowing costs		..	..	..
Other expenses	4, 6	251	4,698	4,623
Losses on sale/revaluation of property, plant and equipment and investments		4,359	3,061	3,012
<b>Total expenses</b>		<b>2,034,644</b>	<b>2,072,600</b>	<b>2,036,154</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

**STATEMENT OF CHANGES IN EQUITY**

<b>Metro North Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	12, 15	15,853	16,677	55,079
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>15,853</b>	<b>16,677</b>	<b>55,079</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>15,853</b>	<b>16,677</b>	<b>55,079</b>
Equity injection/(withdrawal)	10, 13, 16	(42,254)	(46,358)	(56,214)
Equity adjustments (MoG transfers)	11, 14, 17	1,493,438	126,090	198,089
<b>Total movement in equity for period</b>		<b>1,467,037</b>	<b>96,409</b>	<b>196,954</b>

**BALANCE SHEET**

<b>Metro North Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	18, 22	24,254	68,598	72,723
Receivables		36,392	37,764	39,834
Other financial assets		..	..	..
Inventories		17,391	17,771	17,976
Other		3,429	2,843	3,129
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>81,466</b>	<b>126,976</b>	<b>133,662</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	19, 23, 27	1,448,816	1,325,250	1,522,272
Intangibles		3	292	224
Other		113	119	119
<b>Total non-current assets</b>		<b>1,448,932</b>	<b>1,325,661</b>	<b>1,522,615</b>
<b>TOTAL ASSETS</b>		<b>1,530,398</b>	<b>1,452,637</b>	<b>1,656,277</b>
<b>CURRENT LIABILITIES</b>				
Payables	20, 24	63,340	106,886	113,565
Accrued employee benefits		20	102	109
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	106	106
<b>Total current liabilities</b>		<b>63,360</b>	<b>107,094</b>	<b>113,780</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		1	..	..
<b>Total non-current liabilities</b>		<b>1</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>63,361</b>	<b>107,094</b>	<b>113,780</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,467,037</b>	<b>1,345,543</b>	<b>1,542,497</b>
<b>EQUITY</b>				
Capital/contributed equity	21, 25, 28	1,451,184	1,328,866	1,470,741
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	26, 29	15,853	16,677	71,756
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,467,037</b>	<b>1,345,543</b>	<b>1,542,497</b>

**CASH FLOW STATEMENT**

<b>Metro North Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		125,882	134,837	132,556
Grants and other contributions	30, 37	1,896,168	1,934,125	1,891,937
Other		41,999	41,998	44,277
<b>Outflows:</b>				
Employee costs		(3,568)	(3,583)	(3,883)
Supplies and services	31, 34	(1,953,007)	(1,976,265)	(1,968,421)
Grants and subsidies		(3,692)	(4,317)	(4,248)
Borrowing costs		..	..	..
Other	32, 36	(251)	(4,698)	(4,623)
<b>Net cash provided by/(used in) operating activities</b>		<b>103,531</b>	<b>122,097</b>	<b>87,595</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(757)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(26,429)	(27,194)	(27,256)
Payments for investments		..	..	..
Loans and advances made		(21)	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(27,207)</b>	<b>(27,194)</b>	<b>(27,256)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		26,429	27,194	27,256
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	33, 35, 38	(68,683)	(73,552)	(83,470)
<b>Net cash provided by/(used in) financing activities</b>		<b>(42,254)</b>	<b>(46,358)</b>	<b>(56,214)</b>
<b>Net increase/(decrease) in cash held</b>		<b>34,070</b>	<b>48,545</b>	<b>4,125</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>20,053</b>	<b>68,598</b>
Cash transfers from restructure		(9,816)	..	..
<b>Cash at the end of financial year</b>		<b>24,254</b>	<b>68,598</b>	<b>72,723</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between Metro North Hospital and Health Service (MNHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Additional expenditure reflects the amendments in the Service Agreement between MNHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Additional depreciation expense due to transfer of assets from the Department of Health to MNHHS, including North Lakes Health Precinct, Redcliffe Hospital Emergency Department upgrade and Regional Cancer Centres.
4. Increase in other expenses due to higher than forecast sundry expenditure for existing and new initiatives.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Additional depreciation expense due to transfer of assets from the Department of Health to MNHHS, including The Prince Charles General Hospital Redevelopment and Paediatric Emergency Department in 2013-14.
6. Increases in other expenses due to higher than forecast sundry expenditure for existing and new initiatives.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

7. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between MNHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
8. Decrease in expenditure reflects amendments in the Service Agreement between MNHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
9. Additional depreciation expense due to transfer of assets from the Department of Health to MNHHS, including The Prince Charles General Hospital Redevelopment and Paediatric Emergency Department in 2013-14.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

10. Increase in equity withdrawal due to additional depreciation expense from transfer of assets from the Department of Health to MNHHS.
11. Decrease due to change in the accounting treatment where assets transferred on creation of MNHHS are now treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

12. Increase relates to the expected upward movement in the revaluation of buildings.
13. Increase in equity withdrawal due to additional depreciation expense from transfer of assets from the Department of Health to MNHHS.
14. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are now treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

15. Increase relates to the expected upward movement in the revaluation of buildings.
16. Increase in equity withdrawal due to additional depreciation expense from transfer of assets from the Department of Health to MNHHS.
17. Increase due to transfer of assets from the Department of Health to MNHHS in 2013-14.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

18. Increase due to cash held to cover higher payables associated with the change in pay date by the Department of Health.
19. Decrease predominantly relates to transfer of assets from the Department of Health to MNHHS.

- 20. Increase associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
- 21. Decrease predominantly relates to transfer of assets from the Department of Health to MNHHS.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 22. Increase due to cash held to cover higher payables associated with the change in pay date by the Department of Health.
- 23. Increase predominantly relates to transfer of assets from the Department of Health to MNHHS and minor capital acquisitions.
- 24. Increase associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
- 25. Increase due to asset transfers from the Department of Health to MNHHS and equity withdrawal for depreciation expense.
- 26. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 27. Increase predominantly relates to transfer of assets from the Department of Health to MNHHS and minor capital acquisitions.
- 28. Increase due to asset transfers from the Department of Health to MNHHS and equity withdrawal for depreciation expense.
- 29. Increase relates to the expected upward movement in the revaluation of buildings.

### **Cash flow statement**

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

- 30. Increase reflects additional grant funding provided for amendments in the Service Agreement between MNHHS and the Department of Health, including growth in activity and non-labour escalation.
- 31. Additional expenditure reflects the amendments in the Service Agreement between MNHHS and the Department of Health, including growth in activity and non-labour escalation.
- 32. Increases in other expenses due to higher than forecast sundry expenditure for existing and new initiatives.
- 33. Increase due to additional depreciation expense from transfer of assets from the Department of Health to MNHHS.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 34. Additional expenditure reflects amendments in the Service Agreement between MNHHS and the Department of Health, including growth in inpatients, ambulatory and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
- 35. Increase due to additional depreciation expense from transfer of assets from the Department of Health to MNHHS.
- 36. Increases in other expenses due to higher than forecast sundry expenditure for existing and new initiatives.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 37. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between MNHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
- 38. Increase due to additional depreciation expense from transfer of assets from the Department of Health to MNHHS.



# METRO SOUTH HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Metro South Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The Metro South HHS is responsible for the delivery of public hospital and health services including medical, surgical, aged care, cancer services, cardiology, emergency medicine, mental health, obstetrics and gynaecology, palliative care, rehabilitation, trauma and transplantation to a population of over one million people residing in a geographical area including Brisbane City south of the Brisbane River, Redland City, Logan City, Beaudesert and the eastern portion of the Scenic Rim.

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

- Princess Alexandra Hospital
- Logan Hospital
- Queen Elizabeth Jubilee (QEII) Hospital
- Redland Hospital
- Wynnum Hospital
- Beaudesert Hospital.

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

The Metro South HHS's key objectives for 2013-14 are:

- improving services for patients
- focusing resources on frontline services
- ensuring accountability and confidence in the health system.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Metro South HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Metro South HHS has an operating budget of \$1.751 billion for 2013-14 which is an increase of \$113.1 million (6.9%) from its 2012-13 operating budget of \$1.638 billion. This includes the transfer of Statewide services to Metro South HHS (\$55 million).

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

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

During 2013-14, the following projects are due for completion:

- \$37 million QEII Hospital expansion including the emergency department redevelopment and construction of a new Endoscopy Unit and Transit Lounge
- the reopening of obstetric and procedural services at Beaudesert Hospital by July 2014.

In addition, work will continue on the \$175 million upgrade to the Logan Hospital, which will provide:

- a new expanded emergency department
- 14 new paediatric overnight beds
- 12 new inpatient beds, 2 new procedure rooms and 6 new day ward recovery spaces in a new ward for elective surgery and 23-hour care
- 24 rehabilitation beds in a new a sub-acute rehabilitation ward.

## STATEMENTS

### Staffing

<b>Metro South Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Estimate</b>
	1, 2, 3, 4, 5	10,572	10,624	10,824

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Estimated actual FTE includes the transfer of the Public Health service (31.8) to Metro South HHS.
3. Estimated 2013-14 FTE includes the transfer of state-wide services, including Organ and Tissue services (41.0) and Queensland Tuberculosis Control Centre (27.3) and the transfer of the Shared Services recruitment and financial accounting teams (15.0) to Metro South HHS.
4. 10,811 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
5. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Metro South Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	87%	80%
• Category 3 (within 30 minutes)		75%	60%	75%
• Category 4 (within 60 minutes)		70%	68%	70%
• Category 5 (within 120 minutes)		70%	90%	70%
• All categories	1	..	69%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department	2	74%	64%	80%
Median wait time for treatment in emergency departments (minutes)		20	21	20
Median wait time for elective surgery (days)		25	27	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	89%	100%
• Category 2 (90 days)		84%	81%	91%
• Category 3 (365 days)	2	93%	87%	96%

Metro South Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			63%	63%
• Category 2 (90 days)		New	34%	34%
• Category 3 (365 days)	3, 4	measure	47%	90%
Total weighted activity units:				
• Acute Inpatients		143,868	149,069	140,378
• Outpatients		33,813	36,630	34,768
• Sub acute		14,991	19,403	16,366
• Emergency Department		28,312	29,698	28,841
• Mental Health		19,299	12,681	20,281
• Interventions and Procedures	5, 6	30,279	28,212	37,193
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,351	\$4,374
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	7	New measure	1.1	1.1
Number of in-home visits, families with newborns	8	New measure	15,532	20,145
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	58.3%	>60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	9	10% - 14%	8.1%	<12%
Ambulatory mental health service contact duration	10, 11	New measure	165,370	194,251 – 233,101

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.

3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The 2012-13 Est. actual for Metro South HHS does not include patients waiting at the Princess Alexandra Hospital therefore 2012-13 Est. Actuals to not include this data.
5. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
6. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
7. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
8. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
9. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
10. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
11. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Metro South Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	5, 11	102,827	102,827	108,671
Grants and other contributions	1, 6, 12	1,532,826	1,619,277	1,639,991
Other revenue		2,500	2,499	2,637
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>1,638,153</b>	<b>1,724,603</b>	<b>1,751,299</b>
<b>Expenses</b>				
Employee expenses	2, 7	989	1,838	1,896
Supplies and services	3, 8, 13	1,572,218	1,655,445	1,674,996
<i>Department of Health Contract Staff</i>		<i>1,130,712</i>	<i>1,220,299</i>	<i>1,233,148</i>
Grants and subsidies	4, 9, 14	3,816	4,227	3,221
Depreciation and amortisation	10, 15	54,071	56,279	64,311
Finance/borrowing costs		..	..	..
Other expenses		5,317	5,520	5,553
Losses on sale/revaluation of property, plant and equipment and investments		1,742	1,294	1,322
<b>Total expenses</b>		<b>1,638,153</b>	<b>1,724,603</b>	<b>1,751,299</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Metro South Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	18, 21	11,774	11,547	40,336
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>11,774</b>	<b>11,547</b>	<b>40,336</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>11,774</b>	<b>11,547</b>	<b>40,336</b>
Equity injection/(withdrawal)	16, 19, 22	(28,522)	(33,339)	(42,086)
Equity adjustments (MoG transfers)	17, 20, 23	1,217,564	191,320	50,000
<b>Total movement in equity for period</b>		<b>1,200,816</b>	<b>169,528</b>	<b>48,250</b>

**BALANCE SHEET**

<b>Metro South Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	24, 30	45,682	96,856	100,725
Receivables	25, 31	27,381	35,060	36,305
Other financial assets		..	..	..
Inventories		12,656	12,618	12,763
Other	26, 32, 37	1,992	1,394	1,534
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>87,711</b>	<b>145,928</b>	<b>151,327</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	27, 33, 38	1,177,553	1,099,191	1,147,831
Intangibles		781	568	178
Other		..	1	1
<b>Total non-current assets</b>		<b>1,178,334</b>	<b>1,099,760</b>	<b>1,148,010</b>
<b>TOTAL ASSETS</b>		<b>1,266,045</b>	<b>1,245,688</b>	<b>1,299,337</b>
<b>CURRENT LIABILITIES</b>				
Payables	28, 34	65,210	118,399	123,727
Accrued employee benefits		19	1,033	1,104
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	36	36
<b>Total current liabilities</b>		<b>65,229</b>	<b>119,468</b>	<b>124,867</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>65,229</b>	<b>119,468</b>	<b>124,867</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,200,816</b>	<b>1,126,220</b>	<b>1,174,470</b>
<b>EQUITY</b>				
Capital/contributed equity	29, 36	1,189,042	1,114,673	1,122,587
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	35, 39	11,774	11,547	51,883
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,200,816</b>	<b>1,126,220</b>	<b>1,174,470</b>



**CASH FLOW STATEMENT**

<b>Metro South Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	40, 46	100,177	111,815	106,226
Grants and other contributions	41, 47, 53	1,532,826	1,619,277	1,639,991
Other		31,937	31,936	33,667
<b>Outflows:</b>				
Employee costs		(970)	(1,201)	(1,825)
Supplies and services	43, 49, 55	(1,568,125)	(1,625,435)	(1,701,105)
Grants and subsidies	42, 48, 54	(3,816)	(4,227)	(3,221)
Borrowing costs		..	..	..
Other		(5,317)	(5,546)	(5,553)
<b>Net cash provided by/(used in) operating activities</b>		<b>86,712</b>	<b>126,619</b>	<b>68,180</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(349)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	44, 50	(25,549)	(22,940)	(22,225)
Payments for investments		..	..	..
Loans and advances made		(10)	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(25,908)</b>	<b>(22,940)</b>	<b>(22,225)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	45, 51	25,549	22,940	22,225
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	52, 56	(54,071)	(56,279)	(64,311)
<b>Net cash provided by/(used in) financing activities</b>		<b>(28,522)</b>	<b>(33,339)</b>	<b>(42,086)</b>
<b>Net increase/(decrease) in cash held</b>		<b>32,282</b>	<b>70,340</b>	<b>3,869</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>26,516</b>	<b>96,856</b>
Cash transfers from restructure		13,400	..	..
<b>Cash at the end of financial year</b>		<b>45,682</b>	<b>96,856</b>	<b>100,725</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects amendments in the Service Agreement between Metro South Hospital and Health Service (MSHHS) and Department of Health. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2012-13 financial year, revenue will be adjusted for any changes under these negotiations.
2. Increase due to revised estimate as staff numbers employed directly by MSHHS now known.
3. Increase is due to the additional purchases of supplies and services as part of the Service Agreement amendments. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS.
4. Increase in grants and subsidies is due to indexation of current program arrangements and new funding arrangements.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Increase is due to an escalation in revenue from the Department of Veteran's Affairs, right of private practice revenues, private patient fees and other reimbursements.
6. Increase in grants and contributions reflects amendments in the Service Agreement between MSHHS and Department of Health. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS.
7. Increase due to revised estimate as staff numbers employed directly by MSHHS now known.
8. Increase in supplies and services due to additional purchases as part of the Service Agreement amendments. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS.
9. Decrease in grants and subsidies is due to the cessation and reduction of current program arrangements past 2012-13.
10. Increase in depreciation and amortisation is due to expected commissioning throughout the year, including Logan Hospital Emergency Department, QEII Hospital Endoscopy Suites and Princess Alexandra Hospital Ambulatory Cancer Day Therapy Unit.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

11. Increase is due to an escalation in revenue from the Department of Veteran's Affairs, right of private practice revenues, private patient fees and other reimbursements.
12. Increase reflects amendments in the Service Agreement between MSHHS and Department of Health. 2012-13 estimated actual revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2012-13 financial year, revenue will be adjusted for any changes under these negotiations.
13. Additional expenditure reflects amendments in the Service Agreement between MSHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
14. Decrease in grants and subsidies is due to the cessation and reduction of current program arrangements past 2012-13.
15. Increase in depreciation and amortisation is due to expected commissioning throughout the year, including Logan Hospital Emergency Department, QEII Hospital Endoscopy Suites and Princess Alexandra Hospital Ambulatory Cancer Day Therapy Unit.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

16. Decrease reflects the net reduction in non-current asset purchases.
17. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

18. Increase relates to the expected upward movement in the revaluation of buildings.
19. Increase in the withdrawal reflects changes in depreciation funding and a reduction in non-current asset purchases.
20. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

21. Increase relates to the expected upward movement in the revaluation of buildings.
22. Increase in the withdrawal reflects changes in depreciation funding.
23. Decrease reflects the changes in the expected procurement of property, plant and equipment.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

24. Increase in cash assets due to staff pay loans being funded as a result of the change in pay date by the Department of Health.
25. Increase predominantly relates to an increase in billable patient and non-patient activity.
26. Decrease predominantly due to lower forecast prepayments.
27. Decrease reflects the changes in the expected procurement of property, plant and equipment. Commissioning dates and values are based on estimated cash flows in the Queensland Health Capital Acquisition Plan, these figures may not represent the final date or value for individual assets commissioned.
28. Increase in payables is associated with end of year labour accrual due to the change in pay date by the Department of Health.
29. Decrease is predominantly due to changes in the expected transfer of non-current assets.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

30. Increase in cash assets due to staff pay loans being funded as a result of the change in pay date by the Department of Health.
31. Increase predominantly relates to an increase in billable patient and non-patient activity.
32. Decrease due to lower forecast prepayments.
33. Decrease reflects the changes in the expected procurement of property, plant and equipment. Commissioning dates and values are based on estimated cash flows in the Queensland Health Capital Acquisition Plan, these figures may not represent the final date or value for individual assets commissioned.
34. Increase in payables is associated with end of year labour accrual due to the change in pay date by the Department of Health.
35. Increase relates to the expected upward movement in the revaluation of buildings.
36. Decrease is predominantly due to changes in the expected transfer of non-current assets.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

37. Increase is due to an estimated increase in prepayments.
38. Increase reflects the changes in the expected procurement of property, plant and equipment. Commissioning dates and values are based on estimated cash flows in the Queensland Health Capital Acquisition Plan, these figures may not represent the final date or value for individual assets commissioned.
39. Increase relates to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

40. Increase is due to an increase in revenue from the Department of Veteran's Affairs, right of private practice revenues, private patient fees and other reimbursements.
41. Increase reflects amendments in the Service Agreement between MSHHS and Department of Health. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS.
42. Increase is due to indexation of current arrangements and new funding arrangements including the commitment to the Centre of Excellence for Head and Neck Cancer.

- 43. Increase is due to additional purchases of supplies and services as part of Service Agreement amendments. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS.
- 44. Decrease reflects the changes in the expected procurement of property, plant and equipment.
- 45. Decrease reflects the changes in funding relating to the expected procurement of property, plant and equipment.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 46. Increase is due to an increase in revenue from the Department of Veteran's Affairs, right of private practice revenues, private patient fees and other reimbursements.
- 47. Increase reflects amendments in the Service Agreement between MSHHS and Department of Health. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS.
- 48. Decrease is due to the cessation and reduction of current arrangements past 2012-13.
- 49. Increase is due to additional purchases of supplies and services as part of Service Agreement amendments. The Medical Aids Subsidy Scheme and Queensland Amputee and Limb Service have contributed largely to this variance, moving from the Department of Health to MSHHS.
- 50. Decrease reflects the changes in the expected procurement of property, plant and equipment.
- 51. Decrease reflects the changes in funding relating to the expected procurement of property, plant and equipment.
- 52. Increase due to expected commissioning throughout the year, including Logan Hospital Emergency Department, QEII Hospital Endoscopy Suites and Princess Alexandra Hospital Ambulatory Cancer Day Therapy Unit.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 53. Increase reflects amendments in the Service Agreement between MSHHS and Department of Health.
- 54. Decrease is due to the cessation and reduction of current arrangements past 2012-13.
- 55. Additional expenditure reflects amendments in the Service Agreement between MSHHS and the Department of Health, including growth in inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
- 56. Increase due to expected commissioning throughout the year, including Logan Hospital Emergency Department, QEII Hospital Endoscopy Suites and Princess Alexandra Hospital Ambulatory Cancer Day Therapy Unit.

# NORTH WEST HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the North West Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The North West HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of around 34,000 people residing in a geographical area within north western Queensland and the Gulf of Carpentaria including Mount Isa, Burketown, Camooweal, Cloncurry, Dajarra, Doomadgee, Julia Creek, Karumba, Mornington Island, Normanton and Urandangi. The HHS also provides emergency ambulance retrieval and treatment support services across the Northern Territory border for communities towards Tennant Creek and Lake Nash.

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

Medical staff training opportunities are progressing in the North West HHS, deploying advanced trainees in the Rural Generalist field to remote areas. Supervision and support is available 24 hours a day through videoconferencing, while telemedicine is also utilised for clinical support. Due to issues such as activity volume, clinical availability and patient safety, a number of specialised acute services are undertaken in other HHSs. In particular, the Townsville HHS and the North West HHS have a close working relationship to manage many of these requirements.

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

The North West HHS's key priorities for 2013-14 include:

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

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the North West HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The North West HHS has an operating budget of \$135.5 million for 2013-14 which is an increase of \$8.8 million (6.9%) from its 2012-13 operating budget of \$126.7 million.

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

The North West HHS Strategic Plan reflects local priorities in line with whole-of-Government statewide plans and commitments.

The Mount Isa Hospital redevelopment which is due for completion in 2013-14, will deliver upgrades to the existing maternity, surgical and paediatric wards, along with a new outpatients centre, oral health and community mental health facilities. Redevelopment and expansion of the hospital's emergency centre and new cancer treatment facilities are also included in the project.

## STATEMENTS

### Staffing

North West Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	609	593	626

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 623 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

North West Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	92%	80%
• Category 3 (within 30 minutes)		75%	82%	75%
• Category 4 (within 60 minutes)		70%	61%	70%
• Category 5 (within 120 minutes)		70%	79%	70%
• All categories	1	..	72%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	87%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	21	20

North West Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Median wait time for elective surgery (days)		25	25	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	100%	100%
• Category 2 (90 days)		84%	93%	91%
• Category 3 (365 days)	2	93%	100%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			28%	28%
• Category 2 (90 days)		New	39%	39%
• Category 3 (365 days)	3	measure	44%	90%
Total weighted activity units:				
• Acute Inpatients		8,205	6,490	8,064
• Outpatients		1,743	3,571	2,218
• Sub acute		135	283	204
• Emergency Department		4,518	3,143	4,792
• Mental Health		83	105	83
• Interventions and Procedures	4, 5	313	589	476
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$6,205	\$5,457
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	0.3	0.3
Number of in-home visits, families with newborns	7	New measure	454	620
Ambulatory mental health service contact duration	8, 9	New measure	4,939	7,584 – 9,480



## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
9. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

North West Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		2,967	2,967	3,095
Grants and other contributions	1, 5, 10	123,644	131,180	132,247
Other revenue		107	107	112
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>126,718</b>	<b>134,254</b>	<b>135,454</b>
<b>Expenses</b>				
Employee expenses	6, 11	239	254	280
Supplies and services	2, 7	117,074	125,297	124,662
<i>Department of Health Contract Staff</i>		67,672	71,919	71,496
Grants and subsidies	3, 8	4,574	2,364	2,377
Depreciation and amortisation	4, 9, 12	4,248	5,741	7,535
Finance/borrowing costs		..	..	..
Other expenses		284	260	261
Losses on sale/revaluation of property, plant and equipment and investments		299	338	339
<b>Total expenses</b>		<b>126,718</b>	<b>134,254</b>	<b>135,454</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

North West Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	13, 16, 19	593	1,395	4,646
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>593</b>	<b>1,395</b>	<b>4,646</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>593</b>	<b>1,395</b>	<b>4,646</b>
Equity injection/(withdrawal)	14, 17, 20	(3,085)	(4,492)	(6,326)
Equity adjustments (MoG transfers)	15, 18, 21	85,798	10,301	62,575
<b>Total movement in equity for period</b>		<b>83,306</b>	<b>7,204</b>	<b>60,895</b>

**BALANCE SHEET**

<b>North West Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	22, 28	2,295	5,814	6,112
Receivables	23, 29	834	176	195
Other financial assets		..	..	..
Inventories		1,136	930	941
Other		4	(7)	(8)
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>4,269</b>	<b>6,913</b>	<b>7,240</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	24, 30, 34	82,960	93,112	154,011
Intangibles		..	5	1
Other		..	..	..
<b>Total non-current assets</b>		<b>82,960</b>	<b>93,117</b>	<b>154,012</b>
<b>TOTAL ASSETS</b>		<b>87,229</b>	<b>100,030</b>	<b>161,252</b>
<b>CURRENT LIABILITIES</b>				
Payables	25, 31	3,918	6,553	6,880
Accrued employee benefits		5	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	2	2
<b>Total current liabilities</b>		<b>3,923</b>	<b>6,555</b>	<b>6,882</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>3,923</b>	<b>6,555</b>	<b>6,882</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>83,306</b>	<b>93,475</b>	<b>154,370</b>
<b>EQUITY</b>				
Capital/contributed equity	26, 32, 35	82,713	92,080	148,329
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	27, 33, 36	593	1,395	6,041
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>83,306</b>	<b>93,475</b>	<b>154,370</b>

**CASH FLOW STATEMENT**

<b>North West Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	37, 42, 48	2,806	4,823	3,003
Grants and other contributions	38, 43, 49	123,644	131,180	132,247
Other		3,891	3,891	4,101
<b>Outflows:</b>				
Employee costs	44, 50	(234)	(254)	(280)
Supplies and services	39, 45, 49	(119,020)	(125,824)	(128,600)
Grants and subsidies	40, 46	(4,574)	(2,364)	(2,377)
Borrowing costs		..	..	..
Other		(284)	(261)	(261)
<b>Net cash provided by/(used in) operating activities</b>		<b>6,229</b>	<b>11,191</b>	<b>7,833</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(3)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(1,163)	(1,249)	(1,209)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,166)</b>	<b>(1,249)</b>	<b>(1,209)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		1,163	1,249	1,209
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	41, 47, 51	(4,248)	(5,741)	(7,535)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,085)</b>	<b>(4,492)</b>	<b>(6,326)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,978</b>	<b>5,450</b>	<b>298</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>364</b>	<b>5,814</b>
Cash transfers from restructure		317	..	..
<b>Cash at the end of financial year</b>		<b>2,295</b>	<b>5,814</b>	<b>6,112</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between North West Hospital and Health Service (NWHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Additional expenditure reflects the amendments in the Service Agreement between NWHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Decrease reflects the reclassification of fixed wing services to supplies and services.
4. Additional depreciation expense due to revised commissioning of assets in 2012-13.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Increase reflects additional grant funding provided for amendments in the Service Agreement between NWHHS and the Department of Health, including growth in outpatients and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
6. Employee expenses revised upwards to reflect staff employed directly by NWHHS.
7. Additional expenditure reflects amendments in the Service Agreement between NWHHS and Department of Health, including growth in outpatients and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
8. Decrease reflects the reclassification of fixed wing services to supplies and services.
9. Increase predominantly due to depreciation associated with commissioning of 'Block D' building project.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

10. Increase reflects additional grant funding provided for amendments in the Service Agreement between NWHHS and the Department of Health, including growth in outpatients and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
11. Employee expenses revised upwards to reflect staff employed directly by NWHHS.
12. Increase predominantly due to depreciation associated with commissioning of 'Block D' building project.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

13. Increase due to the expected upward movement in the revaluation of buildings.
14. Increase predominantly due to changes in depreciation funding.
15. Decrease due to changes in accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

16. Increase due to the expected upward movement in the revaluation of buildings.
17. Increase predominantly due to changes in depreciation funding.
18. Decrease due to changes in accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

19. Increase due to the expected upward movement in the revaluation of buildings.
20. Increase predominantly due to changes in depreciation funding.
21. Increase due to commissioning of buildings in 2013-14.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

22. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
23. Decrease due to initial estimate of operating receivables prior to HHS creation being greater than the final operating receivables transferred.
24. Increase predominantly relates to the investment in the 'Block D' building project.
25. Increase associated with end of year labour hire accrual due to the pay date change.
26. Increase relates to capital works transferred from the Department of Health to the HHS.
27. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

28. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
29. Decrease due to initial estimate of operating receivables prior to the creation of the HHS being greater than the final operating receivables transferred.
30. Increase predominantly relates to the investment in the 'Block D' building project.
31. Increase associated with end of year labour hire accrual due to the pay date change.
32. Increase relates to changes in capital works transferred from the Department of Health.
33. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

34. Increase predominantly relates to the investment in the 'Block D' building project.
35. Increase relates to the property, plant and equipment commissioned.
36. Increase due to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

37. Increase due to movement in receivables relating to the HHS receiving cash upon creation. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
38. Increase reflects additional grant funding provided for amendments in the Service Agreement between NWHHS and the Department of Health, including growth in activity and non-labour escalation.
39. Additional expenditure reflects the amendments in the Service Agreement between NWHHS and the Department of Health, including growth in activity and non-labour escalation.
40. Decrease reflects the reclassification of fixed wing services to supplies and services.
41. Increase reflects changes in depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

42. Increase due to movement in receivables relating to the HHS receiving cash upon creation. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
43. Increase reflects additional grant funding provided for amendments in the Service Agreement between NWHHS and the Department of Health, including growth in outpatients and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
44. Employee expenses revised upwards to reflect staff employed directly by NWHHS.
45. Additional expenditure reflects amendments in the Service Agreement between NWHHS and Department of Health, including growth in outpatients and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
46. Decrease reflects the reclassification of fixed wing services to supplies and services.
47. Increase reflects changes in depreciation funding.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

48. Decrease reflects movement in the receivables in 2012-13. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.

49. Additional expenditure reflects amendments in the Service Agreement between NWHHS and Department of Health, including growth in outpatients and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
50. Employee expenses revised upwards to reflect staff employed directly by NWHHS.
51. Increase reflects changes in depreciation funding.





# SOUTH WEST HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the South West Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The South West HHS is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services to a population of around 26,000 residing over 319,000 square kilometres including the three main centres: Roma, Charleville and St George and the surrounding areas of Augathella, Cunnamulla, Dirranbandi, Injune, Mitchell, Morven, Mungindi, Quilpie, Surat, Thargomindah and Wallumbilla.

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

- Charleville Hospital
- Roma Hospital
- Cunnamulla Hospital
- Injune Multi-Purpose Health Service (MPHS)
- St George Hospital
- Surat MPHS
- Westhaven Aged Care Facility
- Waroona Aged Care Facility
- Quilpie MPHS
- Mitchell MPHS
- Augathella MPHS
- Dirranbandi MPHS
- Mungindi MPHS
- Wallumbilla Outpatients Clinic (OPC)
- Thargomindah OPC
- Morven OPC.

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

The South West HHS's key priorities for 2013-14 include:

- providing person centred care
- improving systems and process
- achieving expectations set out in the Service Plan
- undertaking master planning for Roma and Charleville Hospitals
- reviewing models of service delivery
- supporting the Government commitments to revitalise frontline services for families and deliver better infrastructure
- working in synergy with the Department of Health strategic objectives
- achieving expectations outlined in the *Blueprint for better healthcare in Queensland*
- negotiating a sustainable budget
- enhancing engagement and developing closer working relationships with patients, families, community groups, GPs and other primary health providers.

The six strategic objectives of the South West HHS are:

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

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the South West HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The South West HHS has an operating budget of \$108.9 million for 2013-14 which is an increase of \$1.1 million (1%) from its 2012-13 operating budget of \$107.8 million.

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

The South West HHS Interim Strategic Plan reflects local priorities in line with whole-of-Government Statewide plans and commitments.

## STATEMENTS

### Staffing

South West Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2	653	638	650

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 649 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

South West Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Total weighted activity units:				
• Acute Inpatients		5,135	4,995	5,123
• Outpatients		1,055	1,415	1,442
• Sub acute		1,271	1,022	719
• Emergency Department		2,351	2,536	2,527
• Mental Health		92	167	72
• Interventions and Procedures	1, 2, 3	151	158	130
Number of in-home visits, families with newborns				
	4	New measure	267	402
Ambulatory mental health service contact duration				
	5, 6	New measure	6,622	5,016 – 6,270

Notes:

1. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
2. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
3. The South West HHS is being monitored against a revised total WAU target for 2012-13, agreed in subsequent Service Agreement negotiations.

4. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
5. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
6. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

South West Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		4,381	4,381	4,525
Grants and other contributions	1, 5, 10	103,291	106,430	104,265
Other revenue		87	87	92
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>107,759</b>	<b>110,898</b>	<b>108,882</b>
<b>Expenses</b>				
Employee expenses		213	222	244
Supplies and services	2, 6, 11	98,847	105,564	103,086
<i>Department of Health Contract Staff</i>		65,246	67,170	65,684
Grants and subsidies	3, 7	3,303	..	..
Depreciation and amortisation	8, 12	4,607	4,655	5,104
Finance/borrowing costs		..	..	..
Other expenses	4, 9	482	292	286
Losses on sale/revaluation of property, plant and equipment and investments		307	165	162
<b>Total expenses</b>		<b>107,759</b>	<b>110,898</b>	<b>108,882</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

South West Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	13, 15, 17	503	1,406	4,526
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>503</b>	<b>1,406</b>	<b>4,526</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>503</b>	<b>1,406</b>	<b>4,526</b>
Equity injection/(withdrawal)		(3,164)	(3,538)	(3,405)
Equity adjustments (MoG transfers)	14, 16, 18	86,976	3,250	9,730
<b>Total movement in equity for period</b>		<b>84,315</b>	<b>1,118</b>	<b>10,851</b>

**BALANCE SHEET**

<b>South West Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	19, 25	2,216	7,361	7,635
Receivables	20, 26	1,093	723	765
Other financial assets		..	..	..
Inventories		399	373	377
Other		38	17	19
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>3,746</b>	<b>8,474</b>	<b>8,796</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21, 27, 31	83,966	91,862	102,713
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>83,966</b>	<b>91,862</b>	<b>102,713</b>
<b>TOTAL ASSETS</b>		<b>87,712</b>	<b>100,336</b>	<b>111,509</b>
<b>CURRENT LIABILITIES</b>				
Payables	22, 28	3,393	8,125	8,447
Accrued employee benefits		4	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>3,397</b>	<b>8,125</b>	<b>8,447</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>3,397</b>	<b>8,125</b>	<b>8,447</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>84,315</b>	<b>92,211</b>	<b>103,062</b>
<b>EQUITY</b>				
Capital/contributed equity	23, 29, 32	83,812	90,805	97,130
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	24, 30, 33	503	1,406	5,932
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>..</b>	<b>..</b>	<b>..</b>
		<b>84,315</b>	<b>92,211</b>	<b>103,062</b>

**CASH FLOW STATEMENT**

<b>South West Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	34, 46	4,348	7,556	4,431
Grants and other contributions	35	103,291	106,430	104,265
Other		4,286	4,286	4,518
<b>Outflows:</b>				
Employee costs		(209)	(222)	(244)
Supplies and services	36, 41	(101,428)	(106,097)	(107,306)
Grants and subsidies	37, 42	(3,303)	..	..
Borrowing costs		..	..	..
Other	38, 43	(482)	(300)	(286)
<b>Net cash provided by/(used in) operating activities</b>		<b>6,503</b>	<b>11,653</b>	<b>5,378</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		1	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(1,443)	(1,117)	(1,699)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,442)</b>	<b>(1,117)</b>	<b>(1,699)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	39, 44, 47	1,443	1,117	1,699
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	40, 45, 48	(4,607)	(4,655)	(5,104)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,164)</b>	<b>(3,538)</b>	<b>(3,405)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,897</b>	<b>6,998</b>	<b>274</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>363</b>	<b>7,361</b>
Cash transfers from restructure		319	..	..
<b>Cash at the end of financial year</b>		<b>2,216</b>	<b>7,361</b>	<b>7,635</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between South West Hospital and Health Service (SWHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Additional expenditure reflects the amendments in the Service Agreement between SWHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Decrease reflects the reclassification of fixed wing services to supplies and services.
4. Decrease in other expenditure is due to revised sundry expenditure forecasts.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Increase reflects additional grant funding provided for amendments in the Service Agreement between SWHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
6. Additional expenditure reflects amendments in the Service Agreement between SWHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
7. Decrease reflects the reclassification of fixed wing services to supplies and services.
8. Increase relates to higher than expected commissioning of buildings, plant and equipment during the year.
9. Decrease in other expenditure is due to revised sundry expenditure forecasts.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

10. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between SWHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
11. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between SWHHS and the Department of Health, which has been reduced due to the 2013-14 fiscal repair requirements.
12. Increase relates to higher than expected commissioning of buildings, plant and equipment during the year.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

13. Increase due to the expected upward movement in the revaluation of buildings.
14. Decrease predominantly due to change in accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

15. Increase due to the expected upward movement in the revaluation of buildings.
16. Decrease predominantly due to change in accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

17. Increase due to the expected upward movement in the revaluation of buildings.
18. Increase predominantly due to change in accounting treatment for asset transfers to the SWHHS and changes in commissioning.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

19. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
20. Decrease reflects the initial estimate of operating receivables prior to creation of the HHS being greater than the final operating receivables transferred.
21. Increase predominantly relates to the capitalisation of assets, together with the expected upward movement in the revaluation of land and buildings.



- 22. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
- 23. Increase relates to the property, plant and equipment transferred to the SWHHS.
- 24. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 25. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
- 26. Decrease reflects the initial estimate of operating receivables prior to creation of the HHS being greater than the final operating receivables transferred.
- 27. Increase predominantly relates to the capitalisation of assets, together with the expected upward movement in the revaluation of land and buildings.
- 28. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
- 29. Increase relates to the property, plant and equipment transferred to the SWHHS.
- 30. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 31. Increase predominantly relates to the capitalisation of assets.
- 32. Increase relates to the property, plant and equipment transferred to the SWHHS.
- 33. Increase due to the expected upward movement in the revaluation of buildings.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

- 34. Increase reflects movements in receivables and relates to the HHS receiving cash upon creation. The cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
- 35. Increase additional grant funding provided for amendments in the Service Agreement between SWHHS and the Department of Health, including growth in activity and non-labour escalation.
- 36. Additional expenditure reflects the amendments in the Service Agreement between SWHHS and the Department of Health, including growth in activity, and non-labour escalation.
- 37. Decrease reflects the reclassification of fixed wing services to supplies and services.
- 38. Decrease due to revised sundry expenditure forecasts.
- 39. Decrease due to changes in expected procurement of property, plant and equipment.
- 40. Increase due to changes in depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

- 41. Additional expenditure reflects amendments in the Service Agreement between SWHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
- 42. Decrease reflects the reclassification of fixed wing services to supplies and services.
- 43. Decrease due to revised sundry expenditure forecasts.
- 44. Increase due to changes in expected procurement of property, plant and equipment.
- 45. Increase due to changes in depreciation funding.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

- 46. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash was recorded in the receivables opening balances for 2012-13 Estimated actuals.
- 47. Increase due to changes in expected procurement of property, plant and equipment.
- 48. Increase due to changes in depreciation funding.



# SUNSHINE COAST HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

The Sunshine Coast HHS was established on 1 July 2012 as an independent statutory body, overseen by a local Hospital and Health Board. The Sunshine Coast HHS has responsibility for providing a range of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services in a geographical area located in south east Queensland extending through coastal and hinterland areas from Caloundra in the south to Gympie and Tin Can Bay in the north.

The public and private sector services provided locally to Sunshine Coast residents and visitors are complemented by services provided within the Brisbane metropolitan area. Currently, the Sunshine Coast HHS provides approximately 87% of the public hospital demand, with the balance provided by metropolitan Brisbane public hospitals. This will increase to 95% when the Sunshine Coast University Hospital opens in late 2016.

The Sunshine Coast HHS is responsible for the direct management of the facilities within its geographical boundaries including:

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

The Sunshine Coast HHS also has a 'Build Own Operate Transfer' contract with Ramsay Health Care, the operators of Noosa Hospital. Under this arrangement, Ramsay Health Care provides services to public patients at the Noosa Hospital.

The Sunshine Coast University Private Hospital is currently under construction on the Sunshine Coast University Hospital site at Kawana. The private hospital will also be operated by Ramsay Health Care. The 200 bed hospital will provide up to 110 public bed equivalents of services to be provided to public patients from late 2013 to mid 2018, under an agreement with the Sunshine Coast HHS.

The Sunshine Coast HHS operates integrated Mental Health Services and also provides a comprehensive range of Community Health services, including aged care assessment, Aboriginal and Torres Strait Islander health programs; child and maternal health services; alcohol, tobacco and other drug services; home care services; community health nursing; sexual health service; allied health; and oral health services.

The Sunshine Coast HHS Vision is 'Health and Wellbeing through Exceptional Care'. The vision acknowledges that the Sunshine Coast HHS needs to work in with its community to improve people's health. The vision emphasises acknowledgement and commitment to a person-centred approach to health care that is respectful of and responsive to the preferences, needs and values of patients and consumers.

The Sunshine Coast HHS key priorities for 2013-14 include:

- health services focus on patients and people
- empowering the community and our health workforce
- providing Queenslanders with value in health services
- investing, innovating and planning for the future.

The Sunshine Coast HHS Strategic Objectives for July 2013 – June 2017 are:

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

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

- relatively low socio-economic indices for areas. (Socio-economic disadvantage is associated with a lower life expectancy, a greater burden of disease and higher levels of avoidable deaths and hospital separations)
- the changing nature of disease and injury, in particular an increase in chronic disease across all ages driving demand for new models of care to cost-effectively address this issue
- the changing nature of service delivery, in particular innovative medical technologies will change length of hospital stays and demand trends, improving life expectancy, increasing day only procedures and expanding options for care in non-hospital settings
- consumer, community and Government expectations regarding access to and performance of health services.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Sunshine Coast HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Sunshine Coast HHS has an operating budget of \$639.9 million for 2013-14 which is an increase of \$5.0 million (0.8%) from its 2012-13 operating budget of \$634.9 million.

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

The Sunshine Coast HHS Strategic Plan reflects local priorities in line with whole-of-Government Statewide plans and commitments.

Expansion of both the range of services and capacity within the Sunshine Coast HHS is planned in recognition of the high level of population growth in the local area and in preparation for the opening of the Sunshine Coast University Hospital in 2016.

A major deliverable for the 2013-14 financial year is implementing the service agreement with Ramsay Health Care for the delivery of services to public patients at the Sunshine Coast University Private Hospital.

## STATEMENTS

### Staffing

Sunshine Coast Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	3,511	3,556	3,566

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 3,560 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Sunshine Coast Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	85%	80%
• Category 3 (within 30 minutes)		75%	67%	75%
• Category 4 (within 60 minutes)		70%	77%	70%
• Category 5 (within 120 minutes)		70%	91%	70%
• All categories	1	..	76%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	72%	80%

Sunshine Coast Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Median wait time for treatment in emergency departments (minutes)		20	17	20
Median wait time for elective surgery (days)		25	30	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	90%	100%
• Category 2 (90 days)		84%	83%	91%
• Category 3 (365 days)	2	93%	92%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			68%	68%
• Category 2 (90 days)		New	36%	36%
• Category 3 (365 days)	3	measure	48%	90%
Total weighted activity units:				
• Acute Inpatients		55,769	56,569	59,064
• Outpatients		9,793	10,218	10,243
• Sub acute		5,237	5,819	6,202
• Emergency Department		11,418	12,467	12,418
• Mental Health		5,039	5,287	5,739
• Interventions and Procedures	4, 5	12,496	8,895	14,277
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,448	\$4,461
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	0.7	0.7
Number of in-home visits, families with newborns	7	New measure	2,371	3,730

Sunshine Coast Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	68.8%	>60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	12.1%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	50,656	61,219 – 75,133

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Sunshine Coast Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	4, 8	29,731	29,731	36,127
Grants and other contributions	1, 5, 9	604,320	616,156	602,707
Other revenue		866	866	1,060
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>634,917</b>	<b>646,753</b>	<b>639,894</b>
<b>Expenses</b>				
Employee expenses		988	1,004	1,021
Supplies and services	2, 6, 10	525,928	537,928	579,409
<i>Department of Health Contract Staff</i>		<i>390,739</i>	<i>397,061</i>	<i>388,735</i>
Grants and subsidies		86,004	87,396	32,059
Depreciation and amortisation	3, 7, 11	20,005	18,401	25,445
Finance/borrowing costs		..	..	..
Other expenses		784	797	772
Losses on sale/revaluation of property, plant and equipment and investments		1,208	1,227	1,188
<b>Total expenses</b>		<b>634,917</b>	<b>646,753</b>	<b>639,894</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Sunshine Coast Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	12, 15, 18	2,943	3,933	12,835
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>2,943</b>	<b>3,933</b>	<b>12,835</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>2,943</b>	<b>3,933</b>	<b>12,835</b>
Equity injection/(withdrawal)	13, 16, 19	(12,065)	(9,887)	(20,564)
Equity adjustments (MoG transfers)	14, 17, 20	563,088	22,395	250,099
<b>Total movement in equity for period</b>		<b>553,966</b>	<b>16,441</b>	<b>242,370</b>



**BALANCE SHEET**

<b>Sunshine Coast Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	21, 27	13,692	32,058	33,510
Receivables	22, 28	5,667	4,589	4,848
Other financial assets		..	..	..
Inventories		4,311	4,004	4,050
Other		274	337	371
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>23,944</b>	<b>40,988</b>	<b>42,779</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	23, 29, 33	551,710	330,392	572,762
Intangibles		..	..	..
Other		7	2	2
<b>Total non-current assets</b>		<b>551,717</b>	<b>330,394</b>	<b>572,764</b>
<b>TOTAL ASSETS</b>		<b>575,661</b>	<b>371,382</b>	<b>615,543</b>
<b>CURRENT LIABILITIES</b>				
Payables	24, 30	21,676	38,256	40,047
Accrued employee benefits		19	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	4	4
<b>Total current liabilities</b>		<b>21,695</b>	<b>38,260</b>	<b>40,051</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>21,695</b>	<b>38,260</b>	<b>40,051</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>553,966</b>	<b>333,122</b>	<b>575,492</b>
<b>EQUITY</b>				
Capital/contributed equity	25, 31, 34	551,023	329,189	558,724
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	26, 32, 35	2,943	3,933	16,768
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>553,966</b>	<b>333,122</b>	<b>575,492</b>

**CASH FLOW STATEMENT**

<b>Sunshine Coast Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	36, 38	28,615	37,928	34,956
Grants and other contributions	37, 39, 42	604,320	616,156	602,707
Other		15,337	15,337	16,314
<b>Outflows:</b>				
Employee costs		(969)	(1,004)	(1,021)
Supplies and services		(530,531)	(532,504)	(593,228)
Grants and subsidies		(86,004)	(87,396)	(32,059)
Borrowing costs		..	..	..
Other		(784)	(798)	(772)
<b>Net cash provided by/(used in) operating activities</b>		<b>29,984</b>	<b>47,719</b>	<b>26,897</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(3)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	43	(7,940)	(8,514)	(4,881)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(7,943)</b>	<b>(8,514)</b>	<b>(4,881)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	40, 44	7,940	8,514	4,881
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	41, 45	(20,005)	(18,401)	(25,445)
<b>Net cash provided by/(used in) financing activities</b>		<b>(12,065)</b>	<b>(9,887)</b>	<b>(20,564)</b>
<b>Net increase/(decrease) in cash held</b>		<b>9,976</b>	<b>29,318</b>	<b>1,452</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>2,740</b>	<b>32,058</b>
Cash transfers from restructure		3,716	..	..
<b>Cash at the end of financial year</b>		<b>13,692</b>	<b>32,058</b>	<b>33,510</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between Sunshine Coast Hospital and Health Service (SCHHS) and the Department of Health, including growth in activity and non-labour escalation. Revenue is based on the confirmed window 2 Service Agreement with the Department of Health. There are further windows for negotiation to the Service Agreement in the 2012-13 financial year, revenue will be adjusted for any changes under these negotiations.
2. Additional expenditure reflects the amendments in the Service Agreement between SCHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Decrease due to revised commissioning of assets in 2012-13.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

4. Increase relates to projected increases in own source revenue generation, based on expected indexation and revenue target increases applied by the Department of Health. It is yet to be determined if these targets will be met.
5. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between SCHHS and the Department of Health, which has been reduced due a reduction in purchased activity and the 2013-14 fiscal repair requirements.
6. Increase in expenditure reflects amendments in the Service Agreement between SCHHS and the Department of Health, which has been reduced due a reduction in purchased activity and the 2013-14 fiscal repair requirements.
7. Increase due to revised commissioning of assets.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

8. Increase relates to projected increases in own source revenue generation.
9. Decrease reflects a reduction in grant funding provided for amendments in the Service Agreement between SCHHS and the Department of Health, which has been reduced due a reduction in purchased activity and the 2013-14 fiscal repair requirements.
10. Increase in expenditure reflects amendments in the Service Agreement between SCHHS and the Department of Health, which has been reduced due a reduction in purchased activity and the 2013-14 fiscal repair requirements.
11. Increase due to revised commissioning of assets.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

12. Increase due to expected upward movement in the revaluation of buildings.
13. Decrease related to movements in depreciation funding.
14. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

15. Increase due to expected upward movement in the revaluation of buildings.
16. Increase related to movements in depreciation funding.
17. Decrease due to changes in accounting treatment for assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

18. Increase due to expected upward movement in the revaluation of buildings.
19. Increase relates to movements in depreciation funding.
20. Increase due to changes in accounting treatment for assets transferred to the SCHHS.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

21. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.

22. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
23. Decrease relates to changes in transfer of Non-current assets to the SCHHS.
24. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
25. Decrease due to changes in property, plant and equipment transferred to the SCHHS.
26. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

27. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
28. Decrease in receivables primarily due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
29. Increase due to revised commissioning of assets. Commissioning Dates and values are based on estimated Cash Flows in the Queensland Health Capital Acquisition Plan, these figures may not represent the final date or value for individual assets commissioned.
30. Increase in payables is associated with end of year labour hire accrual due to the change in pay date by the Department of Health.
31. Increase due to revised commissioning of assets.
32. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

33. Increase due to revised commissioning of assets.
34. Increase due to revised commissioning of assets.
35. Increase due to the expected upward movement in the revaluation of buildings.

### **Cash flow statement**

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

36. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
37. Increase reflects additional grant funding provided for amendments in the Service Agreement between SCHHS and the Department of Health, including growth in activity and non-labour escalation.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

38. Increase relates to projected increase in own source revenue generation.
39. Decrease in expenditure reflects amendments in the Service Agreement between SCHHS and the Department of Health, which has been reduced due a reduction in purchased activity and the 2013-14 fiscal repair requirements.
40. Decrease relates to payments for property, plant and equipment.
41. Increase due to additional depreciation expense from transfer of assets from Department of Health to SCHHS.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

42. Decrease in expenditure reflects amendments in the Service Agreement between SCHHS and the Department of Health, which has been reduced due a reduction in purchased activity and the 2013-14 fiscal repair requirements.
43. Increase reflects the changes in the expected procurement of property, plant and equipment.
44. Decrease relates to payments for property, plant and equipment.
45. Increase due to additional depreciation expense from transfer of assets from Department of Health to SCHHS.

# TORRES STRAIT - NORTHERN PENINSULA HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Torres Strait - Northern Peninsula Hospital and Health Service (HHS) commenced operation as an independent statutory body and will be overseen by a local Hospital and Health Board once appointed. Currently, the Director-General of Queensland Health is appointed as the Torres Strait - Northern Peninsula HHS Administrator. The Administrator will work closely with the Torres Strait - Northern Peninsula HHS to transition control to a Hospital and Health Board when appointed.

The Torres Strait - Northern Peninsula HHS is responsible for the delivery of a range of primary and community health services including chronic disease management; maternal and child health services; men's and women's health services; oral health; post acute rehabilitation aged care; general home and community care services; and family support to a population of around 12,000 people residing in a geographical area situated across the Torres Strait and expands to the five communities on the Northern Peninsula Area.

The Torres Strait - Northern Peninsula HHS's key priorities for 2013-14 include:

- revitalise front line health services and improve their cultural effectiveness
- increase the emphasis on keeping people well, and avoiding preventable hospitalisations
- improve confidence in the HHS's capability, governance and financial sustainability
- enhance engagement and working relationships with patients, families, communities, and other health providers.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Torres Strait - Northern Peninsula HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Torres Strait - Northern Peninsula HHS has an operating budget of \$87.5 million for 2013-14 which is an increase of \$6.4 million (7.8%) from its 2012-13 operating budget of \$81.1 million.

Since 1 July 2012, the Torres Strait - Northern Peninsula HHS has embarked on a financial turnaround plan to ensure the ongoing sustainability of the organisation. Based on the needs of the local community, the turnaround plan seeks to strengthen service delivery and the workforce of the organisation with a financially sustainable model. The plan included, but was not limited to, internal reviews, redevelopment of services and processes, and an organisational restructure.

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

The Torres Strait - Northern Peninsula HHS Strategic Plan reflects local community and health priorities in line with whole-of-Government Statewide plans and commitments.

Health infrastructure projects continuing in 2013-14 include:

- Completion of the Chronic Disease Centre – Thursday Island Hospital Wing
- Saibai Primary Healthcare Clinic and staff accommodation
- Staff accommodation – 33 John Street, Thursday Island
- Dental renovation – Thursday Island Primary Health Centre – in collaboration with James Cook University
- Rural and Remote Infrastructure Rectification Program – Maintenance program, Thursday Island Hospital
- Helipad shelter – Thursday Island Hospital.

## STATEMENTS

### Staffing

Torres Strait – Northern Peninsula Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. actual	2013-14 Estimate
	1, 2	403	380	398

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 398 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Torres Strait – Northern Peninsula Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Total weighted activity units:				
• Acute Inpatients		2,453	1,977	1,917
• Outpatients		207	894	1,019
• Sub acute		75	394	153
• Emergency Department		320	499	491
• Mental Health		58	22	43
• Interventions and Procedures	1, 2, 3	23	30	30
Number of in-home visits, families with newborns				
	4	New measure	100	199
Ambulatory mental health service contact duration				
	5, 6	New measure	1,801	3,260 – 4,075

Notes:

1. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
2. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
3. The 2012-13 Target/Est. and Est. Actual WAUs are not directly comparable. The data is affected by a range of definitional issues, including changes in the treatment of some primary care services and services provided by multi-purpose health services which do not generate WAUs under the national ABF model. Est. Actuals for 2012-13 are used as the starting point for the 2013-14 Target/Est.

4. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
5. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
6. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.



## INCOME STATEMENT

Torres Strait - Northern Peninsula Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	4, 8	3,275	3,275	1,091
Grants and other contributions	1, 5, 9	77,793	83,945	86,340
Other revenue		72	72	76
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>81,140</b>	<b>87,292</b>	<b>87,507</b>
<b>Expenses</b>				
Employee expenses		213	226	247
Supplies and services	2, 6, 10	72,287	78,182	78,269
<i>Department of Health Contract Staff</i>		36,665	43,328	42,688
Grants and subsidies		1,948	1,561	1,536
Depreciation and amortisation	3, 7, 11	4,042	5,203	6,719
Finance/borrowing costs		..	..	..
Other expenses		199	239	238
Losses on sale/revaluation of property, plant and equipment and investments		2,451	1,881	498
<b>Total expenses</b>		<b>81,140</b>	<b>87,292</b>	<b>87,507</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Torres Strait - Northern Peninsula Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	14, 17	799	1,075	4,361
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>799</b>	<b>1,075</b>	<b>4,361</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>799</b>	<b>1,075</b>	<b>4,361</b>
Equity injection/(withdrawal)	12, 15, 18	(3,120)	(4,623)	(5,649)
Equity adjustments (MoG transfers)	13, 16, 19	101,273	45,646	15,646
<b>Total movement in equity for period</b>		<b>98,952</b>	<b>42,098</b>	<b>14,358</b>

**BALANCE SHEET**

<b>Torres Strait - Northern Peninsula Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets		4,653	5,087	5,064
Receivables		1,145	1,642	1,838
Other financial assets		..	..	..
Inventories		408	214	216
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>6,206</b>	<b>6,943</b>	<b>7,118</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	20, 23, 27	97,086	131,017	145,375
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>97,086</b>	<b>131,017</b>	<b>145,375</b>
<b>TOTAL ASSETS</b>		<b>103,292</b>	<b>137,960</b>	<b>152,493</b>
<b>CURRENT LIABILITIES</b>				
Payables	21, 24	4,336	6,050	6,225
Accrued employee benefits		4	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>4,340</b>	<b>6,050</b>	<b>6,225</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>4,340</b>	<b>6,050</b>	<b>6,225</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>98,952</b>	<b>131,910</b>	<b>146,268</b>
<b>EQUITY</b>				
Capital/contributed equity	22, 25, 28	98,153	130,835	140,832
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	26, 29	799	1,075	5,436
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>98,952</b>	<b>131,910</b>	<b>146,268</b>

**CASH FLOW STATEMENT**

<b>Torres Strait – Northern Peninsula Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	30, 37	742	3,263	403
Grants and other contributions	31, 34, 38	77,793	83,945	86,340
Other		1,584	1,584	1,670
<b>Outflows:</b>				
Employee costs		(209)	(226)	(247)
Supplies and services	32, 35, 39	(71,750)	(77,372)	(79,696)
Grants and subsidies		(1,948)	(1,561)	(1,536)
Borrowing costs		..	..	..
Other		(199)	(240)	(238)
<b>Net cash provided by/(used in) operating activities</b>		<b>6,013</b>	<b>9,393</b>	<b>6,696</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(7)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(922)	(580)	(1,070)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(929)</b>	<b>(580)</b>	<b>(1,070)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		922	580	1,070
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	33, 36, 40	(4,042)	(5,203)	(6,719)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,120)</b>	<b>(4,623)</b>	<b>(5,649)</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,964</b>	<b>4,190</b>	<b>(23)</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>897</b>	<b>5,087</b>
Cash transfers from restructure		2,689	..	..
<b>Cash at the end of financial year</b>		<b>4,653</b>	<b>5,087</b>	<b>5,064</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between Torres Strait - Northern Peninsula Hospital and Health Service (TSNPHHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Additional expenditure reflects the amendments in the Service Agreement between TSNPHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Increase in depreciation expense due to commissioning of assets in 2012-13.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

4. Decrease relates to the transfer of funding for Papua New Guinea ineligible patients from the TSNPHHS to the Department of Health.
5. Increase reflects additional grant funding provided for amendments in the Service Agreement between TSNPHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
6. Additional expenditure reflects amendments in the Service Agreement between TSNPHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
7. Increase predominantly due to depreciation associated with the Thursday Island Chronic Disease Centre.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

8. Decrease relates to the transfer of funding for Papua New Guinea ineligible patients from the TSNPHHS to the Department of Health.
9. Increase reflects additional grant funding provided for amendments in the Service Agreement between TSNPHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
10. Decrease in expenditure reflects amendments in the Service Agreement between TSNPHHS and the Department of Health, which as been reduced to the 2013-14 fiscal repair requirements.
11. Increase predominantly due to depreciation associated with the Thursday Island Chronic Disease Centre.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

12. Increase due to additional depreciation expense from transfer of assets from the Department of Health to TSNPHHS.
13. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are now treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

14. Increase relates to the expected upward movement in the revaluation of buildings.
15. Increase in equity withdrawals due to additional depreciation expense from transfer of assets from the Department of Health to TSNPHHS.
16. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are now treated as opening balances at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

17. Increase relates to the expected upward movement in the revaluation of buildings.
18. Increase in equity withdrawals due to additional depreciation expense from transfer of assets from the Department of Health to TSNPHHS.
19. Decrease due to lower level of buildings commissioned for 2013-14.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

20. Increase predominantly relates to investment in the Thursday Island Chronic Disease Centre.
21. Increase associated with end of year labour hire accrual due to the move of the Department of Health pay date.
22. Increase predominantly relates to investment in the Thursday Island Chronic Disease Centre.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

23. Increase reflects investment in the Thursday Island Chronic Disease Centre and the Saibai Island Primary Health Care Centre.
24. Increase associated with end of year labour hire accrual due to the move of the Department of Health pay date.
25. Increase predominantly relates to investment in the Thursday Island Chronic Disease Centre and the Saibai Island Primary Health Care Centre.
26. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

27. Increase predominantly relates to investment in the Saibai Island Primary Health Care Centre.
28. Increase predominantly relates to investment in the Saibai Island Primary Health Care Centre.
29. Increase relates to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

30. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
31. Increase reflects additional grant funding provided for amendments in the Service Agreement between TSNPHHS and the Department of Health, including growth in activity and non-labour escalation.
32. Additional expenditure reflects the amendments in the Service Agreement between TSNPHHS and the Department of Health, including growth in activity and non-labour escalation.
33. Increase due to additional depreciation expense from transfer of assets from the Department of Health to TSNPHHS.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

34. Increase reflects additional grant funding provided for amendments in the Service Agreement between TSNPHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation.
35. Additional expenditure reflects the amendments in the Service Agreement between TSNPHHS and the Department of Health, including growth in activity, Enterprise Bargaining Agreements and non-labour escalation.
36. Increase in supplies and services due to additional depreciation expense from transfer of assets from the Department of Health to TSNPHHS.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

37. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
38. Increase reflects additional grant funding provided for amendments in the Service Agreement between TSNPHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
39. Additional expenditure reflects amendments in the Service Agreement between TSNPHHS and the Department of Health, including Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
40. Increase due to additional depreciation expense from transfer of assets from the Department of Health to TSNPHHS.



# TOWNSVILLE HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Townsville Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The Townsville HHS is responsible for the delivery of public hospital and health services including medical; surgical; emergency; obstetrics; paediatrics; specialist outpatient clinics; mental health; critical care; and clinical support services to a population of around 240,000 people.

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

- Townsville Hospital
- Charters Towers Hospital
- Charters Towers Rehabilitation Unit
- Home Hill Hospital
- Hughenden Hospital
- Magnetic Island Health Service Centre.
- Ingham Hospital
- Richmond Hospital
- Ayr Hospital
- Joyce Palmer Health Service
- Kirwan Mental Health Rehabilitation Unit

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

The Townsville HHS's key priorities for 2013-14 include:

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

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Townsville HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Townsville HHS has an operating budget of \$737.2 million for 2013-14 which is an increase of \$37.8 million (5.4%) from its 2012-13 operating budget of \$699.4 million.

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

The Townsville HHS Strategic Plan reflects local priorities in line with whole-of-Government Statewide plans and commitments.

During 2013-14, work will continue on a number of health infrastructure projects including:

- the Townsville Hospital expansion, which is due for completion in 2014 and will deliver:
  - a new 66 bed ward block;
  - two new operating theatres and associated support services;
  - a new Central Energy Facility;
  - expansion and upgrade of the Pathology Laboratory;
  - expansion of Medical Imaging, Pharmacy and other clinical service departments; and
  - new and refurbished space for essential support services including Kitchen, Medical Records and Mortuary
- expansion to the neonatal intensive care unit
- construction of the Townsville Hospital Mental Health Adolescent Unit.

2012-13 saw the establishment of the \$14.75 million (over three years) Townsville Paediatric Intensive Care Service.



## STATEMENTS

### Staffing

Townsville Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	4,540	4,478	4,657

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 4,650 staff included in the 2013-14 Estimate are employees of the Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Townsville Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	88%	80%
• Category 3 (within 30 minutes)		75%	70%	75%
• Category 4 (within 60 minutes)		70%	64%	70%
• Category 5 (within 120 minutes)		70%	82%	70%
• All categories	1	..	70%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	69%	80%

Townsville Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Median wait time for treatment in emergency departments (minutes)		20	18	20
Median wait time for elective surgery (days)		25	31	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	93%	100%
• Category 2 (90 days)		84%	69%	91%
• Category 3 (365 days)	2	93%	61%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			27%	27%
• Category 2 (90 days)		New	20%	20%
• Category 3 (365 days)	3	measure	48%	90%
Total weighted activity units:				
• Acute Inpatients		61,893	63,005	61,451
• Outpatients		13,585	14,548	13,551
• Sub acute		6,702	5,028	6,956
• Emergency Department		11,235	12,189	11,608
• Mental Health		9,727	10,094	10,423
• Interventions and Procedures	4, 5	12,753	12,061	14,893
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,531	\$4,588
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	1.5	1.5
Number of in-home visits, families with newborns	7	New measure	5,676	6,819

Townsville Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	72.1%	>60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	10.7%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	37,957	68,759 – 84,386

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Townsville Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		38,774	38,774	41,253
Grants and other contributions	1, 5	660,039	681,689	695,303
Other revenue		584	584	616
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>699,397</b>	<b>721,047</b>	<b>737,172</b>
<b>Expenses</b>				
Employee expenses		768	787	840
Supplies and services		665,628	676,681	687,925
<i>Department of Health Contract Staff</i>		<i>502,826</i>	<i>513,776</i>	<i>521,614</i>
Grants and subsidies	2, 6	3,990	8,382	8,457
Depreciation and amortisation	3, 7, 9	25,909	31,672	36,394
Finance/borrowing costs		..	..	..
Other expenses	4, 8	2,340	1,456	1,469
Losses on sale/revaluation of property, plant and equipment and investments		762	2,069	2,087
<b>Total expenses</b>		<b>699,397</b>	<b>721,047</b>	<b>737,172</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Townsville Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	10, 13, 16	3,801	4,944	18,897
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>3,801</b>	<b>4,944</b>	<b>18,897</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>3,801</b>	<b>4,944</b>	<b>18,897</b>
Equity injection/(withdrawal)	11, 14, 17	(17,180)	(22,850)	(26,271)
Equity adjustments (MoG transfers)	12, 15, 18	425,330	152,729	14,480
<b>Total movement in equity for period</b>		<b>411,951</b>	<b>134,823</b>	<b>7,106</b>

**BALANCE SHEET**

<b>Townsville Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	19, 26	13,177	41,894	43,616
Receivables	20, 27	8,531	7,208	7,662
Other financial assets		..	..	..
Inventories	21, 28	5,497	7,468	7,554
Other		835	584	643
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>28,040</b>	<b>57,154</b>	<b>59,475</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	22, 29	406,431	567,339	574,626
Intangibles		397	192	11
Other		3	..	..
<b>Total non-current assets</b>		<b>406,831</b>	<b>567,531</b>	<b>574,637</b>
<b>TOTAL ASSETS</b>		<b>434,871</b>	<b>624,685</b>	<b>634,112</b>
<b>CURRENT LIABILITIES</b>				
Payables	23, 30	22,905	50,476	52,797
Accrued employee benefits		15	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	144	144
<b>Total current liabilities</b>		<b>22,920</b>	<b>50,620</b>	<b>52,941</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>22,920</b>	<b>50,620</b>	<b>52,941</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>411,951</b>	<b>574,065</b>	<b>581,171</b>
<b>EQUITY</b>				
Capital/contributed equity	24, 31	408,150	569,121	557,330
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	25, 32, 33	3,801	4,944	23,841
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>411,951</b>	<b>574,065</b>	<b>581,171</b>

**CASH FLOW STATEMENT**

<b>Townsville Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	34, 46	37,814	45,113	38,830
Grants and other contributions	35, 39	660,039	681,689	695,303
Other		14,851	14,851	15,655
<b>Outflows:</b>				
Employee costs		(753)	(787)	(840)
Supplies and services	40, 47	(668,253)	(664,019)	(700,906)
Grants and subsidies	36, 41	(3,990)	(8,382)	(8,457)
Borrowing costs		..	..	..
Other	37, 42	(2,340)	(1,456)	(1,469)
<b>Net cash provided by/(used in) operating activities</b>		<b>37,368</b>	<b>67,009</b>	<b>38,116</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(44)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	43, 48	(8,729)	(8,822)	(10,123)
Payments for investments		..	..	..
Loans and advances made		(1)	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(8,774)</b>	<b>(8,822)</b>	<b>(10,123)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	44, 49	8,729	8,822	10,123
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	38, 45, 50	(25,909)	(31,672)	(36,394)
<b>Net cash provided by/(used in) financing activities</b>		<b>(17,180)</b>	<b>(22,850)</b>	<b>(26,271)</b>
<b>Net increase/(decrease) in cash held</b>		<b>11,414</b>	<b>35,337</b>	<b>1,722</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>6,557</b>	<b>41,894</b>
Cash transfers from restructure		1,763	..	..
<b>Cash at the end of financial year</b>		<b>13,177</b>	<b>41,894</b>	<b>43,616</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between Townsville Hospital and Health Service (THHS) and the Department of Health, including growth in activity and non-labour escalation.
2. Increase due to revised grant funding arrangements for new and existing arrangements since the creation of the HHS.
3. Additional depreciation expense due to revised forecast for commissioning of assets.
4. Decrease due to lower than forecast sundry expenditure for existing and new initiatives.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Increase reflects additional grant funding provided for amendments in the Service Agreement between Townsville HHS and the Department of Health, including growth in inpatient, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
6. Increase due to revised grant funding arrangements for new and existing arrangements since the creation of the HHS.
7. Additional depreciation expense due to revised forecast for commissioning of assets.
8. Decrease due to lower than forecast sundry expenditure for existing and new initiatives.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

9. Additional depreciation expense due to revised forecast for commissioning of assets.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

10. Increase relates to the expected upward movement in the revaluation of buildings.
11. Decrease in equity withdrawal predominantly due to changes in the depreciation funding.
12. Decrease due to a change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

13. Increase relates to the expected upward movement in the revaluation of buildings.
14. Decrease in equity withdrawal predominantly due to changes in the depreciation funding.
15. Decrease due to a change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

16. Increase relates to the expected upward movement in the revaluation of buildings.
17. Decrease in equity withdrawal predominantly due to changes in the depreciation funding.
18. Decrease due to a lower level of buildings commissioned for 2013-14.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

19. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
20. Decrease in receivables due to initial estimate of operating receivables prior to HHS creation greater than the final operating receivables transferred.
21. Higher than estimated inventories transferred on the creation of the THHS.
22. Increase predominantly relates to investment in the Townsville Hospital major redevelopment.
23. Increase associated with end of year labour hire accrual due to the pay date change.
24. Increase relates to property, plant and equipment commissioned.
25. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

26. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
27. Decrease relates to initial cash balance now received from the Department of Health.
28. Higher than estimated inventories transferred on the creation of the THHS.
29. Increase predominantly relates to investment in the Townsville Hospital major redevelopment.
30. Increase associated with end of year labour hire accrual due to the pay date change.
31. Increase relates to property, plant and equipment commissioned.
32. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

33. Increase relates to the expected upward movement in the revaluation of buildings.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

34. Increase reflects movement in receivables. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
35. Increase reflects additional grant funding provided for amendments in the Service Agreement between Townsville HHS and the Department of Health, including growth in inpatient, emergency and sub/non-acute activity and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
36. Increase due to revised grant payments for new and existing arrangements since the creation of the HHS.
37. Decrease due to lower than forecast sundry expenditure for existing and new initiatives.
38. Increase reflects changes in the depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

39. Increase reflects additional grant funding provided for amendments in the Service Agreement between Townsville HHS and the Department of Health, including growth in inpatient, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
40. Additional expenditure reflects amendments in the Service Agreement between Townsville HHS and the Department of Health, including growth in inpatient, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
41. Increase due to revised grant payments for new and existing arrangements since the creation of the HHS.
42. Decrease due to lower than forecast sundry expenditure for existing and new initiatives.
43. Increase due to changes in expected procurement of property, plant and equipment.
44. Increase due to changes in expected procurement of property, plant and equipment.
45. Increase reflects changes in the depreciation funding.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

46. Decrease reflects movements in receivables in 2012-13. Movement in receivables relates to HHS receiving cash on creation of the HHS. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
47. Additional expenditure reflects amendments in the Service Agreement between Townsville HHS and the Department of Health, including growth in inpatient, emergency and sub/non-acute activity, Enterprise Bargaining Agreements and non-labour escalation, offset by the 2013-14 fiscal repair requirements.
48. Increase due to changes in expected procurement of property, plant and equipment.
49. Increase due to changes in expected procurement of property, plant and equipment.
50. Increase reflects changes in the depreciation funding.



# WEST MORETON HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the West Moreton Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The West Moreton HHS is responsible for the delivery of public hospital and health services including medical; surgical; emergency; obstetrics; paediatrics; specialist outpatient clinics; mental health; critical care and clinical support services to a population of around 250,000 residing in a geographical area stretching from Ipswich in the east, to Boonah in the south, north to Esk and west to Gatton.

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

- Ipswich Hospital
- Boonah Hospital
- Esk Hospital
- Gatton Hospital
- Laidley Hospital
- The Park – Centre for Mental Health.

The West Moreton HHS also provides hospital, community and school based primary oral health care services and a range of secondary and specialist care services.

In addition, the West Moreton HHS provides a large hospital-based forensic and rehabilitation mental health service (The Park – Centre for Mental Health) and community mental health services for all age groups. Sub-acute services include palliative, aged care; transitional and rehabilitation; mental health; alcohol, tobacco and other drugs services; child and indigenous health. Responsibilities for Offender Health include Brisbane Women's, Wolston and Brisbane Correctional facilities and the Women's Farm.

The West Moreton HHS has six interrelated Strategic Directions making up the renewed focus of the HHS:

- revitalise services
- strengthen safety and quality
- innovate and redesign
- enable our people
- build sustainable services and infrastructure
- achieve financial health.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the West Moreton HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The West Moreton HHS has an operating budget of \$418.6 million for 2013-14 which is an increase of \$45.3 million (12.1%) from its 2012-13 operating budget of \$373.3 million.

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

The West Moreton HHS Strategic Plan reflects local priorities in line with whole-of-Government statewide plans and commitments.

The Ipswich Hospital expansion is well underway and is due to be completed in 2014. The existing hospital will be transformed into a new, expanded facility, offering quality and timely health services to the region. The expanded hospital will include an additional 90 beds including six paediatric short stay beds and associated facilities and services at the Ipswich Hospital.

## STATEMENTS

### Staffing

West Moreton Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3, 4	2,507	2,477	2,745

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 2,738 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. West Moreton HHS has inherited significant FTEs for offender health services (63 FTEs), as well as public health (12 FTEs). The HHS has nominated Specific Purpose Payment reductions of 9 FTEs. Additional FTEs are attributed to other funding adjustments, including purchased growth and transfer services.
4. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

West Moreton Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	99%	80%
• Category 3 (within 30 minutes)		75%	70%	75%
• Category 4 (within 60 minutes)		70%	74%	70%
• Category 5 (within 120 minutes)		70%	89%	70%
• All categories	1	..	76%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	73%	80%

West Moreton Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Median wait time for treatment in emergency departments (minutes)		20	13	20
Median wait time for elective surgery (days)		25	29	25
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	89%	100%
• Category 2 (90 days)		84%	69%	91%
• Category 3 (365 days)	2	93%	64%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			84%	84%
• Category 2 (90 days)		New	44%	44%
• Category 3 (365 days)	3	measure	65%	90%
Total weighted activity units:				
• Acute Inpatients		30,153	32,046	31,721
• Outpatients		5,255	6,628	5,753
• Sub acute		3,864	3,853	3,909
• Emergency Department		6,843	7,954	9,753
• Mental Health		21,115	17,438	21,115
• Interventions and Procedures	4, 5	2,243	1,946	3,828
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,004	\$4,247
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days				
	6	New measure	0.7	0.7

West Moreton Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Number of in-home visits, families with newborns	7	New measure	3,542	4,882
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55% - 60%	50.9%	>60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	9.3%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	39,914	51,033 – 61,239

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

**INCOME STATEMENT**

<b>West Moreton Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>Income</b>				
User charges	5	13,728	13,728	14,656
Grants and other contributions	1, 6, 10	359,166	377,925	403,500
Other revenue		397	397	419
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>373,291</b>	<b>392,050</b>	<b>418,575</b>
<b>Expenses</b>				
Employee expenses		981	1,028	1,092
Supplies and services	2, 7, 11	359,329	376,175	401,843
<i>Department of Health Contract Staff</i>		278,566	295,996	315,429
Grants and subsidies	3, 8	1,580	374	397
Depreciation and amortisation	4, 9, 12	9,469	10,581	11,114
Finance/borrowing costs		..	..	..
Other expenses		1,054	811	860
Losses on sale/revaluation of property, plant and equipment and investments		878	3,081	3,269
<b>Total expenses</b>		<b>373,291</b>	<b>392,050</b>	<b>418,575</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

**STATEMENT OF CHANGES IN EQUITY**

<b>West Moreton Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	15, 18	1,909	2,788	8,817
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>1,909</b>	<b>2,788</b>	<b>8,817</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>1,909</b>	<b>2,788</b>	<b>8,817</b>
Equity injection/(withdrawal)	13, 16, 19	(6,104)	(7,871)	(7,045)
Equity adjustments (MoG transfers)	14, 17	190,977	600	6,700
<b>Total movement in equity for period</b>		<b>186,782</b>	<b>(4,483)</b>	<b>8,472</b>

**BALANCE SHEET**

<b>West Moreton Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	20, 24	5,223	20,321	21,515
Receivables	21, 25	4,298	1,993	2,121
Other financial assets		..	..	..
Inventories		1,785	1,958	1,981
Other		402	491	540
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>11,708</b>	<b>24,763</b>	<b>26,157</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	29	186,478	174,648	183,141
Intangibles		..	71	50
Other		2	..	..
<b>Total non-current assets</b>		<b>186,480</b>	<b>174,719</b>	<b>183,191</b>
<b>TOTAL ASSETS</b>		<b>198,188</b>	<b>199,482</b>	<b>209,348</b>
<b>CURRENT LIABILITIES</b>				
Payables	22, 26	11,387	24,348	25,742
Accrued employee benefits		19	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	12	12
<b>Total current liabilities</b>		<b>11,406</b>	<b>24,360</b>	<b>25,754</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>11,406</b>	<b>24,360</b>	<b>25,754</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>186,782</b>	<b>175,122</b>	<b>183,594</b>
<b>EQUITY</b>				
Capital/contributed equity	23, 27	184,873	172,334	171,989
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	28	1,909	2,788	11,605
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>186,782</b>	<b>175,122</b>	<b>183,594</b>

**CASH FLOW STATEMENT**

<b>West Moreton Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	30, 41	12,758	16,379	11,349
Grants and other contributions	31, 36, 42	359,166	377,925	403,500
Other		8,904	8,904	9,386
<b>Outflows:</b>				
Employee costs		(962)	(1,028)	(1,092)
Supplies and services	32, 37, 43	(360,265)	(370,503)	(409,578)
Grants and subsidies		(1,580)	(374)	(397)
Borrowing costs		..	..	..
Other		(1,054)	(812)	(860)
<b>Net cash provided by/(used in) operating activities</b>		<b>16,967</b>	<b>30,491</b>	<b>12,308</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(130)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	33, 38, 44	(3,365)	(2,710)	(4,069)
Payments for investments		..	..	..
Loans and advances made		(4)	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,499)</b>	<b>(2,710)</b>	<b>(4,069)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	34, 39, 45	3,365	2,710	4,069
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	35, 40	(9,469)	(10,581)	(11,114)
<b>Net cash provided by/(used in) financing activities</b>		<b>(6,104)</b>	<b>(7,871)</b>	<b>(7,045)</b>
<b>Net increase/(decrease) in cash held</b>		<b>7,364</b>	<b>19,910</b>	<b>1,194</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>411</b>	<b>20,321</b>
Cash transfers from restructure		(2,141)	..	..
<b>Cash at the end of financial year</b>		<b>5,223</b>	<b>20,321</b>	<b>21,515</b>



## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Increase reflects additional grant funding provided for amendments in the Service Agreement between West Moreton Hospital and Health Service (WMHHS) and the Department of Health, including growth in activity and non-labour escalation. The variance between the Round 3 Contract Offer and the 2013-14 Service Agreement relates to funding supplied to offset depreciation expense.
2. Additional expenditure reflects the amendments in the Service Agreement between WMHHS and the Department of Health, including growth in activity and non-labour escalation.
3. Decrease reflects revised grant payments for new and existing arrangements since the creation of the HHS.
4. Increase in depreciation expense due to revised asset acquisitions and commissioning.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Increase relates to increased revenue targets in Service Agreement amendments.
6. Increase reflects additional grant funding provided for amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
7. Additional expenditure reflects amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
8. Decrease reflects revised grant payments for new and existing arrangements since the creation of the HHS.
9. Increase predominantly due to depreciation associated with commissioning buildings relating to the Ipswich Hospital expansion.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

10. Increase reflects additional grant funding provided for amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
11. Additional expenditure reflects amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
12. Increase in depreciation and amortisation predominantly due to depreciation associated with commissioning buildings relating to the Ipswich Hospital expansion.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

13. Increase predominantly due to changes in the depreciation funding, transfer of assets and allocation of capital funding.
14. Decrease due to the change in accounting treatment where assets transferred on creation of the WMHHS are now treated as opening balances.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

15. Increase relates to the expected upward movement in the revaluation of buildings.
16. Increase predominantly due to changes in the depreciation funding, transfer of assets and allocation of capital funding.
17. Decrease due to change in the accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

18. Increase relates to the expected upward movement in the revaluation of buildings.
19. Decrease in equity withdrawal predominantly due to changes in the depreciation funding.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

20. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
21. Decrease due to the initial estimate of operating receivables prior to HHS creation being greater than the final operating receivables transferred.
22. Increase in associated with end of year labour hire accrual due to the pay date change.
23. Decrease relates to property, plant and equipment commissioned.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

24. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
25. Decrease due to the initial estimate of operating receivables prior to the creation of the HHS being greater than the final operating receivables transferred.
26. Increase associated with end of year labour hire accrual due to the pay date change.
27. Decrease relates to property, plant and equipment commissioned.
28. Increase relates to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

29. Increase relates to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

30. Increase reflects movement in receivables. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
31. Increase reflects additional grant funding provided for amendments in the Service Agreement between WMHHS and the Department of Health, including growth in activity and non-labour escalation.
32. Additional expenditure reflects the amendments in the Service Agreement between WMHHS and the Department of Health, including growth in activity and non-labour escalation.
33. Decrease in payments for property, plant and equipment due to changes in expected procurement.
34. Decrease due to changes in expected procurement of property, plant and equipment.
35. Increase reflects changes in the depreciation funding.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

36. Increase reflects additional grant funding provided for amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
37. Additional expenditure reflects amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining Agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
38. Increase due to changes in expected procurement of property, plant and equipment.
39. Increase due to changes in expected procurement of property, plant and equipment.
40. Increase reflects changes in the depreciation funding.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

41. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
42. Increase reflects additional grant funding provided for amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.

43. Additional expenditure reflects amendments in the Service Agreement between WMHHS and the Department of Health, including growth activity for inpatients, outpatients, ambulatory and emergency activity, Enterprise Bargaining agreements and non-labour escalation, offset by 2013-14 fiscal repair requirements.
44. Increase due to changes in expected procurement of property, plant and equipment.
45. Increase reflects changes in expected procurement of property, plant and equipment.



# WIDE BAY HOSPITAL AND HEALTH SERVICE

## OVERVIEW

### Strategic direction

On 1 July 2012, the Wide Bay Hospital and Health Service (HHS) commenced operation as an independent statutory body overseen by a local Hospital and Health Board. The Wide Bay HHS is responsible for the delivery of public hospital and health services including medical; surgical; emergency; obstetrics; paediatrics; specialist outpatient clinics; mental health; critical care and clinical support services to a population of around 210,000 people residing in a geographical area that incorporates the North Burnett, Bundaberg and Fraser Coast local government areas and part of Gladstone Regional Council (Miriam Vale).

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

- Bundaberg Hospital
- Maryborough Hospital
- Hervey Bay Hospital
- Childers Multi-Purpose Health Service (MPHS)
- Mundubbera MPHS
- Gayndah Hospital
- Gin Gin Hospital
- Monto Hospital
- Biggenden MPHS
- Eidsvold MPHS
- Mount Perry Health Centre
- Yaralla Place Residential Aged Care Facility.

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

Demographically, the Wide Bay HHS is classified as a 'high needs' area given its low socio-economic status and high elderly population. The population increased by almost 30% between 2000 and 2010, attracting large numbers of young families and retirees to the region which placed significant demands on local health services. Since 2010 the average annual growth rate has slowed from above 2% per annum to less than 0.5% per annum due to the global recession and slowing economy, although it is projected there will be more than 300,000 people living in the Wide Bay by 2030.

The Wide Bay HHS's key priorities for 2013-14 are to:

- support the Government's commitment to revitalise frontline services for families and deliver better infrastructure
- eliminate waiting lists by clearing the backlog of people waiting for outpatient appointments, diagnostic and all elective surgery services by 30 June 2014
- achieve 90% National Emergency Access Targets (NEAT) and 100% National Elective Surgery Targets (NEST) in all categories by 30 June 2014
- manage the growing demand for health services within allocated resources by developing clinical redesign capability across the organisation
- eliminate waste, duplication and inefficiencies to move towards achieving the lowest cost per Weighted Activity Unit (WAU) rate across Queensland
- implement a Quality Improvement Program (QIP) and develop quality indicators for all specialties to ensure the consistent provision of safe, high quality patient care
- develop and implement clinical capacity plans across all services within the HHS
- develop and implement a community engagement strategy

- develop, consult and publish a seven-year strategic plan to 2020 for the Wide Bay HHS
- achieve \$20 million surplus to achieve all of the above strategies and invest in balancing referred demand to organisational capacity.

Many of the Wide Bay HHS's most significant challenges are associated with its increasing population and shifting demographic profile. The majority of Wide Bay's population is of low socio-economic status, and this has brought about a higher prevalence of some major health problems within the HHS. The HHS has also experienced high growth in the retirement age population with the latest census data showing 20% of its population aged over 65, compared to 13% for Queensland. These factors will intensify the increasing demand for acute health services over the next five years.

## RESOURCES AND PERFORMANCE

The reduction in funding from the Australian Government in 2012-13 under the National Health Reform Agreement had a significant impact on the ability of the Wide Bay HHS to plan and deliver services, particularly given the timing of the advice and the need to retrospectively adjust activity targets for 2012-13.

The Wide Bay HHS has an operating budget of \$449.2 million for 2013-14 which is an increase of \$8.3 million (1.9%) from its 2012-13 operating budget of \$440.9 million.

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

Some of the Wide Bay HHS key achievements to date include:

- quality improvement – achieved full accreditation (three years minimum) for each of our hospital facilities and the mental health service over the last 12 months
- disaster management – response to the catastrophic flood event in January 2013 (a second major event in two years) by the HHS during the disaster phase, patient evacuation, recovery and clean up widely applauded by regional and state disaster experts as 'the most professional evacuation of a hospital in Australia'
- community engagement – Wide Bay website established and Consumer Advisory Networks operational in Bundaberg and Fraser Coast (joint initiative with Wide Bay Medicare Local)
- management structures – established new Board, smaller Executive team, Clinical Governance, new organisational structure and multi-disciplinary clinical stream structures
- clinical activity – improved access to services and waiting time performance particularly in Emergency Department waiting times, where the Wide Bay HHS is one of the top performers in Queensland, while its mental health services are the among the highest Queensland performers in a majority of applicable measures; and improved booking in turn for elective surgery patients
- partnerships – progressed the HHS–Medicare Local signed protocol to align planning and local health needs assessments, and coordinate primary health care services across Wide Bay
- funding for new activities – confirmed funding (including capital) for a new cancer care centre and expanded oral health services in Hervey Bay and Bundaberg
- new models of care implemented – rehabilitation, sub-acute care, chronic disease management, hospital in the home, rapid assessment, medical clinical decision unit, Maryborough Access Targeted Evaluation Service (MATES)
- new services implemented – specially equipped patient transporter enables rapid transfer of non urgent hospital patients between specialist services, private hospitals and other facilities; commissioning of onsite Cardiac Investigation Unit; and the establishment of Acute Stroke Units in Hervey Bay and Bundaberg Hospitals.

## STATEMENTS

### Staffing

Wide Bay Hospital and Health Service	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2, 3	2,568	2,660	2,634

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. 2,631 staff included in the 2013-14 Estimate are employees of Department of Health and have been contracted to the HHS.
3. Increase in FTEs may be related to the delivery of additional activity in the public healthcare system or under arrangements with the private sector.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Wide Bay Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of patients attending emergency departments seen within recommended timeframes:				
• Category 1 (within 2 minutes)		100%	100%	100%
• Category 2 (within 10 minutes)		80%	87%	80%
• Category 3 (within 30 minutes)		75%	81%	75%
• Category 4 (within 60 minutes)		70%	76%	70%
• Category 5 (within 120 minutes)		70%	90%	70%
• All categories	1	..	79%	..
Percentage of emergency department attendances who depart within four hours of their arrival in the department				
	2	74%	78%	80%
Median wait time for treatment in emergency departments (minutes)				
		20	21	20
Median wait time for elective surgery (days)				
		25	28	25

Wide Bay Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage of elective surgery patients treated within clinically recommended times:				
• Category 1 (30 days)		95%	90%	100%
• Category 2 (90 days)		84%	82%	91%
• Category 3 (365 days)	2	93%	84%	96%
Percentage of specialist outpatients waiting within clinically recommended times:				
• Category 1 (30 days)			44%	44%
• Category 2 (90 days)		New	47%	47%
• Category 3 (365 days)	3	measure	59%	90%
Total weighted activity units:				
• Acute Inpatients		36,447	36,883	35,512
• Outpatients		5,538	7,004	6,142
• Sub acute		6,160	5,251	6,218
• Emergency Department		12,349	12,879	12,720
• Mental Health		2,030	2,539	2,684
• Interventions and Procedures	4, 5	5,834	5,385	7,057
Average cost per weighted activity unit for Activity Based Funding facilities		New measure	\$4,682	\$4,644
Rate of healthcare associated <i>Staphylococcus aureus</i> (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	6	New measure	1.1	1.1
Number of in-home visits, families with newborns	7	New measure	2,972	3,633
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit		55%	73.9%	>60%



Wide Bay Hospital and Health Service	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge	8	10% - 14%	12.3%	<12%
Ambulatory mental health service contact duration	9, 10	New measure	25,565	34,393 – 42,209

## Notes:

1. A target is not included as there is no national benchmark for all triage categories, however the service standard has been included (without a target) as it is a nationally recognised standard measure.
2. The 2013-14 targets have been set as the midway point between the 2013 and the 2014 calendar year National Elective Surgery Target and National Emergency Access Target, as per the National Partnership Agreement on Improving Public Hospital Services.
3. There is no nationally agreed target for these measures. Targets are based on maintenance of 2012-2013 estimated actual performance for Categories 1 and 2, and on the target set by the *Blueprint for better healthcare in Queensland* of 90% for Category 3. 2012-13 estimated actual is based on preliminary data as at 1 May 2013.
4. The existing 'Total weighted activity units' (WAUs) measure has been amended to reflect the continued refinement of the Activity Based Funding (ABF) model and implementation of the national ABF model. WAUs relating to Interventions and Procedures have been added; these include services which may be delivered in inpatient or outpatient settings, for example chemotherapy, dialysis and endoscopies.
5. The 2012-13 Target/Est. has been amended to reflect Phase 16 ABF model WAUs to enable comparison with both 2012-13 Est. Actuals and 2013-14 Target/Est. figures.
6. *Staphylococcus aureus* are bacteria commonly found on around 30% of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly so when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with *Staphylococcus aureus* (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to HHS level.
7. The 2012-13 Est. Actual and the 2013-14 Target/Est. are based on preliminary data sets using comparable data collections from the previous four years and an increase in home visiting numbers with the implementation of the Mums and Bubs commitment.
8. The 2013-14 Target/Est. has been revised to <12%. This is in line with the national target and aligns with HHS Service Agreements.
9. The previous measure 'Number of ambulatory service contacts (mental health)' has been amended to 'Ambulatory mental health service contact duration', which is considered a more robust measure of services delivered. This is a measure of community mental health services provided by HHSs, which represent more than 50% of the total expenditure on clinical mental health services in Queensland.
10. Targets have been set based on methodologies utilised in other jurisdictions. This more clearly articulates performance expectations based on state and national investment in the provision of community mental health services. Due to issues associated with the capture of data there may be under reporting of current activity, however improvements in reporting practices are expected in 2013-14.

## INCOME STATEMENT

Wide Bay Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		23,005	23,005	23,808
Grants and other contributions		416,657	427,493	424,121
Other revenue		1,198	1,198	1,265
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>440,860</b>	<b>451,696</b>	<b>449,194</b>
<b>Expenses</b>				
Employee expenses		212	613	767
Supplies and services		419,474	437,027	432,787
<i>Department of Health Contract Staff</i>		<i>284,923</i>	<i>308,106</i>	<i>305,193</i>
Grants and subsidies	1	4,910	..	..
Depreciation and amortisation	2	14,963	13,219	14,808
Finance/borrowing costs		..	..	..
Other expenses	3, 4	1,233	673	669
Losses on sale/revaluation of property, plant and equipment and investments		68	164	163
<b>Total expenses</b>		<b>440,860</b>	<b>451,696</b>	<b>449,194</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Wide Bay Hospital and Health Service	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	7, 9	1,326	2,912	9,498
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>1,326</b>	<b>2,912</b>	<b>9,498</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>1,326</b>	<b>2,912</b>	<b>9,498</b>
Equity injection/(withdrawal)	5	(11,256)	(10,014)	(10,541)
Equity adjustments (MoG transfers)	6, 8, 10	273,794	12,651	50,703
<b>Total movement in equity for period</b>		<b>263,864</b>	<b>5,549</b>	<b>49,660</b>

**BALANCE SHEET**

<b>Wide Bay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	11, 17	8,174	24,364	25,414
Receivables	12, 18	4,062	2,644	2,846
Other financial assets		..	..	..
Inventories		2,705	2,975	3,009
Other	13, 19	180	324	357
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>15,121</b>	<b>30,307</b>	<b>31,626</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14, 22	262,682	206,059	255,719
Intangibles		..	..	..
Other		..	10	10
<b>Total non-current assets</b>		<b>262,682</b>	<b>206,069</b>	<b>255,729</b>
<b>TOTAL ASSETS</b>		<b>277,803</b>	<b>236,376</b>	<b>287,355</b>
<b>CURRENT LIABILITIES</b>				
Payables	15, 20	13,935	28,684	30,003
Accrued employee benefits		4	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	8	8
<b>Total current liabilities</b>		<b>13,939</b>	<b>28,692</b>	<b>30,011</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>13,939</b>	<b>28,692</b>	<b>30,011</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>263,864</b>	<b>207,684</b>	<b>257,344</b>
<b>EQUITY</b>				
Capital/contributed equity	16, 23	262,538	204,772	244,934
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus	21, 24	1,326	2,912	12,410
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>263,864</b>	<b>207,684</b>	<b>257,344</b>

**CASH FLOW STATEMENT**

<b>Wide Bay Hospital and Health Service</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	25, 39	22,885	31,074	23,542
Grants and other contributions		416,657	427,493	424,121
Other		13,712	13,712	14,456
<b>Outflows:</b>				
Employee costs	26, 33	(208)	(613)	(767)
Supplies and services		(425,218)	(435,046)	(444,825)
Grants and subsidies	27, 34	(4,910)	..	..
Borrowing costs		..	..	..
Other	28, 35	(1,233)	(673)	(669)
<b>Net cash provided by/(used in) operating activities</b>		<b>21,685</b>	<b>35,947</b>	<b>15,858</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		(1)	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	29, 36, 40	(3,707)	(3,205)	(4,267)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,708)</b>	<b>(3,205)</b>	<b>(4,267)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	30, 37, 41	3,707	3,205	4,267
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	31, 42	(14,963)	(13,219)	(14,808)
<b>Net cash provided by/(used in) financing activities</b>		<b>(11,256)</b>	<b>(10,014)</b>	<b>(10,541)</b>
<b>Net increase/(decrease) in cash held</b>		<b>6,721</b>	<b>22,728</b>	<b>1,050</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>1,636</b>	<b>24,364</b>
Cash transfers from restructure	32, 38	1,453	..	..
<b>Cash at the end of financial year</b>		<b>8,174</b>	<b>24,364</b>	<b>25,414</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease due to accounting treatment for fixed wing expenditure.
2. Decrease linked to the provision for transfer of assets from the Department of Health to the Wide Bay Hospital and Health Service (WBHHS).
3. Decrease due to higher than forecast sundry expenditure for existing and new initiatives.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

4. Decrease due to higher than forecast sundry expenditure for existing and new initiatives.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

5. Increase represents the net assets transferred to the newly created HHS now treated as opening balances. Decrease predominantly due to changes in depreciation funding.
6. Decrease due to change in accounting treatment where assets transferred to the newly created HHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

7. Increase due to the expected upward movement in the revaluation of buildings.
8. Decrease due to change in accounting treatment so assets transferred on the creation of WBHHS are treated as opening balances as at 1 July 2012.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

9. Increase due to the expected upward movement in the revaluation of buildings.
10. Increase due to change in expected procurement of property, plant and equipment.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

11. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
12. Decrease due to initial estimate of operating receivables prior to creation of the HHS being greater than the final operating receivables transferred and to improved debt management.
13. Increase due to increase in prepayments.
14. Decrease due to 2012-13 change in forecast transfer of assets from the Department of Health to WBHHS.
15. Increase associated with end of year labour hire accrual due to the pay date change.
16. Decrease due to 2012-13 change in forecast transfer of assets from the Department of Health to WBHHS.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

17. Increase in cash assets due to increased cash held to cover higher payables associated with the pay date change.
18. Decrease due to the initial estimate of operating receivables prior to the creation of the HHS being greater than the final operating receivables transferred and to improved debt management.
19. Increase due to increase in prepayments.
20. Increase associated with end of year labour hire accrual due to the pay date change.
21. Increase due to the expected upward movement in the revaluation of buildings.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

22. Increase relates to commissioning of assets scheduled for 2013-14.
23. Increase relates to commissioning of assets scheduled for 2013-14.
24. Increase due to the expected upward movement in the revaluation of buildings.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

25. Increase reflects movement in receivables relating to the HHS receiving cash upon creation. This cash payment was recorded in the receivables opening balance for 2012-13 Estimated actual.
26. Employee expenses revised upwards to reflect staff employed by WBHHS.
27. Decrease reflects the reclassification of fixed wing services to supplies and services.
28. Decrease due to higher than forecast sundry expenditure for existing and new initiatives.
29. Decrease due to changes in expected procurement of property, plant and equipment.
30. Decrease due to changes in expected procurement of property, plant and equipment.
31. Decrease reflects changes in depreciation funding.
32. Decrease due to change in accounting treatment for opening balances transferred on the creation of WBHHS.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

33. Employee expenses revised upwards to reflect staff employed by WBHHS.
34. Decrease reflects the reclassification of fixed wing services to supplies and services.
35. Decrease due to higher than forecast sundry expenditure for existing and new initiatives.
36. Increase due to changes in expected procurement of property, plant and equipment.
37. Increase due to changes in expected procurement of property, plant and equipment.
38. Decrease due to change in accounting treatment for opening balances transferred on the creation of WBHHS.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

39. Decrease reflects movement in receivables in 2012-13. Movement in receivables relates to cash received on creation of the HHS. This cash payment was recorded in the receivables opening balance for the 2012-13 Estimated actual.
40. Increase due to changes in expected procurement of property, plant and equipment.
41. Increase due to changes in expected procurement of property, plant and equipment.
42. Increase reflects changes in depreciation funding.

# HEALTH QUALITY AND COMPLAINTS COMMISSION

## AGENCY OVERVIEW

### Strategic direction

The Health Quality and Complaints Commission (the HQCC) is an independent statutory body established under the *Health Quality and Complaints Commission Act 2006*. The HQCC contributes to the Government's *Getting Queensland back on track: Statement of objectives for the community* (Pledge 5: We will restore accountability in government) and the *Statement of Government Health Priorities* by providing Queenslanders with independent and impartial healthcare complaint management and quality monitoring services to maintain accountability in the health system.

The legislative objectives of the HQCC are to provide for oversight, review of, and improvement in the quality of health services; and independent review and management of health complaints.

The HQCC works with healthcare providers, consumers and other organisations to prevent patient harm and improve service quality by managing complaints about health services; investigating serious and systemic issues and recommending quality improvement; monitoring, reviewing and reporting on healthcare quality; identifying healthcare risks and recommending action; sharing information about healthcare safety and quality; and promoting healthcare rights.

The HQCC's strategic objectives are to drive healthcare safety and quality improvement; increase community involvement in improving healthcare safety and quality; strengthen the HQCC's leadership and independence; and strengthen its business operations.

In February 2013, the Queensland Government released its *Blueprint for better healthcare in Queensland*, including a plan to redesign the health complaints system. New legislation will be introduced to strengthen the health complaints management system in Queensland, impacting on the future strategic direction of the HQCC.

The HQCC will work with the Government to contribute to the implementation of new and more accountable complaints reporting mechanisms, including the establishment of a Health Ombudsman.

## RESOURCES AND PERFORMANCE

From 1 July 2012 to 21 March 2013, the HQCC managed 2,556 healthcare complaints, compared to 2,348 during in the same period in 2011-12. This represents a 9% increase in healthcare complaints. To meet client demand while maintaining a high quality service, the HQCC focused on the efficient triage of complaints to assess severity and determine the best complaint management pathway. The HQCC increased the number of complaints it attempted to resolve informally through its 30-day early resolution process and implemented a new conciliation policy to better support healthcare consumers and providers to resolve healthcare complaints, generally within a maximum of six months.

In January 2013 the HQCC restructured its establishment to create six additional complaint handling roles to enhance frontline service delivery.

To improve oversight and reporting of healthcare quality issues, on 1 July 2012 the HQCC expanded its monitoring of reportable events (unforeseen and serious events where patients are harmed or unexpectedly die while receiving healthcare) in Queensland's public and private health facilities and during the provision of ambulance services. The HQCC now monitors all reportable events, not only those reportable events for which healthcare providers conduct a root cause analysis, as was the practice previously.

As part of its transition to the *National safety and quality health service standards*, the HQCC retired six of its nine healthcare standards for Queensland acute and day hospitals on 31 December 2012. The HQCC continues to monitor hospital compliance with the remaining standards through monitoring health service complaints and reportable events. The HQCC's 2013-14 budget is \$10.2 million.



## STATEMENTS

### Staffing

Health Quality and Complaints Commission	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1	71	70	70

Notes:

1. Full-time equivalents (FTEs) as at 30 June.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will primarily present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services will be predominantly discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Health Quality and Complaints Commission	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Percentage of client satisfaction with complaint service:				
• ease of access		75%	76%	75%
• staff		75%	76%	75%
• timeliness		75%	72%	75%
• quality		75%	74%	75%
• outcome		60%	61%	60%
• overall		75%	74%	75%
Percentage of complaints in early resolution closed within 30 days				
	1	100%	73%	100%
Percentage of complaints in assessment closed within 90 days				
	1	100%	93%	100%
Percentage of complaints in conciliation closed within 12 months				
	2	60%	53%	100%

<b>Health Quality and Complaints Commission</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Percentage of investigation recommendations implemented by healthcare providers	3	80%	91%	80%
Percentage of monitored healthcare providers who do not receive a subsequent related complaint or report	4	New measure	100%	75%

## Notes:

1. Effectively managing complaints within legislated timeframes of 30 days for early resolution and 90 days for assessment is an ongoing challenge, particularly given the continued increase in complaints received during 2012-13. Extensions are authorised in cases where resolution is imminent but not possible within the statutory timeframes, for example where a complainant or provider is not contactable until the end of the statutory timeframe, essential information is unable to be provided by parties to the complaint or independent advisers within the timeframe, or where a provider requests an extension to adequately address the complaint issues.
2. The 2013-14 target for this service standard has been increased to 100% following the introduction of a new conciliation policy, which requires conciliations to be completed within 12 months.
3. The service standard wording has been amended to exclude the term 'within agreed timeframes'. The amendment reflects the HQCC's experience that the effective implementation of healthcare quality improvement recommendations arising from investigation may exceed the initial specified timeframes due to factors which are outside of a healthcare provider's control.
4. The previous service standard 'Percentage of quality monitoring recommendations implemented by healthcare providers within agreed timeframes' has been discontinued and replaced with a new quality monitoring measure, which will help to better assess the HQCC's monitoring outcomes.

## INCOME STATEMENT

Health Quality and Complaints Commission	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		..	..	..
Grants and other contributions	4, 6	10,170	10,170	9,941
Other revenue	1, 7	256	129	250
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>10,426</b>	<b>10,299</b>	<b>10,191</b>
<b>Expenses</b>				
Employee expenses	2	7,561	7,684	7,676
Supplies and services	3, 5	2,405	2,120	2,020
Grants and subsidies		..	..	..
Depreciation and amortisation		430	460	460
Finance/borrowing costs		..	..	..
Other expenses		30	35	35
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>10,426</b>	<b>10,299</b>	<b>10,191</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Health Quality and Complaints Commission	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>

**BALANCE SHEET**

<b>Health Quality and Complaints Commission</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	8, 10, 14	893	1,101	1,561
Receivables	9, 11	356	98	98
Other financial assets		..	..	..
Inventories		..	..	..
Other		62	62	62
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,311</b>	<b>1,261</b>	<b>1,721</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	12, 15	1,214	1,254	944
Intangibles	13, 16	525	455	305
Other		..	..	..
<b>Total non-current assets</b>		<b>1,739</b>	<b>1,709</b>	<b>1,249</b>
<b>TOTAL ASSETS</b>		<b>3,050</b>	<b>2,970</b>	<b>2,970</b>
<b>CURRENT LIABILITIES</b>				
Payables		189	118	118
Accrued employee benefits		629	556	556
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	139	139
<b>Total current liabilities</b>		<b>818</b>	<b>813</b>	<b>813</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		95	74	74
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		919	780	780
<b>Total non-current liabilities</b>		<b>1,014</b>	<b>854</b>	<b>854</b>
<b>TOTAL LIABILITIES</b>		<b>1,832</b>	<b>1,667</b>	<b>1,667</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,218</b>	<b>1,303</b>	<b>1,303</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		1,218	1,303	1,303
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,218</b>	<b>1,303</b>	<b>1,303</b>

**CASH FLOW STATEMENT**

<b>Health Quality and Complaints Commission</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		..	..	..
Grants and other contributions	17, 21, 23	10,170	10,350	9,941
Other	18, 24	256	129	250
<b>Outflows:</b>				
Employee costs	19	(7,561)	(7,684)	(7,676)
Supplies and services	20, 22	(2,405)	(2,120)	(2,020)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(30)	(35)	(35)
<b>Net cash provided by/(used in) operating activities</b>		<b>430</b>	<b>640</b>	<b>460</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>430</b>	<b>640</b>	<b>460</b>
<b>Cash at the beginning of financial year</b>		<b>463</b>	<b>461</b>	<b>1,101</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>893</b>	<b>1,101</b>	<b>1,561</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease in other revenue is due to the loss of bank interest received as funding was paid in three increments between July and December 2012 rather than a lump sum in July 2012.
2. Increase in employee expenses due to backfill of three positions while incumbents were on maternity leave.
3. Decrease in supplies and services due to prudent expenditure reviews and workplace efficiencies, which led to a reduction in non-essential supplies as well as a reduction in travel for investigation purposes and conciliation meetings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

4. Decrease in grants due to the HQCC Payroll Project funding ending in the 2012-13 financial year.
5. Continuing decrease in supplies and services to counteract the loss of funding for the payroll and finance systems.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

6. Decrease in grants due to the HQCC Payroll Project funding ending in the 2012-13 financial year.
7. An increase in other revenue, bank interest, is due to the assumption of funding being allocated to the HQCC in full at the beginning of the 2013-14 financial year.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

8. Increase in cash assets as a result of HQCC's efficiency savings within supplies and services.
9. Decrease in receivables included \$180,000 in accrued revenue for Enterprise Bargaining Agreement 8.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

10. Increase in cash assets as a result of HQCC's efficiency savings within supplies and services.
11. Decrease in receivables includes \$180,000 accrued revenue for the Enterprise Bargaining Agreement 8.
12. Decrease in property, plant and equipment due to depreciation expenses.
13. Decrease in intangibles due to amortisation expenses.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

14. Increase in cash assets as a result of HQCC's efficiency savings within supplies and services.
15. Decrease in property, plant and equipment due to depreciation expenses.
16. Decrease in intangibles due to amortisation expenses.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

17. Increase in grants is due to the payment of \$180,000 in accrued revenue for Enterprise Bargaining Agreement 8.
18. Decrease in other revenue is due to the loss of bank interest received as funding was paid in three increments between July and December 2012 rather than a lump sum in July 2012.
19. Increase in employee expenses due to the backfill of three positions while incumbents were on maternity leave.
20. Decrease in supplies and services due to prudent expenditure reviews and workplace efficiencies, which led to a reduction in non-essential supplies as well as a reduction in travel for investigation purposes and conciliation meetings.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

21. Decrease in grants due to the HQCC Payroll Project funding ending in the 2012-13 financial year.
22. Continuing decrease in supplies and services to counteract the loss of funding relating to the payroll and finance systems.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

23. Decrease in grants due to the HQCC Payroll Project funding ending in the 2012-13 financial year.
24. Increase in other revenue, bank interest, is due to the assumption of funding being allocated to the HQCC in full at the beginning of the 2013-14 financial year.





# QUEENSLAND INSTITUTE OF MEDICAL RESEARCH

## AGENCY OVERVIEW

### Strategic direction

The Queensland Institute of Medical Research (QIMR) is a world-leading translational research institute, established as a statutory body under the *Queensland Institute of Medical Research Act 1945*. QIMR's research strategy focuses on three major areas: Cancer, Infectious Diseases, and Mental Health and Complex Disorders.

QIMR's scientists perform world class research with consequences and contribute to the Government's '*Blueprint for better healthcare in Queensland 2013*' through improved health outcomes such as new diagnostic, prevention and treatment strategies. QIMR is a national pace-setter in medical research and its commitment to translational outcomes and regionally relevant research merges with the *Blueprint's* major themes of: focusing on patients, providing value in health services, and investing and planning for the future.

QIMR's strategic priorities are to: increase the focus on outputs; strengthen research activities; support researchers to promote retention and provide career structures; diversify income sources for QIMR; and strengthen already extensive collaborations on the Herston campus while also increasing inter-institutional collaborations. More than 60% of the QIMR research faculty have active collaborative linkages with clinicians.

The realisation of QIMR's strategic objectives is dependent on its success in securing funding from both government and non-government sources, including community and philanthropic donations and income from commercialisation activities. In 2013-14, QIMR will receive \$18.9 million from the Queensland Government, representing 17% of total revenue and an increase of 34.7% on the Queensland Government contribution for 2012-13 of \$14 million. This, together with competitive peer-reviewed medical research grants, are the QIMR's two most significant sources of funding. The State Government grant and the support operations it finances enables QIMR to leverage this funding to secure competitive peer-reviewed medical research grants and other income.

## RESOURCES AND PERFORMANCE

In 2013-14 QIMR is continuing a period of accelerated growth after the opening of its new 15-storey building with state-of-the-art facilities and purpose-built laboratories. QIMR is actively recruiting researchers in areas of high strategic importance to Queensland, including tropical diseases, immunotherapy and vaccine development, cancer and genetics to increase its capacity by 50% to approximately 1,000 staff, students and visiting scientists over the next five years. Already, QIMR has attracted seven new research teams in 2012-13 in its Departments of Biology; Immunology; Genetics and Computational Biology in the Cancer and Infectious Diseases programs. The successful recruitment and retention of leading Australian and international scientists in Queensland and at QIMR will be a critical issue in a highly competitive sector. Higher operating costs associated with the increased research activity and the new facilities are the main drivers of QIMR's 2013-14 Estimate.

## During 2012-13 QIMR:

- identified a new target for treating aggressive brain tumours, looking to starting clinical trials in two years
- discovered a way to use insights to the way HIV replicates to beat HIV, with a view to starting animal trials this year
- identified several new genes that increase the risk and hence provide entry points to understanding how pathologies occur in breast, ovarian, prostate and bowel cancer, bowel disease, melanoma, endometriosis, and myopia
- established that a commonly-found fungus has potential to kill dengue fever mosquitoes
- launched Australia's first study into lifestyle factors that may improve outcomes for ovarian cancer patients
- expanded its ongoing trials of malaria treatments on human volunteers infected with low doses of malaria parasites
- was the prime source of research behind a new skin cancer drug now on the market
- confirmed new research linking non-melanoma skin cancers to the use of sun beds
- showed for the first time that heavy alcohol consumption more than doubles the risk of a type of oesophageal cancer
- identified and began investigating a large increase in thyroid cancer
- developed a new way to monitor the liver health of cystic fibrosis patients
- developed a "prediction model" to identify people at high risk of oesophageal cancer
- discovered that a simple blood test can determine how well lymphoma patients are responding to chemotherapy
- found a way to target the stem cells at the core of blood cancers known as myeloproliferative neoplasms (MPNs)
- generated nasal stem cells from Ataxia-telangiectasia (A-T) patients to safely test new treatments
- launched the QIMR Melanoma and Skin Cancer Research Centre
- launched the QIMR Centre for Immunotherapy and Vaccine Development.

## In the wider research community QIMR:

- was the best performing research institute in the Asia Pacific Region for the second year in-a-row (based on *Nature* publishing rankings)
- was named a Centre of Research Excellence for oesophageal cancer, bringing together major research teams across the country
- provided the lead investigator for the Australian Melanoma Genome Project, sequencing every gene in 500 melanomas
- partnered with UQ and Emory University (Georgia, USA) to sign the "Queensland Emory Development Alliance" (QED) to collaborate on new drugs and vaccines for cancer and infectious diseases
- formed the Queensland Mental Health Research Alliance with the Queensland Brain Institute (QBI) and the Queensland Centre for Mental Health Research (QCMHR) to improve mental health outcomes
- partnered with the Royal Brisbane and Women's Hospital (RBWH), The University of Queensland (UQ) and Queensland University of Technology (QUT) to develop new diagnostics based on advanced imaging technology
- has been an integral part of the discussions to establish an Advanced/Integrated Health Sciences Centre on the Herston campus (together with the RBWH, UQ and QUT).

QIMR has engaged with the community and has:

- successfully nominated skin cancer researcher Adele Green as Queensland Australian of the Year, further promoting the value and importance of science education and medical research
- launched a practical laboratory workshop for high school science students in the newly-opened education centre, with capacity to accommodate 1500 students each year
- organised the largest fundraising cycle event in Queensland, with 1,519 direct participants, and 46,000 supporters promoting QIMR's cancer research to the community
- launched a walk fundraiser for women's cancers, in conjunction with the Royal Brisbane and Women's Hospital, to fund and promote research and treatments
- hosted free public forums on the latest research in cancer, infectious diseases, mental health, and leukaemia
- provided more than 140 tours and speaking engagements to members of the public.

In 2013-14, QIMR will:

- launch D-Health, a five-year study investigating the role of Vitamin D in preventing disease
- use experimental immunotherapy treatments on patients with aggressive brain tumours
- launch animal trials for a new gene therapy treatment for HIV patients
- continue to test immunotherapy treatments which have already led to a cancer breakthrough in a patient with aggressive throat cancer
- work on Q-Skin, the largest skin cancer research study ever conducted in Australia
- conduct a two-year trial of a rheumatoid arthritis medication to treat asthma
- continue to test anti-malarial drugs on humans infected with malaria parasites
- work towards the first diagnostic test for depression
- continue its role as a key member of the Queensland Tropical Health Alliance.

**STATEMENTS****Staffing**

Queensland Institute of Medical Research	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1, 2	500	480	535

## Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. This does not include visiting scientists or students.

## INCOME STATEMENT

Queensland Institute of Medical Research	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		4,872	3,588	3,953
Grants and other contributions	1, 5, 9	98,654	82,063	94,087
Other revenue	2, 10	4,082	9,445	4,401
Gains on sale/revaluation of property, plant and equipment and investments	3, 6, 11	2,947	8,192	4,350
<b>Total income</b>		<b>110,555</b>	<b>103,288</b>	<b>106,791</b>
<b>Expenses</b>				
Employee expenses	7	48,608	48,111	52,181
Supplies and services	4, 8	37,243	34,307	43,030
Grants and subsidies		..	..	..
Depreciation and amortisation		9,709	9,252	10,167
Finance/borrowing costs		..	..	..
Other expenses		1,082	1,404	1,413
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>96,642</b>	<b>93,074</b>	<b>106,791</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>13,913</b>	<b>10,214</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Institute of Medical Research	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period	12, 13	13,913	10,214	..
<b>Total recognised income and expense for the period</b>		<b>13,913</b>	<b>10,214</b>	<b>..</b>
Equity injection/(withdrawal)	14	..	..	(4,895)
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>13,913</b>	<b>10,214</b>	<b>(4,895)</b>

**BALANCE SHEET**

<b>Queensland Institute of Medical Research</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>				
Cash assets	17	68,880	62,154	46,230
Receivables		9,121	11,313	11,313
Other financial assets		..	..	..
Inventories		255	273	273
Other		270	664	664
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>78,526</b>	<b>74,404</b>	<b>58,480</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	15, 18	67,324	76,722	76,918
Property, plant and equipment	19	254,693	253,098	263,931
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>322,017</b>	<b>329,820</b>	<b>340,849</b>
<b>TOTAL ASSETS</b>		<b>400,543</b>	<b>404,224</b>	<b>399,329</b>
<b>CURRENT LIABILITIES</b>				
Payables	16	10,960	21,814	21,814
Accrued employee benefits		3,496	2,388	2,388
Interest-bearing liabilities and derivatives		25	27	27
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>14,481</b>	<b>24,229</b>	<b>24,229</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		913	936	936
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>913</b>	<b>936</b>	<b>936</b>
<b>TOTAL LIABILITIES</b>		<b>15,394</b>	<b>25,165</b>	<b>25,165</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>385,149</b>	<b>379,059</b>	<b>374,164</b>
<b>EQUITY</b>				
Capital/contributed equity	14	..	..	(4,895)
Accumulated surplus/(accumulated deficit)	12, 13	346,201	340,111	340,111
Reserves:				
- Asset revaluation surplus		38,948	38,948	38,948
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>385,149</b>	<b>379,059</b>	<b>374,164</b>

**CASH FLOW STATEMENT**

Queensland Institute of Medical Research	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		4,872	3,706	3,953
Grants and other contributions	1	98,654	79,469	89,192
Other	2	4,033	9,024	5,130
<b>Outflows:</b>				
Employee costs	7	(48,608)	(49,197)	(52,181)
Supplies and services	4, 8	(37,243)	(39,063)	(43,711)
Grants and subsidies	20	(12,157)	1,496	..
Borrowing costs		..	..	..
Other		(1,082)	(1,060)	(1,121)
<b>Net cash provided by/(used in) operating activities</b>		<b>8,469</b>	<b>4,375</b>	<b>1,262</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	63	..
Investments redeemed	21	..	..	10,400
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(21,831)	(20,570)	(21,000)
Payments for investments	21	..	(3,950)	(6,586)
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(21,831)</b>	<b>(24,457)</b>	<b>(17,186)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	2	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>2</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(13,362)</b>	<b>(20,080)</b>	<b>(15,924)</b>
<b>Cash at the beginning of financial year</b>		<b>82,242</b>	<b>82,234</b>	<b>62,154</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>68,880</b>	<b>62,154</b>	<b>46,230</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between the 2012-13 Budget and 2012-13 Estimated Actual include:

1. The 2012-13 Budget includes the recognition of \$19.4 million in capital grants for the construction of the new Medical Research Centre. Following a change in the accounting treatment of such grants mandated by the Queensland Audit Office, QIMR will now only recognise \$5.5 million in income in the 2012-13 financial year. In addition, the amount of income expected from major private and corporate donations had to be revised downwards in the 2012-13 Estimated Actual, reflecting the current economic climate.
2. A change in the timing of reimbursements for major capital expenditure associated with the Queensland Tropical Health Alliance (QTHA) results in higher income in 2012-13 Estimated Actual. Additionally, revenue from Scientific Services charges is expected to increase following a rate review earlier in the year.
3. Non-cash returns on QIMR's long term investments are exceeding the 2012-13 Budget due to the stronger than expected recovery of financial markets. In addition, short term cash investments are yielding higher than budgeted interest income.
4. Supplies and services costs are lower than Budget due to successful cost saving initiatives. In addition, operating costs for QIMR's third building, the Bancroft Centre, are reduced during the ongoing refurbishment.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. The reduction in grants and other contributions is mainly attributable to the completion of the Medical Research Centre and the related ending of capital grant funding. At the same time, income from scientific grants is expected to increase in line with QIMR's expanded medical research capacity.
6. Non-cash returns on QIMR's long term investments are expected to continue their recovery compared to 2012-13 Budget.
7. The 2013-14 Estimate reflects salary increases in line with the current Enterprise Bargaining agreement and changes in employer superannuation contributions from Commonwealth legislation, as well as growth in the number of research staff.
8. Supplies and services in the 2013-14 Estimate are expected to increase in line with QIMR's expanded medical research capacity including the first full year of occupation of the new Medical Research Facility. This line item also includes expected increases in utility charges.

Major variations between 2012-13 Estimated Actual and the 2013-14 Estimate include:

9. The increase in grants and other contributions reflects higher scientific grant income expected to be secured by a growing Institute, revenue expected from QIMR's major fundraising events and an increase in major gifts and private corporate donations as a result of QIMR's targeted fundraising activities.
10. Other revenue in the 2012-13 Estimated Actual includes a one-off reimbursement for major capital expenditure associated with the QTHA. This will be the final instalment of reimbursement revenue under the QTHA agreement and is therefore not included in the 2013-14 Estimate.
11. This reflects a reduction in 2013-14 Estimate interest income, mainly driven by lower cash balances due to the nearing completion of the Medical Research Centre project.

### Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

12. A change in the recognition of capital grants revenue and interest income for the construction of the new Medical Research Centre leads to a decrease in the annual surplus (see also note 1).

Major variations between 2012-13 Budget and the 2013-14 Estimate include:

13. The end of the capital grants funding period for the Medical Research Centre project and depreciation charges which are not covered by Department of Health cash contributions now leads to a nil surplus.
14. Additional proposed grant funding from the Department of Health is offset in QIMR's accounts as a Non Appropriated Equity adjustment. This is to cover additional depreciation from the recently completed Medical Research Centre.



## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

15. The market values of QIMR's long term investments reflect the stronger than expected recovery of financial markets.
16. The increase in payables to the 2012-13 Estimate is due to the full recognition of the movement in research grant funding received by QIMR, while the 2012-13 Budget included the grants associated with the construction of the new Medical Research Centre.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

17. The decrease in the cash balance in the 2013-14 Estimate is related to the completion of the Medical Research Centre project.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

18. The market values of QIMR's long term investments are expected to continue to recover from the Global Financial Crisis.
19. The completion of the Medical Research Centre project will lead to additional building value and property, plant and equipment to be capitalised.

## Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

20. The 2012-13 Budget for Grants and Subsidies was associated with the movement in deferred revenue related to the construction of the new Medical Research Centre. Due to the restatement of these grants (see also note 1) this balance now represents the movement in a small number of residual items.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

21. Income invested in QIMR's long term funds and redeemed for research operations as required by the Institute.



# QUEENSLAND MENTAL HEALTH COMMISSION

## AGENCY OVERVIEW

### Strategic direction

In accordance with the Government's commitment to revitalise frontline services for families, the Queensland Mental Health Commission (QMHC) will be established on 1 July 2013. The QMHC will be an independent statutory body established under the *Queensland Mental Health Commission Act 2013*. The objective of the QMHC is to provide strategic leadership for a united, cross-sectoral approach aimed at fostering contributing lives for Queenslanders living with, or vulnerable to, mental illness or substance misuse; this will be achieved through systemic advocacy and a whole-of-Government policy focus for enhanced treatment, support, and social and economic inclusion across the lifespan.

The QMHC will drive ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health, drug and alcohol system within Queensland. It will also identify and promote issues relating to the mental health and wellbeing of the Queensland population.

Activities to be undertaken by the QMHC include:

- working to ensure the needs of people living with, or vulnerable to, mental illness or substance misuse are a core focus of government and non-government policy and program planning and delivery
- undertaking systemic advocacy regarding issues affecting the treatment, support and inclusion of people living with, or vulnerable to, mental illness or substance misuse
- leading coordinated action by government, non-government and community agencies providing mental health or drug and alcohol services or other human services to people with, or vulnerable to, mental illness or substance misuse
- driving best practice in the provision of mental health, drug and alcohol and broader human services to this cohort, including by supporting knowledge sharing, research, innovation and evidence-based policy and practice
- promoting the mental health of Queenslanders, including by supporting prevention and early intervention initiatives and enhancing the community awareness of mental health, mental illness and substance misuse related harm.

## RESOURCES AND PERFORMANCE

During 2012-13, work was undertaken to establish the QMHC as a statutory body under the *Queensland Mental Health Commission Act 2013*. This included:

- researching and securing government approval for the appropriate QMHC model and structure
- engaging in sector-wide communication and consultation regarding the proposed QMHC model and structure
- preparation, consultation and passage of relevant submissions and legislation to establish and confer functions on the QMHC
- delivering a process to identify and instigate the range of logistical and operational arrangements required to establish the QMHC as a statutory body
- designing, negotiating and delivering a functional and administrative transition process to support the transition of functions, responsibilities and resources to the independent QMHC

- delivering a process to recruit and appoint the Commissioner
- designing appropriate communication, engagement and governance arrangements
- developing the QMHC strategic work plan and performance framework
- continuing to lead and progress relevant whole-of-Government, state and national mental health reform priorities.

In 2013-14, the QMHC will undertake activities to operationally fulfil its legislative responsibilities. These will include:

- finalising the appointment of the QMHC Commissioner
- establishing the Queensland Mental Health and Drug Advisory Council to provide advice to the Commissioner and QMHC on mental health or substance misuse issues
- implementing the QMHC communication and engagement strategy including developing the whole-of-Government strategic plan through consultation with relevant persons and agencies including consumers, carers, families and support persons, as well as service providers and human service agencies
- developing and implementing the annual QMHC report card
- continuation of State and national whole-of-Government mental health reform priorities including collaboration and alignment with the National Mental Health Commission agenda
- develop service standards for reporting in the 2014-15 SDS that measure the efficiency and effectiveness of the QMHC performance against its objectives.

The QMHC will have an operating budget of \$7.1 million for 2013-14.

## STATEMENTS

### Staffing

<b>Queensland Mental Health Commission</b>	<b>Notes</b>	<b>2012-13 Budget</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Estimate</b>
	1, 2, 3	..	..	10

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. This is inclusive of the newly established position of Commissioner and three FTE Administrative Officer positions.
3. This is inclusive of six FTE Department of Health positions transferred to the QMHC under machinery-of-Government arrangements.

**INCOME STATEMENT**

Queensland Mental Health Commission	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>	1			
User charges		..	..	..
Grants and other contributions		..	..	7,147
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments				
<b>Total income</b>		..	..	<b>7,147</b>
<b>Expenses</b>				
Employee expenses		..	..	1,547
Supplies and services		..	..	1,380
Grants and subsidies		..	..	4,048
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	172
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		..	..	<b>7,147</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		..	..	..

**STATEMENT OF CHANGES IN EQUITY**

Queensland Mental Health Commission	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		..	..	..
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		..	..	..
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		..	..	..

**BALANCE SHEET**

<b>Queensland Mental Health Commission</b>	<b>Notes</b>	<b>2012-13 Budget \$'000</b>	<b>2012-13 Est. Act. \$'000</b>	<b>2013-14 Estimate \$'000</b>
<b>CURRENT ASSETS</b>	1			
Cash assets		..	..	72
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		..	..	<b>72</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		..	..	..
<b>TOTAL ASSETS</b>		..	..	<b>72</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	72
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		..	..	<b>72</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		..	..	..
<b>TOTAL LIABILITIES</b>		..	..	<b>72</b>
<b>NET ASSETS/(LIABILITIES)</b>		..	..	..
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		..	..	..

**CASH FLOW STATEMENT**

Queensland Mental Health Commission	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	1			
<b>Inflows:</b>				
User charges		..	..	..
Grants and other contributions		..	..	7,147
Other		..	..	..
<b>Outflows:</b>				
Employee costs		..	..	(1,475)
Supplies and services		..	..	(1,380)
Grants and subsidies		..	..	(4,048)
Borrowing costs		..	..	..
Other		..	..	(172)
<b>Net cash provided by/(used in) operating activities</b>		..	..	<b>72</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	..	<b>72</b>
<b>Cash at the beginning of financial year</b>		..	..	..
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		..	..	<b>72</b>



**EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS****Income statement / Balance sheet / Cash flow statement**

1. The Queensland Mental Health Commission will be established on 1 July 2013, therefore no data is available in 2012-13 for comparative purposes.

# GLOSSARY OF TERMS

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<b>Accrual Accounting</b>	— Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
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<b>Administered Items</b>	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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<b>Agency/Entity</b>	— Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
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<b>Appropriation</b>	— Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> <li>– delivery of agreed services</li> <li>– administered items</li> <li>– adjustment of the Government's equity in agencies, including acquiring of capital.</li> </ul>
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<b>Balance Sheet</b>	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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<b>Capital</b>	— A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
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<b>Cash Flow Statement</b>	— A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
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<b>Controlled Items</b>	— Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
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<b>Depreciation</b>	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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<b>Equity</b>	— Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
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<b>Equity Injection</b>	— An increase in the investment of the Government in a public sector agency.
<b>Financial Statements</b>	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income Statement</b>	— A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
<b>Outcomes</b>	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-Source Revenue</b>	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	— Key policy areas that will be the focus of Government activity.
<b>Services</b>	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).



