

Annual Report 2013–2014



Public Availability Statement

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Interpreter Service Statement

West Moreton Hospital and Health Service Annual Report 2013–14.

West Moreton Hospital and Health Service is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on (07) 3810 1211 and we will arrange an interpreter to effectively communicate the report to you.



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Attribution

Content from this annual report should be attributed as: West Moreton Hospital and Health Service Annual Report 2013–14.

Acknowledgement of Traditional Owners

The West Moreton Hospital and Health Service acknowledges and pays respects to the Jagera, Yuggera and Ugarapul Peoples, Traditional Owners and Custodians of the Jagera Homeland Estate.

The West Moreton Hospital and Health Service proudly supports the traditions and customs of the Jagera, Yuggera and Ugarapul Peoples. At all opportunities, we will apply the accepted and recognised Welcome Protocols, with the inclusion of Welcome to Country Speeches, Traditional Dancers, Smoking Ceremonies and Cultural Presentations that pertain to the homeland estates of the Jagera, Yuggera and Ugarapul Peoples.

The West Moreton Hospital and Health Service respectfully recognises and acknowledges the Purga Elders and Descendants and the Aboriginal and Torres Strait Islander Community Elders, past, present and future, of the West Moreton Region.

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Letter of compliance



West Moreton Hospital and Health Service

29 August 2014

The Honourable Lawrence Springborg MP
Minister for Health
GPO Box 48
Brisbane QLD 4001

Dear Mr Springborg

I am pleased to present the Annual Report 2013-2014 and financial statements for West Moreton Hospital and Health Service.

I certify that this Annual Report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*
- The detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 47 of this annual report or accessed at www.westmoreton.health.qld.gov.au.

Yours sincerely

Dr Mary Corbett

Chair

West Moreton Hospital and Health Board

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Message from the Board Chair



Welcome to the second annual report for the West Moreton Hospital and Health Service (West Moreton).

2013-14 marked our second year operating as a statutory body and during the year, we strived to build on the solid foundations established in the previous term. The Board drove our vision for delivering patient-centred care, and worked to cement the strategic initiatives necessary to provide optimum health services to our community, while the Executive and staff focused on embedding new ways of operating and delivering high levels of quality, timely care. Our services and achievements were highlighted in our inaugural Quality of Care Report, which was published in 2013.

During the year, we made significant progress against our Strategic Plan. With the backdrop of the National Health Reform, we continued our journey towards greater autonomy and were one of eight hospital and health services to become a prescribed employer. While the Department of Health will continue to oversee the working conditions of Queensland health sector employees, as a prescribed employer we are able to directly employ our own staff, providing flexibility to directly manage our workforce, and in turn, to respond more quickly to the needs of the community.

Our ongoing commitment to streamline processes and implement service improvements continued to support improved performance across the Hospital and Health Service. We continued to implement strategies to improve our National Emergency Access Target (NEAT) performance, and ongoing advances in service delivery also led to the achievement of all National Elective Surgery Targets (NEST) and a reduction in waiting lists. We are proud that these achievements contributed to West Moreton being recognised as one of the highest performing hospital and health services at a state and national level.

The budget surplus achieved in our first year as a statutory body enabled reinvestment into key initiatives to ensure we continued to meet the needs of the community in 2013-2014. Funds totalling \$7.4 million were invested into increasing staffing numbers in the areas of maternity and emergency, and enhancing our capability across cardiology, paediatrics and elective surgery. Our continued achievement in 2013-14 of a positive operating position will allow further reinvestment in our service provision in the coming year.

The Board recognises the importance of positive, collaborative partnerships and continued to focus on building our relationships with our critical partners. We remain committed to engaging with the local community and recognise this as one of our most vital partnerships.

In late 2013, we moved to further strengthen our ties with the community and established a series of Community Reference Groups (CRGs). The CRGs created a vital link between our organisation and the community and will help to ensure we continue to provide quality, patient-centred services. CRGs have been established in each of our service regions – Gatton, Ipswich, Laidley, Esk and Boonah – with one representative from each Group also comprising the overarching Community Advisory Council. The role of the Council is to provide regular feedback to the West Moreton Board and Executive on strategic opportunities which can be implemented across the health service, in turn helping to shape our service delivery model.

Throughout the year, West Moreton's four Hospital Auxiliaries – Boonah, Gatton, Laidley and Esk – continued to provide integral support to our rural hospitals. In February 2014 we renewed our partnership protocol with the West Moreton-Oxley Medicare Local, highlighting the cooperation and collaboration that exists between primary and secondary healthcare for seamless service provision.

Message from the Board Chair (continued)

We are well-positioned to respond to the challenges faced by health services across the state, within our own local communities, including anticipated high population growth, which will require both innovative and courageous responses.

The \$128.7 million Ipswich Hospital Expansion project was completed in April 2014, incorporating a new-build component and extensive expansion and refurbishment works within existing infrastructure. This project transformed the existing hospital into a state-of-the-art facility with an additional 84 beds and associated facilities and services, a new multi-storey car park for 265 vehicles, an upgraded Emergency Department including a dedicated paediatric treatment space, short stay beds and a family waiting area, and increased cardiology capability and expanded maternity services.

Our continued focus on improving safety across the Hospital and Health Service saw the establishment of daily safety briefings and a Hospital at Night program throughout the year. Our desire to build a strong research ethos within our service resulted in our Research Day in October 2013 and we are planning subsequent events to showcase our leadership in research. Additionally, West Moreton continued to provide significant inroads to mental health education and research with Professor John McGrath, who was awarded the prestigious National Health Medical Research Council John Cade Fellowship in August 2013.

In May 2014, the Board bid farewell to two inaugural members Mr Tim Eltham and Mr Alan Fry. Their leadership and guidance was instrumental in the transformation of our health service and I thank them both for their dedication and contribution.

In the same month we welcomed Professor Sonj Hall and Mr Gary Edwards to the Board. Professor Hall is a registered nurse with a strong background in health and working with low socio-economic communities. Mr Edwards has formal qualifications in commerce and finance and strong ties with our community. We welcome the depth of experience and expertise they bring to our Board.

I would like to acknowledge the critical work of the Ipswich Hospital Foundation undertaken throughout the year. The Foundation plays a major role in educating our community about the importance of preventative healthcare and raise funds to numerous patient initiatives. We are indebted to their ongoing commitment and contribution in this area.

Thank you to the Executive team and all our staff for their dedication and commitment to delivering a healthcare service of which we and our community can be proud.

We look forward to continuing to build on the momentum we have created over the last two years.



Dr Mary Corbett
Board Chair



Message from the Chief Executive



West Moreton Hospital and Health Service (West Moreton) has made substantial progress in delivering on our core goal of providing high quality, patient-centred care to our community.

We were guided by our *Strategic Plan, Path to Excellence: 2013-17* with a focus on six priorities. I believe the results speak for themselves.

We **revitalised our services** by modernising our infrastructure, providing improved health technology, and delivering quality healthcare in an efficient and effective way. More patients received surgery on time, patients moved quicker through our Emergency Department, delays in dental treatment dramatically reduced, and the number of specialist outpatients seen within 30 days increased.

Our commitment to **strengthen our focus on safety and quality** saw a range of achievements over the year. More than 900 of our staff attended High Reliability Training. Creating a culture and processes that radically reduce system failures and effectively respond when failures do occur is the goal of high reliability thinking and we are proud that so many of our people have embraced this practice. In August 2013, patient shadowing was introduced within West Moreton and our partner healthcare providers as part of the quality improvement plan. Patient shadowing is about understanding the patient experience and informing clinical improvements. The findings from shadowing medical and nursing staff after hours resulted in the implementation of The Hospital at Night Program, an initiative that takes patient safety after hours to a new level.

Our commitment to **drive innovation and redesign** was sustained through the Innovation Fund. \$500,000 was available for start-up projects that result in better health, better care and better value and demonstrate a clear pathway for improvement in patient care.

Commencing 'Gemba' walks in 2013 **enabled our people**. Our leadership team took the opportunity to regularly experience day-to-day work practices in other groups. Gemba is an opportunity to build relationships through shared work experiences and generate new ideas for practical improvements, which reaches right across our organisation.

Extensive discussions and consultation with community, healthcare partners and local residents underpinned development of the West Moreton Hospital and Health Service *Health Service Plan 2013-27*, our **plan for a sustainable future**. We also collaborated with Metro South Hospital and Health Service to complete the *South-West Growth Corridor Health Service Plan 2013*, a joint planning study that identified the healthcare needs of Ripley Valley, Springfield and smaller areas such as South Redbank Plains, Walloon-Thagoona and West Brassall.

We continued to improve our **financial health**. Reinvesting the 2012-13 surplus of \$7.4 million benefited the community across the length and breadth of the region. Additional midwifery staff and increased obstetrics and paediatric capability was good news for the growing number of young families coming into the region. Increasing our cardiology capability, reduction of elective surgery waiting times and the opening of a seventh operating theatre mean improved services for our expanding community.

These results are a credit to our staff who throughout the year have contributed to our success through their everyday collaborative focus on quality, safety, innovation and most important, care for their patients.

It gives me great pleasure to look back over the past 12 months at the remarkable achievements we have made. I look forward to continuing our journey as we strive to deliver on our vision of providing the best possible healthcare for the people of West Moreton.

Lesley Dwyer
Chief Executive

Overview

On 1 July 2012, Queensland Health through the *Hospital and Health Boards Act 2011* established new statutory bodies known as hospital and health services.

Situated to the west of Brisbane, the West Moreton Hospital and Health Service area extends from Ipswich in the east, to Boonah in the south, north to Esk and west to Gatton. Our service comprises four local government areas of Scenic Rim Regional Council, Lockyer Valley Regional Council, Somerset Regional Council and Ipswich City Council.

This year, the West Moreton Hospital and Health Service has continued to build on our proud history of providing health services to the communities of Ipswich, Boonah, Esk, Laidley and Gatton.

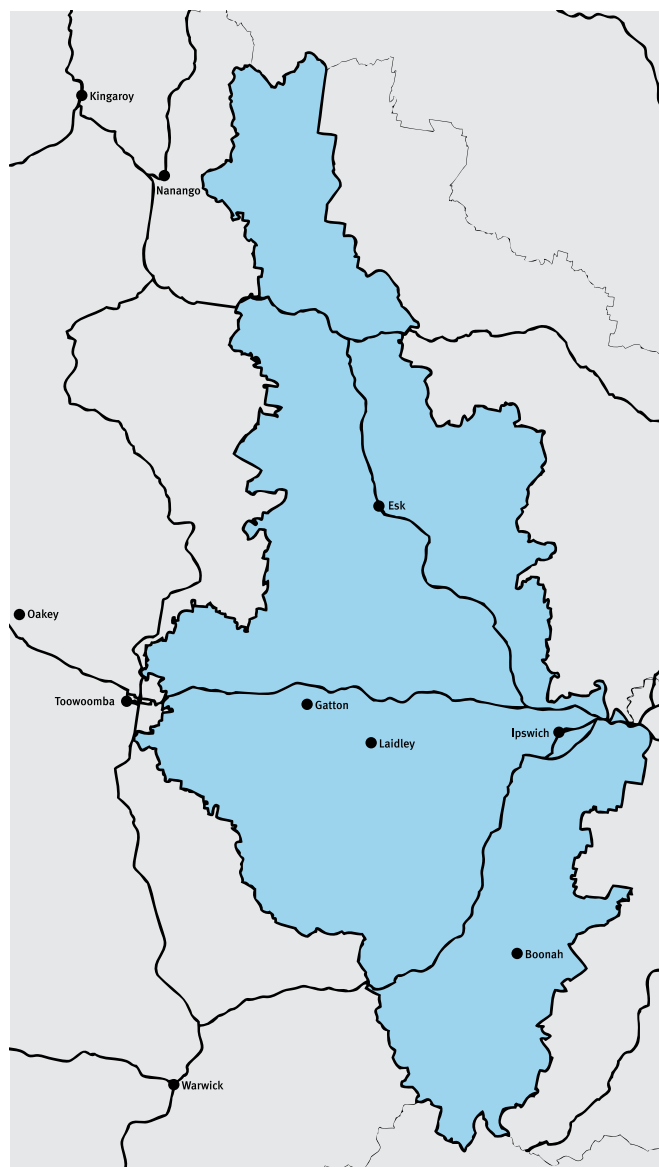
With a budget in 2013–14 of \$442.3 million and approximately 2,641 full time equivalent staff, we are one of the largest employers in the region.

We made further progress towards our strategic objectives through the implementation of the West Moreton Hospital and Health Service *Strategic Plan, Path to Excellence: 2013–17*. In order to ensure this plan continues to reflect the needs and choices of the community we reviewed this plan through a consultation process with key stakeholders and developed the *Strategic Plan, Path to Excellence: 2014–18*, which came into effect on 1 July 2014.

West Moreton Hospital and Health Service has a Hospital and Health Board that is accountable to the local community and the Queensland Parliament, through the Minister for Health.

The National Health Reform has promoted an increased focus on patient-centred care and local engagement of clinicians, consumers and community, which we are continuing to focus on. By emphasising local accountability and decision-making, there is intended to be more opportunity for local services to have both flexibility and incentive to innovate and pursue quality and efficiencies in healthcare delivery.

FIGURE 1 WEST MORETON HOSPITAL AND HEALTH SERVICE MAP



Our vision

Your Partner in Healthcare Excellence.

Our mission

Providing better health, better care and better value.

Our values

In 2013-14, West Moreton Hospital and Health Service undertook a significant staff engagement project, to realign our service's values which define the acceptable standards and govern staff behaviour. The values were developed as part of the strategic planning process to produce the *Strategic Plan, Path to Excellence 2014-18*, and to ensure the Hospital and Health Service's values align with our focus on patient-centred care and the Queensland Government's new set of five public service values.

The Lead Clinician Group took the initial lead in developing West Moreton Hospital and Health Service's values, and associated behaviours to support the values. Staff were engaged through workshops and online feedback forums to ensure the newly developed values truly reflected the beliefs of staff. The new values were implemented across the Hospital and Health Service from 1 July 2014:

Really care – Every day we are proud of how we care for our patients, how we work together, and how we deliver our work.

You matter – We are part of the community we serve. What is important to our community is important to us. We respond to your feedback about our work, our attitude, the services we provide and the way we provide them.

We deliver – Our patients, their families, our colleagues, our staff, our partners and our community can be confident in our people and our services. We honour our commitments.

Be the best – We are here to make our patients' healthcare experience the very best it can be. We aspire to realise our vision and be Your Partner in Healthcare Excellence.

What we do

West Moreton Hospital and Health Service provides healthcare to a population of approximately 252,000 people which is forecast to increase to an expected 450,000 people by 2026 – an 82% increase. This projected percentage increase is the largest of any hospital and health service in Queensland.

Our Service's demographics are diverse and include metropolitan and small rural community settings. In the 2011 census, 17% of the population was born outside Australia, 8% spoke a language other than English at home and 3% were Indigenous Australians.

West Moreton Hospital and Health Service is responsible for the delivery of public hospital and health services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care, sub-acute and clinical support services to communities stretching from Ipswich in the east, to Boonah in the south, north to Esk and west to Gatton.

The Hospital and Health Service is responsible for the direct management of facilities:

- Ipswich Hospital
- Gatton Health Service
- Laidley Health Service
- Boonah Health Service
- Esk Health Service
- The Park – Centre for Mental Health, Treatment, Research and Education ('The Park')
- Goodna Community Health
- Ipswich Community Health.

West Moreton Hospital and Health Service also provides school-based primary oral healthcare services, community mental health services for all age groups and services for alcohol, tobacco and other drug illnesses and has a range of responsibilities for prison health services including Brisbane Women's, Wolston and Brisbane Correctional facilities, Brisbane Youth Detention Centre and the Helana Jones Centre.

Overview (continued)

Our challenges

In 2013–14 we faced, and will continue to face, a number of challenges including:

- **Financial pressures** – delivering services within a nationally efficient price with increasing community expectations of the scope of services provided by the public health sector
- **Community and service expectations** – providing care within clinically recommended timeframes, for example patients attending emergency and outpatient departments
- **Population pressures** – significant population growth and the projected age structure of West Moreton Hospital and Health Service
- **Burden of disease** – rates of burden of disease for Aboriginal and Torres Strait Islander people(s), low socio-economic backgrounds and some culturally and linguistically diverse groups are higher than the general Queensland population
- **Workforce challenges** – ongoing difficulties recruiting and retaining clinical staff and meeting requirements for clinical workforce to rapidly adapt to changing models of care and acquire the necessary skills and knowledge.

Our strategic directions

The West Moreton Hospital and Health Service *Strategic Plan, Path to Excellence: 2013–17* again set out an ambitious program of work to deliver on our vision of becoming *Your Partner in Healthcare Excellence*.

Our Strategic Plan has six interrelated strategic directions that make up our continued focus on the provision of excellence in healthcare:

- Revitalise services
- Strengthen safety and quality
- Drive innovation and research
- Enable our people
- Plan for a sustainable future
- Achieve financial health.

The West Moreton Hospital and Health Service *Strategic Plan, Path to Excellence: 2013–17* was reviewed through a consultation process with key stakeholders during this financial year and the West Moreton Hospital and Health Service *Strategic Plan, Path to Excellence: 2014–18* was developed.

The 2014 revision of the Strategic Plan has seen a shift to ensure the Plan remains focused on meeting our long-term challenges in delivering quality healthcare to a rapidly escalating population and that it is aligned with the *Blueprint for Better Healthcare in Queensland* and the *Queensland Plan: a 30 year vision for Queensland*.



Meet our Board

The West Moreton Hospital and Health Board is comprised of seven non-executive members appointed by the Governor in Council on recommendation of the Minister for Health in accordance with the *Hospital and Health Boards Act 2011*.

Roles and responsibilities

Under s22 of the *Hospital and Health Boards Act 2011*, the primary role of the Hospital and Health Board is to control West Moreton Hospital and Health Service. The Board is responsible for setting the strategic direction of the Hospital and Health Service, with the Chief Executive. The Board is accountable for the service's performance and establishing and maintaining effective systems to ensure services meet the needs of the community.

The Board's role and responsibilities are set out further in the Board Charter and include:

- Responsibility for setting strategic direction, establishing goals and objectives for the Hospital and Health Service Executive and monitoring the organisation in line with current government health policies and directives and ensuring that adequate and appropriate community consultation is undertaken
- Appointing a Chief Executive to manage the Hospital and Health Service – this appointment is not effective until it is approved by the Minister for Health
- Reviewing and approving strategies, goals, annual budgets, and financial plans as designed by the Hospital and Health Service in response to community and stakeholder input
- Monitoring financial performance on a regular basis
- Monitoring operational performance on a regular basis including compliance with clinical regulations and standards
- Ensuring risk management systems are in place to cover all of the Hospital and Health Service's key risk areas including operational, financial, environmental and asset related risks
- Establishing objectives for, and reviewing of, the performance of the Hospital and Health Service's Executive Directors

- Ensuring West Moreton Hospital and Health Service has policies and procedures to satisfy its legal and ethical responsibilities
- Monitoring committee reporting on operational, financial and clinical performance
- Determining the desired culture for the Hospital and Health Service to enhance its reputation with the community and stakeholders
- Reporting to, and communicating with, government, the community and other stakeholders on the financial and operational performance of the Hospital and Health Service.

Board meetings

Ordinary meetings of the Board are scheduled monthly in accordance with the Board Charter. A summary of attendance of Board members at ordinary Board meetings is set out in Figure 2 Attendance at Board and Committee Meetings. The West Moreton Hospital and Health Service Chief Executive, Executive Director Finance and Business Services and, Corporate Counsel and Secretary also attended meetings of the Board in ex-officio capacities. From time-to-time the Board considers matters out-of-session by flying minute.

Board committees

To support the West Moreton Hospital and Health Board in its functions, the Board has established the following committees:

- Executive Committee
- Finance Committee
- Audit and Risk Committee
- Safety and Quality Committee.

Each of these committees is comprised of three Board members. Each member's participation in committees is set out beneath their profiles on pages 13-15.

A summary of attendance of committee members at committee meetings is set out below in Figure 2.

Meet our Board (continued)

FIGURE 2 ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Name	Term of office	Number of meetings member was eligible to attend	Number of meetings attended
Board			
Dr Mary Corbett	18 May 2012 to 17 May 2016	12	12
Mr Tim Eltham	29 June 2012 to 17 May 2014	10	9
Mr Paul Casos	29 June 2012 to 17 May 2016	12	12
Dr Robert McGregor	29 June 2012 to 17 May 2016	12	11
Ms Melinda Parcell	29 June 2012 to 17 May 2018	12	12
Professor Julie Cotter	7 September 2012 to 17 May 2016	12	12
Mr Alan Fry OBE QPM	7 September 2012 to 17 May 2014	10	10
Professor Sonj Hall	18 May 2014 to 17 May 2015	2	2
Mr Gary Edwards	18 May 2014 to 17 May 2015	2	2

Name	Term of office	Number of meetings member was eligible to attend	Number of meetings attended
Executive Committee			
Dr Mary Corbett	18 May 2012 to 17 May 2016	2	2
Mr Paul Casos	29 June 2012 to 17 May 2016	2	2
Dr Robert McGregor	29 June 2012 to 17 May 2016	2	2

Name	Term of office	Number of meetings member was eligible to attend	Number of meetings attended
Finance Committee			
Mr Paul Casos	29 June 2012 to 17 May 2016	12	12
Dr Mary Corbett	18 May 2012 to 17 May 2016	12	11
Professor Julie Cotter	7 September 2012 to 17 May 2016	11	11
Mr Gary Edwards	18 May 2014 to 17 May 2015	1	1

Meet our Board (continued)

Name	Term of office	Number of meetings member was eligible to attend	Number of meetings attended
Audit and Risk Committee			
Professor Julie Cotter	7 September 2012 to 17 May 2016	6	6
Mr Tim Eltham	29 June 2012 to 17 May 2014	5	5
Mr Alan Fry OBE QPM	7 September 2012 to 17 May 2014	5	5
Professor Sonj Hall	18 May 2014 to 17 May 2015	1	0
Mr Gary Edwards	18 May 2014 to 17 May 2015	1	1

Name	Term of office	Number of meetings member was eligible to attend	Number of meetings attended
Safety and Quality Committee			
Ms Melinda Parcell	29 June 2012 to 17 May 2018	8*	8
Mr Tim Eltham	29 June 2012 to 17 May 2014	8*	8
Mr Alan Fry OBE QPM	7 September 2012 to 17 May 2014	8*	7
Dr Robert McGregor	29 June 2012 to 17 May 2016	0	0
Professor Sonj Hall	18 May 2014 to 17 May 2015	0	0

* Two special Safety and Quality Committee meetings were held to consider West Moreton Hospital and Health Service's inaugural Quality of Care Report.

Meet our Board (continued)

Board members



Dr Mary Corbett

CHAIR WEST MORETON HOSPITAL AND HEALTH BOARD |
CHAIR EXECUTIVE COMMITTEE | MEMBER FINANCE COMMITTEE

Dr Mary Corbett has more than 20 years' experience as a Company Director, predominantly in research and development, health, education and training. She has a PhD in Clinical Physiology from Dundee University, Scotland.

She has significant Board and corporate governance experience gained across a wide variety of industries. Dr Corbett is currently Chair of the Cotton Research and Development Corporation and a Board member of the Wound Management Innovation CRC. Her previous Board experience includes a two-year term as Deputy Chair of Southbank Institute of Technology, one of Queensland's leading providers of high-level vocational and technical education, and two years as Deputy Chair of the Australian Agriculture College Corporation. Dr Corbett also served on the Boards of Food Science Australia from 2004–09 and the Sugar Research and Development Corporation from 2002–08.

An experienced Chair, Dr Corbett also has extensive sub-committee experience including Audit and Risk Management, Intellectual Property, Finance, Executive and Remuneration and Nominations committees.

She is the owner and Managing Director of Australian Business Class, an executive consulting and training organisation. Dr Corbett's consulting expertise lies in the areas of strategy, leadership, emotional intelligence and building personal and organisational resilience.



Mr Paul Casos

DEPUTY CHAIR WEST MORETON HOSPITAL AND HEALTH BOARD |
CHAIR FINANCE COMMITTEE

Mr Paul Casos is the Managing Director of Torque Communities Pty Ltd. He is the former Chief Executive Officer of South East Queensland Community Telco Ltd and former Manager of District Facilities and Corporate Communications for West Moreton Health Service District.

Over the past 40 years, Mr Casos has been heavily involved in the development of local businesses, community organisations and service clubs in the West Moreton region. As Managing Director of Torque Communities, Mr Casos undertakes the role of Executive Chairman of Ipswich Events Corporation, an events and marketing company based in Ipswich.

From 1969 to 2001 Mr Casos was employed by Queensland Health in various roles. He was a practising Dental Technician prior to moving into Health Management and played a key role in the development of the Ipswich Health Plaza as a Community Health Centre. Mr Casos also served as the inaugural Chairman of the Dental Technicians and Dental Prosthetics Registration Board of Queensland. In addition, Mr Casos participates in a voluntary capacity on numerous community-based Boards and foundations. These include Past President of the Rotary Club of Ipswich City, Chairman of the Ipswich Arts Trust, Director of Willowbank Raceway and a member of Ipswich Hospital Foundation Board.



Professor Julie Cotter

MEMBER WEST MORETON HOSPITAL AND HEALTH BOARD |
CHAIR AUDIT AND RISK COMMITTEE

Professor Julie Cotter is Director at the Australian Centre for Sustainable Business and Development and Professor of Accounting at the University of Southern Queensland. In this role, she provides strategic and research leadership to a multi-disciplinary group of over 50 researchers and PhD students in the creation of evidence-based solutions to sustainable business and development problems.

Professor Cotter is a Fellow of CPA Australia, a Chartered Accountant and a graduate member of the Australian Institute of Company Directors. She holds a PhD in accounting and finance from the University of Queensland. Professor Cotter is an accomplished researcher who has published and presented extensively in the areas of corporate reporting and governance.

Professor Cotter has experience in the health, agribusiness and finance sectors. She chairs the Program Advisory Committee of the Chambers of Commerce and Industry Queensland eco Biz program. Professor Cotter was a finalist in the Outstanding Contribution to Policy Development category, 100 Women in Australian Agribusiness list 2014. She has previously served as a Board member of Toowoomba and Surat Basin Enterprise.

Professor Cotter was previously Acting Head of the School of Accounting, Economics and Finance where she managed academic programs, curriculum, budget and staffing. Professor Cotter was a member of the academic Board at the University of Southern Queensland from 2007–09. In this role she contributed to policy development and decision-making in the areas of academic programs and curriculum, quality standards, research and research training.



Mr Gary Edwards

MEMBER WEST MORETON HOSPITAL AND HEALTH BOARD |
MEMBER FINANCE COMMITTEE | MEMBER AUDIT AND RISK
COMMITTEE

Mr Gary Edwards is a Certified Practising Accountant and in 2013 was advanced to Fellow status as a Chartered Accountant. He is a graduate member of the Australian Institute of Company Directors.

Mr Edwards spent 21 years as General Manager and Director of his family business, R.T. Edwards, one of the largest Queensland based commercial retailers and electrical contractors. During this time, he was for six years a Board member of the Retail Group Furniture and Carpet Court and Deputy Chair and Finance Director of the large electrical retailer, RetraVision Northern. Since then, Mr Edwards has been the General Manager of the family investment business.

For 18 years he has been involved with the Westside Christian College Board and committees and was Deputy Chair of the Board for several years. During the year Gary was a Member of Bremer TAFE council and Deputy Chair.

Mr Edwards has been involved in several soccer clubs and community groups, such as the Ipswich City Rotary Club, where he has held a variety of Board positions and has been involved in many community projects. In 2013 he received an Ipswich City Council Australia Award recognising his contribution to the prosperity of the Ipswich community.

For six years he was Chair of his local church, Whitehill Church of Christ. Mr Edwards is currently Chair of the Board of Churches of Christ (Qld), the fifth largest unlisted entity in the field of Social Assistance Services within Australia. He is also Chair of their Finance and Infrastructure Committee and Chair of the Remuneration Committee.

Gary brings experience in strategic planning, knowledge of senior financial management, corporate governance and knowledge and experience in community services.

Meet our Board (continued)



Professor Sonj Hall

MEMBER WEST MORETON HOSPITAL AND HEALTH BOARD |
MEMBER SAFETY AND QUALITY COMMITTEE | MEMBER AUDIT
AND RISK COMMITTEE

Professor Sonj Hall, PhD GAICD has a career spanning leadership and senior executive positions across government, healthcare and higher education. She has advised heads of government and various Commonwealth and State Ministers whilst providing stewardship for strategic health policy and program development. Professor Hall is currently the Professor and Executive Director of the Health Collaborative Research Network at Central Queensland University Australia.

With a forte for start-ups and change management, Professor Hall provides a visionary, tactical and collaborative approach to achieving outcomes. Professor Hall has a clear focus on building cohesive, motivated and outcome-focused teams and is a proven change agent having sponsored, championed and delivered large-scale complex projects at a national, state and organisational level. She has held executive responsibility for corporate affairs portfolios encompassing strategic and operational management including quality, risk and performance. She has sound financial acumen, having successfully managed budgets up to \$1.1 billion.

Professor Hall uses her research knowledge to advocate for evidence-based policy to address community needs whilst maintaining a whole-of-system perspective to the provision of effective, safe, equitable and efficient healthcare.



Dr Robert McGregor

MEMBER WEST MORETON HOSPITAL AND HEALTH BOARD |
MEMBER EXECUTIVE COMMITTEE | MEMBER SAFETY AND
QUALITY COMMITTEE

Dr Robert McGregor is a senior visiting consultant paediatrician at Ipswich Hospital. He is also a Board member of the Ipswich Hospital Foundation and former Board member of the West Moreton Regional Health Authority.

Dr McGregor is a well-known paediatrician who has for many years worked with sick children at Mater Children's Hospital and Ipswich Hospital. He is a former Board member of St Andrew's Ipswich Private Hospital and is currently a member of that hospital's Medical Advisory Committee which he has chaired for the past four years. He is also a former member of the Medical Advisory Committee of the Asthma Foundation of Queensland.

Dr McGregor was awarded Fellowship of the Royal Australian College of Physicians in 1974. He is also a member of the Australia College of Paediatrics.

During his career, Dr McGregor has been responsible for coordinating medical student and registrar training in paediatrics at Ipswich Hospital.

Outside the medical sphere, Dr McGregor has been heavily involved in the West Moreton community. He is a past President of the Mt Crosby School Parents and Citizens Association. He founded the Karana Downs and District Progress Association and served for several years as President as well as editing and publishing its monthly news booklet, The Karana Kronicle. He has twice been elected President of the Moggill-Mt Crosby Lions Club.

In 1994, Dr McGregor was awarded Lions International's highest honour, the Melvin Jones Fellowship for Community Service.

Since 2000, Dr McGregor has organised and convened the Heritage Bank Ipswich 100 Bike Ride. This event has raised in excess of \$1 million for local charities, including over \$150,000 for the Ipswich Hospital Foundation.

Dr McGregor is the 2014 Senior Queenslander of the Year.



Ms Melinda Parcell

MEMBER WEST MORETON HOSPITAL AND HEALTH BOARD |
CHAIR SAFETY AND QUALITY COMMITTEE | MEMBER EXECUTIVE
COMMITTEE

Ms Melinda Parcell is the Director of Operations/Nursing, Co-ordinated Care Stream, West Moreton Hospital and Health Service.

Prior to assuming this role on 1 July 2013, Ms Parcell was Director of Health Maintenance and Nursing, Community Health Service, West Moreton Hospital and Health Service. She is also the current Chair of the Ipswich Hospital Museum Inc.

Ms Parcell has worked at Ipswich Hospital for a number of years and in her current role is responsible for surgical services, Women's and Children's Services and Gatton and Laidley Health Services. In her previous role, she was responsible for the provision of community health services and the development of community health nurses attached to West Moreton Hospital and Health Service.

A Registered Nurse, Ms Parcell also has a Bachelor of Health Management and a Master of Management (Innovation and Change). Ms Parcell has worked in a number of nursing director roles at Ipswich and Mater Hospitals.

In 2012, Ms Parcell was recognised by her peers and awarded Best Paper at the Association of Queensland Nurse Leaders Annual Conference for her paper on obtaining work-life balance at a Director of Nursing level. Ms Parcell was also the recipient of a West Moreton Hospital and Health Service Australia Day Award in 2013.

Members who retired during the year



Mr Tim Eltham

Mr Eltham has significant experience in social planning and community development and is a Director of Communitas Pty Ltd, a specialised community planning consulting firm which consults for government, industry and the not-for-profit sector on community planning and social sustainability practices. He is a former member of the Ipswich and West Moreton Health Community Council.



Mr Alan Fry OBE QPM

Mr Alan Fry is a retired Deputy Assistant Commissioner of the London Metropolitan Police Service, New Scotland Yard. He completed 40 years service and held one of the most high profile policing posts in England. Mr Fry was appointed an Officer of the Order of the British Empire on the New Year's Honours List 2003 for services to policing as well as the Queen's Police Medal for distinguished service in 1989. He is an active member of the community with long-term involvement with Meals on Wheels.

Meet our Board (continued)

Audit and Risk Committee

The West Moreton Hospital and Health Board Audit and Risk Committee provides independent assurance and assistance to the Board on:

- The Hospital and Health Service's risk, control and compliance frameworks
- The Hospital and Health Service's external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, the *Auditor-General Act 2009*, the *Financial Accountability Regulation 2009* and the *Financial and Performance Management Standard 2009*.

For the period 1 July 2013 to 17 May 2014 the membership of the committee comprised Mr Tim Eltham (Chair), Mr Alan Fry OBE QPM, and Professor Julie Cotter. From 18 May 2014 to 30 June 2014, the membership comprised Professor Julie Cotter (Chair), Professor Sonj Hall and Mr Gary Edwards. Also attending meetings in advisory capacities was the West Moreton Hospital and Health Service Chief Executive, Executive Director Finance and Business Services, Internal Auditor, Queensland Audit Office and the external audit service provider.

The committee's responsibilities are:

- Financial statements
 - Review the appropriateness of accounting policies
 - Review the appropriateness of significant assumptions made by management in preparing the financial statements
 - Review the financial statements for compliance with prescribed accounting and other requirements
 - Review, with management, the internal and external auditors, the results of the external audit and any significant issues identified
 - Ensure there is proper explanation for any unusual transactions or trends or material variations from budget
 - Ensure that assurance with respect to the accuracy and completeness of the financial statements is given by management.
- Risk management
 - Review the risk management framework for identifying, monitoring and managing significant business risks, including fraud
 - Satisfy itself that insurance arrangements are appropriate for the risk management framework, where appropriate
 - Liaise with management to ensure there is a common understanding of the key risks to the Hospital and Health Service
 - Assess and contribute to the audit planning processes relating to the risks and threats to the Hospital and Health Service
 - Review effectiveness of the Hospital and Health Service's processes for identifying and escalating risks, particularly strategic risks.
- Internal control
 - Review, through the audit planning and reporting process of internal and external audit functions, the adequacy of the internal control structure and systems, including information technology security and control
 - Review, through the audit planning and reporting process of internal and external audit functions, whether relevant policies and procedures are in place and up-to-date, including those for the management and exercise of delegations, and whether they are being complied with in all material matters.
- Internal audit
 - Review the Internal Audit Charter as required
 - Review the adequacy of the budget, staffing, skills and training of the internal audit function, having regard for the Hospital and Health Service's risk profile
 - Discuss the appointment and termination of the Head of Internal Audit
 - Review and approve the internal audit strategic and annual plan, scope and progress, and any significant changes, including any difficulties or restrictions on scope of activities, or significant disagreements with management
 - Review the proposed internal audit plan for the coming year to ensure that it covers key risks and that there is appropriate coordination with the external auditor
 - Review and monitor internal audit reports and action taken
 - Review and assess performance of the internal audit operations against the annual and strategic audit plans
 - Monitor developments in the audit field and standards issued by professional bodies and other regulatory authorities, in order to encourage the usage of best practice by internal audit.
- External audit
 - Consult with external audit on the function's proposed audit strategy, audit plan and audit fees for the year
 - Review the findings and recommendations of external audit and the response to them by management
 - Assess whether there is a material overlap between the internal and external audit plans
 - Assess the extent of reliance placed by the external auditor on internal audit work and monitor external audit reports and the Hospital and Health Service's response to those reports.
- Compliance
 - Determine whether management has considered legal and compliance risks as part of the Hospital and Health Service's risk assessment and management arrangements
 - Review the effectiveness of the system for monitoring of the Hospital and Health Service's compliance with relevant laws, regulations and government policies
 - Review the findings of any examinations by regulatory agencies, and any audit observations.

In 2013–14, the West Moreton Hospital and Health Board Audit and Risk Committee:

- Reviewed and recommended the Board's approval of West Moreton Hospital and Health Service's *2012-13 Annual Report*
- Oversaw the development of West Moreton Hospital and Health Service's *Risk Management Policy and Integrated Risk Management Framework* and recommended its approval by the Board
- Recommended the Board's approval of the *Audit and Risk Committee Work Plan for 2013-14*
- Recommended the Board's approval of changes to the Internal Audit Charter
- Reviewed Queensland Audit Office recommendations and monitored implementation of recommendations
- Reviewed internal audit activities and findings and monitored implementation of internal audit recommendations
- Recommended the Board's approval of the *2013-14 Internal Audit Plan* and the *2013-16 Internal Audit Strategic Audit Plan*
- Reviewed external audit activities
- Oversaw various pieces of work examining the adequacy of the Hospital and Health Service's internal controls
- Reviewed and recommended the Board's approval of changes to the strategic risks for the Hospital and Health Service
- Monitored risk management activities within West Moreton Hospital and Health Service.

During the 2013–14 financial year the committee observed the terms of its charter and had due regard to the Queensland Treasury's Audit Committee Guidelines.

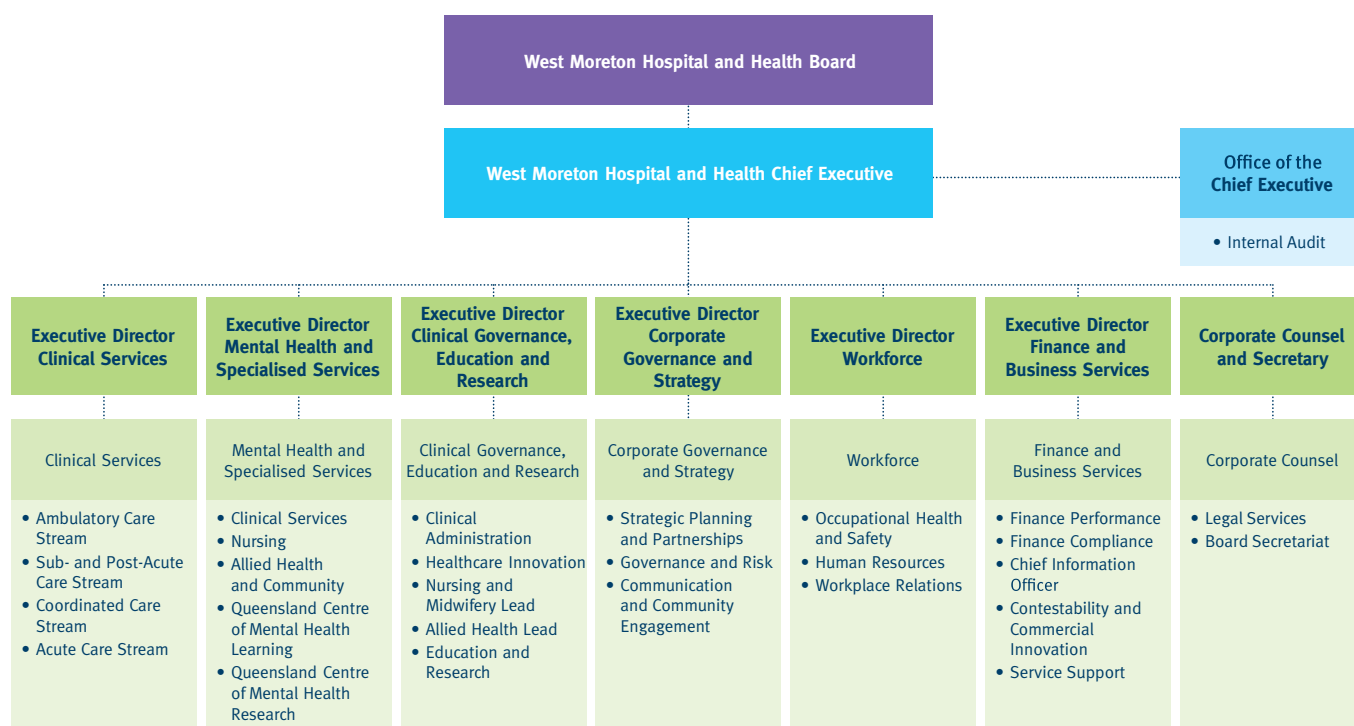
Our organisational structure

West Moreton Hospital and Health Service was formally established on 1 July 2012 as part of the health legislative change process. Since then, the Hospital and Health Service has undergone a transformation designed to support the delivery of organisational goals and good governance under the authority of the Chief Executive and the Hospital and Health Board.

On 1 July 2013 a new, streamlined organisational structure came into effect. The West Moreton Hospital and Health Service organisational structure has six divisions that work in partnership to deliver integrated hospital and health services. The organisational structure provides clear lines of reporting, accountability and responsibility.

The structure includes the divisions and functional responsibilities of: Clinical Services; Mental Health and Specialised Services; Finance and Business Services; Clinical Governance, Education and Research; Corporate Governance and Strategy; and Workforce. The structure is designed to allow the organisation to be responsive, integrated and efficient.

FIGURE 3 ORGANISATIONAL STRUCTURE FROM 1 JULY 2013





Year at a glance

West Moreton Hospital and Health Service activity and full time equivalent staff data

FIGURE 4 WEST MORETON HOSPITAL AND HEALTH SERVICE ACTIVITY¹ AND FULL TIME EQUIVALENT (FTE) STAFF DATA

Activity	2013-14
Elective surgeries performed	6,196
Emergency surgeries performed	1,738
Number of patients admitted	44,033
Emergency Department presentations	72,104
Babies born	2,931
Number of outpatient appointments	120,964
Adult dental treatments	33,792
Child/school-based dental treatments	25,056
Women screened by BreastScreen Queensland's West Moreton Hospital and Health Service	10,704
As at 30 June 2014	
Number of doctors including Visiting Medical Officers (FTE)	296.04
Number of nurses (FTE)	1200.28
Number of health practitioners (FTE)	318.42
Number of professional and technical staff (FTE)	26.48
Number of trade and artisan staff (FTE)	24.00
Number of managerial and clerical staff (FTE)	406.83
Number of operational staff (FTE)	368.90
Ipswich Hospital hand hygiene compliance	78%

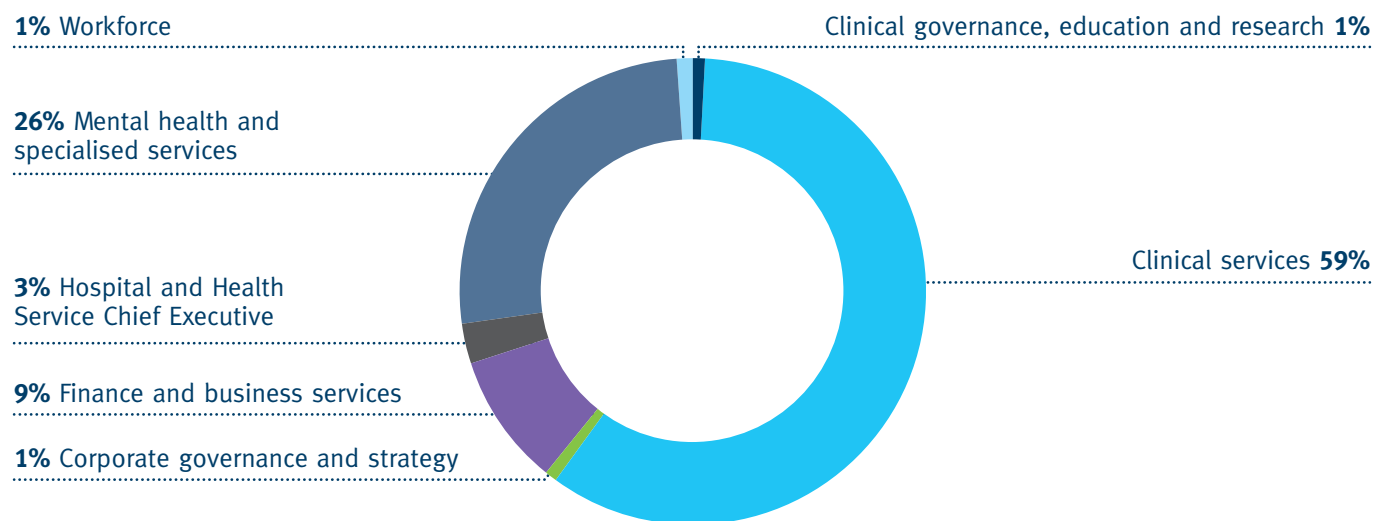
¹ This activity data excludes data recorded at the Park, Centre for Mental Health, Treatment, Education and Research.

Financial highlights

FIGURE 5 FINANCIAL HIGHLIGHTS TABLE

	2014 (\$'000)
Total income	447,599
Total expenses	417,858
Operating result	29,741
Changes in asset revaluation surplus	16,473
Total Comprehensive income	46,214
Total current assets	66,424
Total assets	343,090
Total liabilities	33,589
Total equity	309,501

FIGURE 6 HOW THE MONEY WAS SPENT



How the money was spent

West Moreton Hospital and Health Service achieved a surplus result of \$29.741 million in 2013–14 while still delivering on agreed services. This result is due to the continued vigilance around financial sustainability as a result of model of care redesign, identify efficiencies and strategic investment in services at all levels of the organisation.

Figure 6 indicates the breakdown of expenditure for healthcare across West Moreton Hospital and Health Service.

Revenue

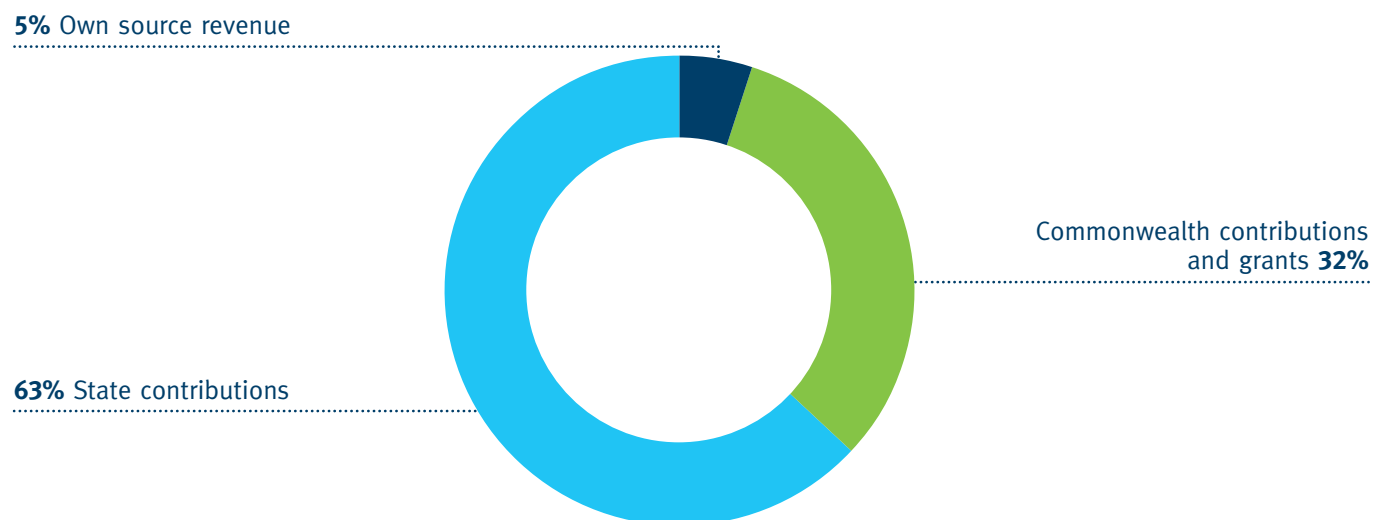
West Moreton Hospital and Health Service's income comprises operating revenue sourced from three areas:

- Commonwealth
- State
- Own source revenue from user charges, grants and other revenue.

West Moreton Hospital and Health Service's total revenue for 2013–14 was \$447.594 million. Of this, the State contribution was \$281.172 million (63%), Commonwealth contribution was \$142.042 million (32%) and Own source revenue was \$24.380 million (5%).

The revenue chart in Figure 7 below indicates the extent of these funding sources for 2013–14.

FIGURE 7 REVENUE CHART



Year at a glance (continued)

Expenses

Figure 8 indicates total expenses for the financial year were \$417.858 million, averaging at \$1.145 million per day to provide public health services in West Moreton Hospital and Health Service.

Voluntary redundancies

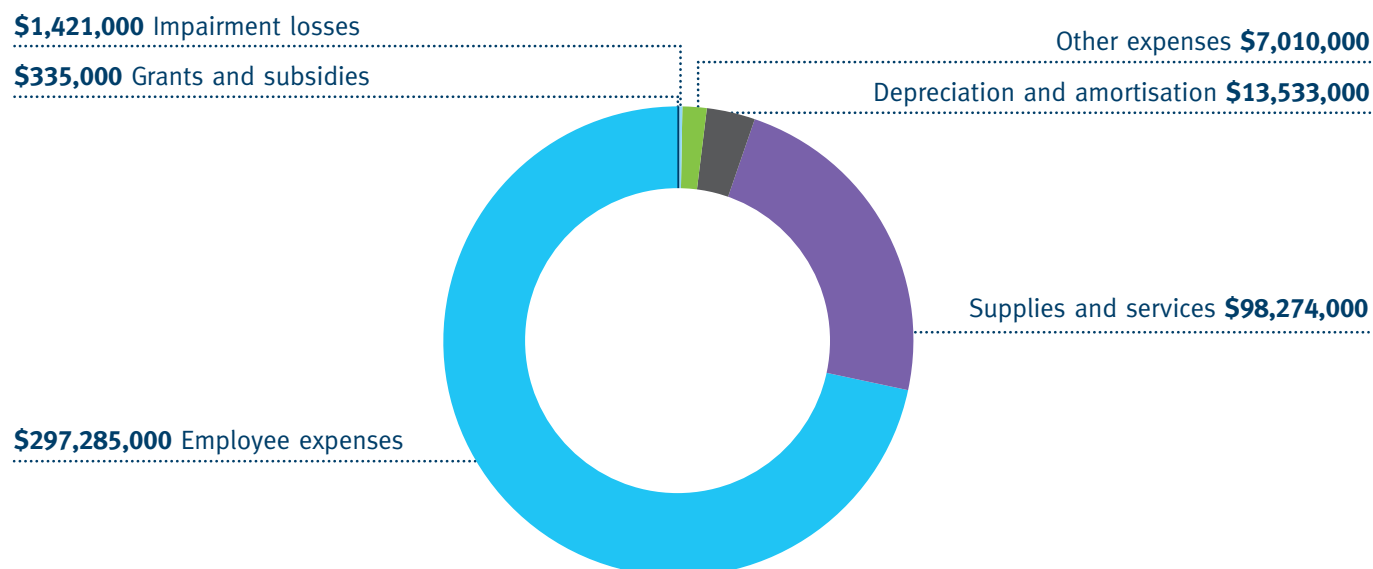
During 2013-14, 110 employees received redundancy packages at a cost of \$5.048 million. Employees who did not accept an offer of a redundancy were offered case management for a set period of time, during which reasonable attempts were made to find alternative employment placements. At the conclusion of this period, and where it was deemed that continued attempts of ongoing placement were no longer appropriate, employees yet to be placed were to be terminated and paid a retrenchment package. During the period, no employees received retrenchment packages at West Moreton Hospital and Health Service.

Future outlook

In 2014-15, West Moreton Hospital and Health Service will continue to build on the financial strength of the organisation to follow its strategic plan to provide excellence in hospital and health services.

The 2014-15 Service Agreement with the Department of Health provides for funding of \$445.318 million, which is an increase on the 2013-14 funding. However the new agreement has higher activity thresholds which will continue to provide a challenging environment for the Hospital and Health Service.

FIGURE 8 EXPENSE GRAPH



Health Service performance

FIGURE 9 OUR PERFORMANCE TABLE

West Moreton Hospital and Health Service service standards	Notes	2013-14 Target	2013-14 Actual
Percentage of patients attending Emergency Departments seen within recommended timeframes:			
Category 1 (within 2 minutes)		100%	100%
Category 2 (within 10 minutes)		80%	92%
Category 3 (within 30 minutes)		75%	52%
Category 4 (within 60 minutes)		70%	58%
Category 5 (within 120 minutes)		70%	85%
All categories	1		
Percentage of Emergency Department attendances who depart within four hours of their arrival in the Department	2	83%	82%
Median wait time for treatment in the Emergency Department (minutes)		20	28
Median wait time for elective surgery (days)		14	12
Percentage of elective surgery patient treated within clinically recommended timeframes:			
Category 1 (30 days)		100%	100%
Category 2 (90 days)		94%	98%
Category 3 (365 days)	2	97%	99%
Percentage of specialist outpatients waiting within clinically recommended timeframes:			
Category 1 (30 days)		95%	85%
Category 2 (90 days)		90%	43%
Category 3 (365 days)		90%	72%
Total weighted activity units: Phase 16			
Inpatients		32,097	34,564
Outpatients		5,642	5,842
Sub-acute		3,909	3,870
Emergency Department		9,754	8,621
Mental health		19,819	15,386
Interventions and procedures	3	3,819	2,439
Average cost per weighted activity unit for ABF facilities			\$4,444
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections per 10,000 acute public hospital inpatient days	4		0.33
Number of in-home visits, families with newborns		4,882	4,574
Rate of community follow-up within 1-17 days following discharge from an acute mental health inpatient unit		60%	60%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge.		<=12%	9%
Ambulatory mental health service contact duration	5, 6	100%	72%

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. Queensland Health is a signatory to the National Partnership Agreement on Improving Public Hospital Services, which includes the National Emergency Access Target and the National Elective Surgery Target. Calendar year targets are set for Queensland from 2012 to 2015.
3. The existing total weighted activity units measure has been amended to reflect the continued refinement of the Activity Based Funding model and implementation of the national Activity Based Funding model. Weighted activity units 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.
4. Staphylococcus aureus are bacteria commonly found on about 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 hospital and health service level.
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 the Hospital and Health Service.
6. Targets have been set based on methods used 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 2014-15.

Path to Excellence

Guided by the West Moreton Hospital and Health Service *Strategic Plan, Path to Excellence: 2013-17*, significant progress has been made in the 2014 financial year to deliver on our vision of becoming Your Partner in Healthcare Excellence.

Our Strategic Plan has six interrelated strategic directions that guide our focus on delivering our triple aim of providing better health, better care and better value to our community:

- Revitalise services
- Strengthen safety and quality
- Drive innovation and research
- Enable our people
- Plan for a sustainable future
- Achieve financial health.

Revitalise services

Key Objectives and Strategies

Strengthen and improve health services to better meet the needs and choices of the local community

- Develop strategic partnerships to improve collaboration and bilateral agreements for shared healthcare delivery
- Ensure the engagement and leadership of clinicians in the planning, implementation and evaluation of healthcare
- Empower local communities to have a greater say and influence over their hospital and health service
- Maintain and strengthen state-wide leadership responsibilities for forensic and offender health services.

Improve access and reduce waiting times through providing the right care, in the right place, at the right time

- Develop flexible service delivery models (outsourcing, co-sourcing, public-private joint ventures and partnering) to increase the range and volume of services delivered
- Improve access to key frontline services through a focus on continuous improvement and redesign
- Work in partnership to implement Whole of Government plans and priorities to address health inequalities (Closing the Gap, Mental Health and Alcohol and Other Drugs, Rural Health) and address the burden of disease of chronic conditions (cancer, cardiovascular disease, Type 2 Diabetes, stroke and respiratory conditions).

West Moreton Hospital and Health Service is committed to ensuring quality patient-centred care remains our core focus.

The Hospital and Health Service reaches a population of approximately 252,000 people in metropolitan and rural settings across four local government areas – Scenic Rim Regional Council, Lockyer Valley Regional Council, Somerset Regional Council and Ipswich City Council. With a population growth across the region of 82% expected by 2026, West Moreton Hospital and Health Service is focused on ensuring services will be suitably targeted and robust to provide for such a significant increase in consumers.

In the 2013-14 financial year, a number of significant milestones were achieved across the service. Challenges were approached head-on and opportunities maximised in terms of the way the organisation provided care to patients across all services. Some key achievements for the reporting period are outlined in the following sections.

Emergency Departments

In 2013-14, West Moreton Hospital and Health Service implemented improvement initiatives to reduce delays in Emergency Departments and streamlining processes across hospitals, with a focus on improving patients' experience and quality of care.

More than 72,000 patients were treated in the Hospital and Health Service's Emergency Departments during the year, with over 54,000 of those patients being treated at Ipswich Hospital. Ipswich Hospital's Emergency Department's performance among our peers strengthened considerably over the year, and is now well-placed to remain one of the highest performing Emergency Departments both at a state and national level.

Significant strategies were progressed throughout the year to improve NEAT performance among our peers. Patient flow information, as well as data from Emergency Departments, Inpatients Units, the Clinical Decision Units and Short Stay Units across the Hospital and Health Service was analysed to assist in planning future models of care and next phase redesign strategies.

In November 2013, a dedicated waiting and treatment area for paediatrics and their families opened within the Emergency Department.

Following the release of the Police and Community Safety Review, from 1 October 2013 the Queensland Ambulance Service became the responsibility of Queensland Health. West Moreton Hospital and Health Service's relationship with West Moreton Ambulance Service Network continues to assist us in meeting the growing needs of the community.

Elective Surgery

Throughout the year the Hospital and Health Service achieved a significant reduction in the number of elective surgery patients waiting longer than clinically recommended.

Ongoing service improvements led to the achievement of all National Elective Surgery Targets (NEST) across the Hospital and Health Service in the last quarter of the reporting period. At the end of the financial year, West Moreton was one of the highest performing hospital and health services both at a state and national level.

During 2013-14, 6,196 elective surgeries were performed. Key service delivery results included:

- 100% of patients requiring surgery within 30 days received it
- 98% of patients requiring surgery within 90 days received it (an increase of 17.5%)
- 99% of patients requiring surgery within 365 days received it (an increase of 13.1%)

This significant improvement is the result of an ongoing service redesign, focusing on streamlining processes and implementing service improvements to reduce the number of long wait list patients. Our particular focus for the year was on refining processes and building internal capacity to ensure sustainable performance in this area.

In March 2014, the development and implementation of Stage 2 of the Extended Care Post-Anaesthesia Care Unit (PACU) helped to improve the impact on surgical wards and facilitate more of a patient focus for surgical wards discharge of post-operative patients.

In the 2013-14 financial year, the organisation committed to ensuring solid strategies were in place, and focused on key areas to remedy improvement.

Investment in increased services

The \$7.4 million budget surplus achieved by West Moreton Hospital and Health Service in the previous reporting period allowed for reinvestment in 2013-14 in hospital patient care initiatives, with particular areas of focus being:

- Hospital at Night program
- Geriatric Peri-operative Service
- Endocrinology and Gastroenterology service enhancements
- Adult Short Stay Unit
- Zero Long Waits strategy for Specialist Outpatients
- Zero Long Wait continued strategy for elective surgery
- 23 Hour unit/Surgical Assessment Unit
- Additional Oncology Clinic
- Enhanced Nursing Hours per Patient Day in Palliative Care, Older Persons, SCN and Surgical Areas.

This investment, along with the embedding of sustainability measures into the core business, will support meeting/exceeding Emergency Department and surgical performance targets for 2014-15 and into the future.

Outpatients

In 2013-14, 120,964 outpatient appointments were provided, and changes have been made across the service to ensure the ongoing provision of the best possible service to our patients.

Across the reporting period, 85% of patients who require specialist outpatient appointments within 30 days were seen within that timeframe – an increase of 12.6% since July 2013.

During the year West Moreton Hospital and Health Service commenced key work to revitalise services and focus on achieving set targets for improved care. Significant in-roads were made to improve services, including the creation of Clinical Nurse roles for each clinic. This resulted in greater patient coordination and case management, and significant enhancements improving patient safety and quality of care, and waiting list management. By March 2014, there were no Category 1 patients waiting for an outpatients appointment.

Following on from this success, in the coming year West Moreton Hospital and Health Service will actively target the wait times for Category 2 and Category 3 patients. The Hospital and Health Service fell short of achieving its performance target for these categories in 2013-14, however it did commence planning for new strategies to address this issue. These strategies include:

- New guidelines and protocols across paediatrics, general surgery, diabetes and cardiology, supported by the General Practice Liaison Officer and West Moreton-Oxley Medicare Local
- Development of discharge protocols to ensure care is transferred to the most appropriate care-giver in a timely manner, facilitating an increased capacity to see new patients
- Ratios for new and review appointments were amended in the later months of the reporting period to reduce the number of review appointments for medicinal clinics. This is expected to reflect a change in the full 2014-15 reporting period.

Supported by an increase in internal investment, West Moreton is confident these strategies will deliver service improvements in the next reporting period.

Path to Excellence (continued)

Public health

The West Moreton Public Health Unit is responsible for delivering services in the areas of environmental health, communicable disease control and epidemiology which are all key components of health protection and seek to safeguard the population from potential harm or illness caused by exposure to hazards and diseases. This includes monitoring and enforcement related activity under a range of public health legislation.

Significant activities for 2013-14 included:

- Response to a measles outbreak (16 cases) across West Moreton Hospital and Health Service including contact tracing of 455 community contacts to prevent ongoing transmission of the disease. In addition to this Public Health followed up over 300 suspected cases of measles.
- Response to over 700 communicable and/or notifiable conditions in the West Moreton Hospital and Health Service area including potential Australian Bat Lyssavirus exposures, Ekka-related Shiga Toxin-producing *E.coli* notifications, hepatitis A and typhoid notifications and community outbreaks of gastroenteritis.
- Undertook 494 environmental health investigations as part of proactive surveillance projects and in response to enquiries, complaints and notifications from industry, government and the general public.
- Undertook inspections as part of two state-wide compliance projects under the Tobacco and Other Smoking Products legislation in relation to sales to minors and general compliance with the legislation in pubs and clubs;
- Undertook microbiological safety assessments of selected foods at a range of local fast food outlets in response to a number of reports of alleged foodborne illness;
- Undertook mosquito surveillance activity in collaboration with local governments as part of the Queensland Dengue Management Plan.
- Completed water fluoridation audits of drinking water treatment plants in the West Moreton Hospital and Health Service for compliance with the drinking water fluoridation legislation;
- Issued two Penalty Infringement Notices for breaches of public health legislation and undertook a successful prosecution for unlicensed pest management activities that had resulted in adverse health effects for a local resident.

Community healthcare

West Moreton Hospital and Health Service delivers wide-ranging healthcare services to the broader community, with multidisciplinary teams servicing the Ipswich, Boonah, Esk, Gatton and Laidley areas.

Community health services are mainly provided from the Ipswich Community Health Plaza and Goodna Community Health in the form of inreach and outreach services, as well as home visiting services from these centres.

The Hospital and Health Service's community focus is on a range of prevention, intervention, treatment and palliation services and ensuring equity of access for those within the community who most need the services.

The development of the *Revitalisation of Community Health Services Plan* in the 2013-14 financial year, positions the Hospital and Health Service to provide improved care and delivery of patient-centred services in the coming years, recognising the opportunities to strengthen service delivery through partnerships with primary healthcare and non-government organisations. It also provides strategies to address hospital avoidance and hospital substitution, and to improve the transfer of care from discharge, to home and the primary care sector.

During the year West Moreton Hospital and Health Service implemented the Family Partnerships Model for community-based child health professionals. The model, which has been implemented in the UK, Australia and New Zealand and is supported by an International Training Board, is an evidence-based skills enhancement program that enables child health professionals to provide high-quality, effective services that engage vulnerable parents, explores problems and problem management, and promotes self-efficacy in a genuine and respectful way.

Ipswich Hospital

Ipswich Hospital, offers all major health specialties, including anaesthetics, emergency medicine, medicine, surgery, intensive and coronary care, orthopaedics, obstetrics, paediatrics, palliative care and rehabilitation, along with a full range of allied health services. The hospital also plays a major role in providing a learning environment for both undergraduate and postgraduate clinical education and training.

A major expansion of Ipswich Hospital was completed in April 2014, and has transformed the hospital into a new state-of-the-art medical facility, offering quality and timely health services to the region. With available funding, the hospital now has the ability to meet the growing needs of the region's population.

The expansion, which includes a new build component and extensive expansion and refurbishment works, delivered:

- An additional 84 beds and associated facilities and services
- A new multi-storey car park for 265 vehicles
- An upgraded Emergency Department including a dedicated paediatric treatment space, short stay beds and a family waiting area
- Increased cardiology capability with the establishment of a dedicated cardiac care ward
- Expanded maternity services.

In 2013-14 the hospital introduced a Hospital at Night operating model, to provide staff and patients with extra support during the night time hours. The model is based on regular connections between the After Hours Nurse Manager, Night Registrar and Operational Services Group at pre-determined intervals to ensure all staff stay connected with the requirements of patients and services overnight, reinforcing the hospital's commitment to patient-centred care.

By the end of 2013-14, the refurbishment of Ward 7C at Ipswich Hospital had progressed substantially, to create an aged-friendly environment supporting enhanced care for our older patients.

Oral health

Oral Health Services are provided at 19 fixed clinics and 14 mobile dental clinics across the West Moreton Hospital and Health Service, and these are coordinated to provide comprehensive adult and school based services. Along with general dental practice, there are a number of specialist services including Oral and Maxillofacial Surgery, Orthodontics, Head and Neck Clinic and General Anaesthetics. The West Moreton Hospital and Health Service main oral health clinic is the Ipswich Community Dental Clinic.

West Moreton Hospital and Health Service Oral Health Services consistently meet or exceed state-wide oral health targets. In 2013-14 the Hospital and Health Service's focus was to achieve a further reduction in oral health waiting times. Currently there are no patients waiting more than two years for general dental appointments, which is an improvement on 19 patients the previous financial year.

In the 2013-14 financial year, the plan is to maintain the reduced waiting time through a mixed model of care which included outsourcing dental treatment to the private sector, along with increasing staff establishment on a temporary basis. In 2013 the provision of the Child Dental Benefit Schedule through Medicare resulted in increased activity in oral health and therefore a greater number of patients seen with a significant reduction in waiting time for dental treatment.

BreastScreen Queensland

In 2013-14, West Moreton Hospital and Health Service achieved its breast screening target, with 10,704 patients seen by the free Breast Screen Queensland service during the reporting period. During the year, mobile BreastScreen outreach services were provided for women in Plainland, Wacol, Goodna, Springfield, Riverlink, Bundamba, Winston Glades, Esk, Toogoolawah, Boonah and The Park – Centre for Mental Health and Kambu, allowing greater community access to the service.

The Picture Archiving and Communication System (PACS) continued to lead to service improvements, allowing radiology images to be quickly transmitted or shared for faster diagnosis by radiologists. This resulted in 547 mammographic recall clients receiving treatment quicker when further follow-up was required, with 88 definitive results being detected in the 12 month period.

New mobile van sites are being continuously added to provide equal opportunity to the total Health Service population. This allows for wheelchair clients and clinical examinations to be achieved within close proximity to the client's home.

Path to Excellence (continued)

Allied health

West Moreton Hospital and Health Service provides a range of allied health services including Audiology, Dietetics and Nutrition, Exercise Physiology, Occupational Therapy, Physiotherapy, Podiatry, Psychology, Social Work and Speech Pathology.

In 2013-14, we have:

- Worked with University of Queensland Health Care to establish an inter-professional student-led clinic in the areas of aged care, chronic conditions, and child development to provide services in the primary care sector as well as optimising the future workforce to inter-professional methods of working
- Undertaken a formal review of the West Moreton Hospital and Health Service child protection practice as a quality initiative to strengthen our services with families
- Developed a sustainable extended hours social work service in Emergency Department, intensive care and birth suites providing a seven day a week, 8am to 8pm rapid response
- Utilised State Funding from the Queensland Health Innovation Fund to open the region's first musculoskeletal clinic at Springfield, reducing the need for patients to be placed on a specialist outpatient waiting list, with the model of care giving patients earlier intervention and appropriate treatment sooner. The team of physiotherapists, dieticians, psychologists, pharmacists and occupational therapists treat patients with shoulder, hip, knee and spinal problems which are either chronic or complex and have not responded to exercise, anti-inflammatories and analgesia. Since the clinic opened in March 2014 until the end of June 2014, 251 patients attended the clinic at Springfield.

This initiative is helping make inroads into the waiting list numbers and providing speedier access to care for patients on the Orthopaedic SOPD wait list, whilst building stronger links with General Practitioners and making effective use of Federally funded *Chronic Disease Management* and *Better Access to Mental Health* plans. From March to end of June 2014, they now have follow-up treatments provided by Physiotherapy, Occupational Therapy, Psychology, Dietetics and Pharmacy at Ipswich Hospital or privately through Chronic Disease Management plans.

184 patients were screened with funding for this service to continue through 2014/2015 financial year.

- Established an Occupational Therapy First Contact Hand Clinic for Category 3 Orthopaedic hand referrals. The clinic is enhancing the patient experience by significantly reducing waiting time between receipt of referral and initial intervention, and has also produced improved symptom management as a result of early, conservative management
- Provided clinical training in Nutrition and Dietetics for pre-entry dietetic students and participated in a research study with the Princess Alexandra Hospital to investigate the effectiveness of meal replacements for obesity management in patients with Chronic Kidney Disease.

In 2014-15, the West Moreton Hospital and Health Service will further progress its *Allied Health Revitalisation Plan*, which will support the organisation and prioritisation of allied health services across the Clinical Services Division. Services will be organised to provide an integrated, responsive and collaborative response to ensure every patient receives the right service at the right time.

Aboriginal and Torres Strait Islander health

West Moreton Hospital and Health Service's communities consist of a broad cultural diversity which includes more than 8,500 or 3.6% identified Aboriginal and Torres Strait Islander people.

In 2013-14, West Moreton Hospital and Health Service continued to progress towards the National "Closing the Gap in Indigenous Disadvantage" targets and goals, and continued to address the many challenges faced by Aboriginal and Torres Strait Islander people, including service gaps, healthcare barriers and employment opportunities experienced by those living in the West Moreton region.

During the year, West Moreton Hospital and Health Service:

- Treated more than 2,400 Aboriginal and/or Torres Strait Islander patients in hospital
- Provided services for more than 3,500 Aboriginal and/or Torres Strait Islander patients through the Ipswich Hospital Emergency Department
- Provided healthcare services valued at over \$12 million
- Invested more than \$1.4 million into Indigenous Health initiatives towards "Closing the Gap"
- Delivered health services in partnership with the Hospital and Health Service's Aboriginal and Torres Strait Islander staff, which is more than 1.5% of the total workforce.

During the reporting period, the Hospital and Health Service progressed its strategic reforms and initiatives for Aboriginal and Torres Strait Islander health outcomes, by focusing on improving every patient's experience and quality of care. Work also commenced on the new organisational *Reconciliation Action Plan – Statement of Intent*, which once finalised, will assist in responding to future issues experienced by Aboriginal and Torres Strait Islander people, and encourage their full participation in developing successful solutions. These initiatives will help West Moreton respond to the challenge of an anticipated 90% increase in the numbers of Indigenous Australians in the region.

The Aboriginal and Torres Strait Islander Cultural Practice Program (CPP) has been delivered across all areas of the West Moreton Hospital and Health Service with over 400 staff successfully completing the course in 2013-14. This program has a focus on further improving Organisational Cultural Competence through the core principles of relationships and partnerships, communication, cultural respect and recognition and community capacity building.

The Hospital and Health Service also participated in the following national initiatives:

- *National Closing the Gap Day* was recognised on 20 March 2014 to acknowledge the importance of all strategies aimed at "Closing the Gap" in life expectancy between Aboriginal and Torres Strait Islander and non-Indigenous Queenslanders
- NAIDOC Week was celebrated across West Moreton Hospital and Health Service in July 2013, marking the 50th Anniversary of the presentation from the Yolngu People of Yirrkala in north-east Arnhem Land of the Yirrkala Bark Petitions to the Federal Parliament.

In 2014-15, the Hospital and Health Service's ongoing focus will be two-fold: to develop and implement whole-of-government policies towards "Closing the Gap in Indigenous Disadvantage" in partnership with Aboriginal and Torres Strait Islander people and partner organisations across the region, and to develop and implement cultural diversity policies, procedures and practices at all levels of the organisation.

Rural health

Providing exceptional healthcare to all our communities is a key commitment of West Moreton Hospital and Health Service. Our rural communities comprise four out of five of the Hospital and Health Service's regions of responsibility and encompass Boonah, Esk, Gatton and Laidley. Services provided to these areas include: emergency, medical, post-acute, rehabilitation, transition, palliative, low intensity, paediatrics and interim care using either a Medical Officer Right of Private Practice or a senior Medical Officer medical model.

In line with the Queensland Government's commitment to providing residents in rural or remote communities greater access to services, West Moreton Hospital and Health Service also supports multiple visiting and outreach specialists.

The implementation of our nurse practitioner model to support emergency and ambulatory services at Gatton, Boonah and Laidley, provided added support to communities across 2013-14, to ensure healthcare was available when needed. Endorsed as specialty practitioners, Nurse Practitioners work alongside doctors and other healthcare professionals to treat patients, diagnose and treat infections, illnesses and other health conditions, and order blood and radiology tests. This model is proving to be an important element of our commitment to services within rural communities.

In accordance with West Moreton Hospital and Health Service's commitment to supporting the delivery of quality care to rural areas, Ipswich Hospital has continued as an identified Rural Generalist Training (RGT) Program provider. In 2014 Ipswich Hospital has a total of 10 Rural Generalist Trainees – five RGT's at Intern level and five RGT's at Junior House Officer level. Each RGT attends a three day Rural Generalist Training program annually. In addition, Ipswich Hospital has one Rural Generalist Training Advanced Skills Training position in Anaesthetics, Obstetrics and Gynaecology, and Paediatrics.

Ipswich Hospital has also continued to participate in the Country Relieving Doctors Program, allocating a total of three Junior House Officers/Senior House Officers per 10-12 week term to rural rotations across the five terms in the year. While the majority of rotations to date have been completed within the West Moreton Hospital and Health Service, some individuals have provided medical relief to the wider Queensland rural hospital community. Also during 2013-14, West Moreton commenced a trial to provide rural rotation to Laidley Hospital.

Path to Excellence (continued)

Boonah Health Service

Boonah Health Service offers an integrated rural service, including a 23-bed hospital with community health program and oral health services and close partnerships with the community. It also provides emergency care, general medicine, palliative care, interim care, transitional care and rehabilitation.

Throughout 2013-14, the Health Service maintained its commitment to meet and focus on fundamentals of care for patients. The Telehealth service continued to develop, offering support to both in-patients and outpatients across an increased number of specialities.

The Health Service continued to maintain appropriate NEAT targets and met all Australian Rehabilitation Outcomes Centre (AROC) targets for rehabilitation patients. Hospital occupancy was also maintained to a high level.

There were changes made to the models of care to support better patient services and to prevent hospitalisation, for example, regular interagency meetings are hosted by the facility to ensure there is follow up of patients at risk, those recently discharged and those requiring additional services. Both private and public providers work together in partnership to provide home visits and follow up phone calls of provision of services as required. Each readmission that occurs in less than 28 days is reviewed and assessed for future planning. Some outcomes include the development of individual care plans to guide Emergency Department presentations, direct admission for palliative patients and timely provision of supports at home.

Esk Health Service

Esk Health Service comprises a 15-bed hospital, a community health program and oral health services. It also provides an Emergency Department, general acute care beds, palliative care, interim care and transitional care. The Health Service also supports many visiting rehabilitation and support professionals.

Esk Health Service has had an average occupancy of 10.4 patients per day. This increase in occupied bed days has meant that all staff have been involved with the improvement of processes to ensure that all patients receive high quality care on every occasion. During the year, the team at Esk excelled in their commitment to safety and quality, having collaborated to focus on fall prevention strategies, hand hygiene compliance, progressing Productive Series and to ensure high compliance with bedside checklists. Esk Health Service was awarded the Clinical Services Sub and Post Acute Care Stream Excellence in Quality Award in April 2014.

Highlights for the Esk Health Service in 2013-14, included the implementation of telehealth services to include both inpatients and outpatients. The further development and expansion of telehealth services will enable community members to attend specialist appointments within their own community and will also broaden the opportunities for accessing specialised services, not traditionally available in Esk.

Esk Health Service continued to exceed the NEAT targets in relation to emergency department attendances, while maintaining high levels of patient satisfaction in relation to the service provided. In addition to this, much work has been done in relation to the handover of care of patients. This may be the writing of a transfer letter or completing and sending an electronic discharge summary, for any patient admitted to Esk Health Service. Esk doctors have developed numerous strategies to ensure this handover of care occurs, which has improved the compliance of this criteria from 27% to over 80%.

Gatton Health Service

Gatton Health Service is a 22-bed rural service. The hospital services include an accident and Emergency Department, medical, post-operative care, post-natal care, respite, step down/rehabilitation and palliative care.

During the year, Gatton Health Service staff, together with staff from Boonah and Esk Hospitals, were acknowledged for their input to a study which set out to measure rates of guideline-recommended interventions and in-hospital clinical acute coronary syndrome events, using public records and health network data from 478 sites and 4,398 patients across Australia and New Zealand. The group went on to receive the National Prize for Excellence in Medical Research for the best research paper, entitled *Acute Coronary Syndrome care across Australia and New Zealand: the SNAPSHOT ACS study*, which was published in the Medical Journal of Australia in 2013.

During 2013-14, significant capital works were undertaken at Gatton Health Service including the installation of new air-conditioning, ceilings and internal painting. The hospital auxiliary also contributed to the enhancement of patient comfort by creating a new covered outdoor area where patients and their visitors can relax and enjoy some fresh air.

Laidley Health Service

Laidley Health Service is a 15-bed hospital, which provides services to the local community including emergency care, general acute beds, palliative care, interim care, transitional care, slow stream rehabilitation and extensive clinics, allied and community health programs.

On 26 February 2014, Laidley Health Service was awarded Best Overall Quality Award for Point of Care testing when assessed against the more than 100 sites Queensland-wide. Significant investment has been made in capital improvements to the building with the replacement of the hot water boilers, levelling and replacement of the majority of the internal stumps, a major upgrade to the parking surface and replacement of the Emergency Department air-conditioning units over the year. The numbers of clients provided service by Laidley Health Service continued to increase at the rate of 5% across the year.

Mental health and specialised services

West Moreton Hospital and Health Service provides comprehensive mental health services, offender health services and some specialised state-wide services, aligned with the *Queensland Plan for Mental Health 2007-17* (QPMH).

Year-on-year, the demand on Mental Health and Specialised Services increases, and in 2013-14, the service received 6,825 referrals, and clinical staff provided service to 139,896 consumers.

At any one time, up to 1,700 people with severe and persistent mental illness actively engage in clinical interventions with the region's Mental Health and Specialised Services. Of these, 45% are treated for a psychotic illness and a further 21% for mood disorders.

Acute mental health inpatient services are provided at Ipswich Hospital and extended, adult-only inpatient services are provided at The Park – Centre for Mental Health, Treatment, Research and Education (The Park). The Park provides secure rehabilitation and state-wide inpatient forensic mental health services, including prison mental health services for south-east Queensland prisons. Other, specialised services are also provided at the correctional facilities of Brisbane Women's Correctional Centre (including the Helana Jones Centre at Albion), Wolston Correctional Centre, Brisbane Youth Detention Centre and Brisbane Correctional Centre.

In July 2013, The Park's new Extended Forensic Treatment and Rehabilitation Unit (EFTRU) was established, to deliver a supervised residential service for adults transitioning from the High Security Inpatient Service to community living. The EFTRU supports consumers with complex care needs, requiring ongoing treatment to prepare them for final discharge into the community.

In early 2014, the Barrett Adolescent Centre (BAC) transitioned to a new state-wide model of care for young people, under the governance of Children's Health Queensland, offering a new range of contemporary adolescent service options for those requiring extended treatment and rehabilitation. This builds on the success achieved during the previous reporting period, when West Moreton Hospital and Health Service initiated the Barrett Adolescent Strategy.

This new state-wide approach to adolescent care prioritises the safety and individual mental health needs of young people and provides for new inpatient and community care options in a suitable environment, where possible, closer to the individual's home, family and social network.

In 2013-14, a number of initiatives were progressed in support of the Hospital and Health Service's aim to provide safe and effective care and rehabilitation options for all mental health patients. The Hospital and Health Service's focus remained on developing innovative approaches and partnerships to improve mental healthcare and the mental health of our community.

Mental Health Consumer and Carer Enhancement Project

During 2013-14, a three-month Consumer and Carer Enhancement Project was undertaken to explore ways to strengthen existing engagement activities between consumers and families/carers and to identify process and service gaps.

The Consumer and Carer Participation Plan was developed after consultation with key stakeholders. It reflects national and state mental health reform and outlines:

- An improved capacity consumer and carer workforce, to promote contemporary mental health services
- Consumer and family/carers participation in service development and delivery
- Opportunities for feedback and engagement in service planning, development and provision
- Ways in which consumers and families/carers can have greater influence and control over their experience within West Moreton's Mental Health and Specialised Services.

Path to Excellence (continued)

Clinical Redesign Project

In response to the increasing number of people presenting to the Mental Health Service and Emergency Departments with mental health issues, in June 2013 the service commenced a Clinical Redesign Project supported by the Queensland Institute for Clinical Redesign, to deliver a safe and efficient patient journey.

The aim of the project was to reduce the risks associated with access and transition of care through better integration and communication between the various services across the Hospital and Health Service.

While the project remains in the implementation stage, the benefits are already evident and include:

- The employment of a Patient Flow Manager to oversee the coordination and communication of flow within the Mental Health Service
- A collaborative approach to discharge planning supported by the introduction of Electronic Journey Boards, clinician discharge estimates and a review of the discharge medication process
- Demand rostering, competency work books for nursing staff and increased staffing of the mental health team in Emergency Departments
- The introduction of Rural Outreach Clinics and the state-wide 1300 mental health number across the Hospital and Health Service.

Electronic Mental Health Record

To improve the safety and quality of clinical care, the mental health service is progressing towards 'paper lean' electronic mental health consumer records, as well as a complete electronic mental health record for consumers, Consumer Integrated Mental Health Application (CIMHA).

The technology allows clinical staff greater access to consumer information including immediate search and retrieval of consumer records, which is seen as a key step in improving clinical outcomes.

CIMHA supports healthier outcomes and improved safety for consumers, and includes real-time access to consumer histories, concurrent access by multiple clinicians, legible documentation and decreased risk of lost paper records.

Migrating to electronic records is also expected to decrease the physical burden on the health service, specifically clinical records services, as well as reducing the risk of workplace incidents associated with carrying heavy charts.

West Moreton Hospital and Health Service provides significant education and research facilities in the area of mental health including the Service Evaluation and Research Unit, Queensland Mental Health Benchmarking Unit and District Mental Health Education Service, as well as supporting the Queensland Centre for Mental Health Learning and Queensland Centre for Mental Health Research.

The Queensland Centre for Mental Health Learning is also a registered training organisation, adding further opportunity for West Moreton to develop programs, implement and strengthen our learning and education services.

Community Reference Groups

The West Moreton Hospital and Health Board has proudly delivered on its promise to establish Community Reference Groups (CRGs) in the Ipswich, Boonah, Laidley, Gatton and Esk communities.

During 2013-14, West Moreton began the process of successfully recruiting and establishing CRGs across the Health Service. These Groups comprise of over 40 well-connected and experienced community members with a common interest in improving health services. Each of the members have brought with them a diverse understanding of their community's needs as well as having extensive involvement in volunteer organisations, community support groups and people from culturally and linguistically diverse backgrounds.

The Groups have been established as a key way for the West Moreton Hospital and Health Service to ensure the voice of the community is heard in the planning, design, delivery and evaluation of health services within the West Moreton Region.

From each of the CRGs, two members have been nominated to form the West Moreton Hospital and Health Service Community Advisory Council. This Council will have a direct reporting link to the West Moreton Hospital and Health Board and will be able to provide the voice of the community on important health service dilemmas such as expanding clinical capability, accessibility of health services and health service planning.

The groups have commenced their involvement in healthcare decision-making with meetings scheduled to occur from August 2014.

Strengthen safety and quality

Key Objectives and Strategies

Develop a culture of performance and a focus on service excellence

- Implement training and development programs to improve teamwork and organisational performance
- Strengthen reporting and systematic monitoring to ensure optimal detection of risks and errors.

Optimise patient safety through the implementation of National Safety and Quality Health Service Standards

- Implement and evaluate the assurance framework to ensure sustained compliance and continuous improvement.

Deliver patient-centred highly-reliable care

- Establish a person-centred approach to care, placing the individual at the centre of all decisions
- Implement and evaluate an integrated clinical governance framework.

Staff and patient safety remains a top priority for the Board.

The implementation in June 2013 of the West Moreton Hospital and Health Service *Strategic Plan, Path to Excellence: 2013-17*, and the subsequent update to produce the 2014-18 version in 2014, continues to guide our decision-making and approach to providing safe, quality health services to all communities in which we operate.

The Plan's updated six strategic directions – revitalise services, strengthen safety and quality, drive innovation and research, enable our people, plan for a sustainable future and maintain financial health – ensures a robust framework for each aspect of our health service, and provides us with a solid foundation for future success.

Compliance and accreditation

West Moreton Hospital and Health Service follows an accreditation cycle which ensures we strive for continuous quality improvement to deliver safer and better quality healthcare. West Moreton Hospital and Health Service is accredited with the Australian Council on Healthcare Standards until March 2017. In 2013-14, the Hospital and Health Service continued to evaluate its levels of safety and patient care and used the results to drive continuous quality improvements, many of which are outlined in this annual report.

West Moreton Hospital and Health Service undertook a self-assessment with the Australian Council on Healthcare Standards in September 2013. The Hospital and Health Service also assessed its compliance with the new National Safety and Quality in Health Service Standards and the Australian Council on Healthcare Standards' EQUIP National Standards. Action plans were developed and preparations commenced for the Australian Council on Healthcare Standards' periodic review survey of West Moreton Hospital and Health Service in 2014-15.

During 2014-15, the organisation will participate in the periodic review survey, and be assessed against new National Safety and Quality Health Standards 1, 2 and 3, and the mandatory actions in EQUIP National Standards 11-15. Accreditation is audit-based and the Hospital and Health Service is committed to making practical changes to ensure requirements for ongoing accreditation becomes part of the service's day-to-day work processes across all clinical areas.

Workforce Management Implementation Project

In July 2013, West Moreton Hospital and Health Service commenced a focused program of improvement relating to rostering to reduce overtime and fatigue across the areas of medical, allied health, nursing, operational and administrative areas. The resulting Workforce Management Implementation Project (WMIP) will improve workforce practices including the more effective management of roster scheduling compliance, fatigue, overtime and leave to maximise health service effectiveness and minimise costs for the Hospital and Health Service.

Path to Excellence (continued)

Day-to-day safety

The Clinical Services Division initiated daily safety briefings in April 2014. These briefings are attended by key staff from across divisions and are a key part of our safety system, and our new way of doing business. The briefings have proven to be invaluable for the timely information sharing, rapid decision-making and addressing of issues relating to patient and staff safety. The shift towards a culture centred on safety is increasingly evident in West Moreton Hospital and Health Service.

Hospital at Night Program

The Hospital at Night program was implemented to ensure the safety of patients during times where data showed patient safety was reduced, especially at nights and out-of-hours on weekends. The Hospital at Night team consists of a Registrar, Ward Call, Clinical Nurse Consultant and Clinical Nurse who are available to attend to patient concerns. This then frees the Patient Flow Manager to focus on patient flow through the hospital.

Clinical Incident Management

The establishment in July 2013 of our Clinical Governance, Education and Research Division is leading the creation of integrated clinical governance systems that maintain and improve the reliability and quality of patient care, as well as improving patient outcomes.

During 2013-14, Queensland Health released a Best Practice Guide to Clinical Incident Management (1st edition 2014). West Moreton Hospital and Health Service adopted the guide and the Patient Safety Team is using the tools to assist them in the delivery of effective patient safety and incident analysis. The guide has been developed to support the staff involved in the management of a clinical incident and provides staff with a framework and support tools to guide local practice.

West Moreton Hospital and Health Service also have a weekly executive triage system during which all major clinical incidents are reviewed and incident analysis processes are allocated. The executive triage ensures regular and ongoing monitoring of the responses to clinical incidents.

Mental Health and Specialised Services has also introduced a weekly triage which focuses on all reported clinical incidents to ensure timely and responsive actions.

Hand hygiene

Our hand hygiene program is a very important and highly visible activity in West Moreton Hospital and Health Service. Our healthcare workers are required to complete an online hand hygiene learning package annually. We continually ensure hand hygiene products are easily accessible to staff and visitors. Most clinical areas at Ipswich Hospital are audited and their practice reported monthly to Executive, the West Moreton Hospital and Health Board and line managers. A new initiative in hand hygiene has been developed and will be introduced soon, with mobile, highly-visible large hand hygiene stations, for use by staff and visitors. The stations also display alternating health and safety messages reinforcing the importance of hygiene.

No Falls campaign

West Moreton Hospital and Health Service is committed to implementing processes and procedures to ensure the safety of staff within the workplace, by drawing their attention to obvious risks. The April No Falls campaign focused on falls prevention and was rolled out across all departments within the Hospital and Health Service. The campaign, designed to educate and raise awareness of falls prevention, saw the implementation of a state-wide falls assessment tool, aimed at increasing the identification of key falls risk factors and initial post-fall observations, as well as improving the time taken to notify medical staff of a fall.

Pressure injury prevention

The Hospital and Health Service also focused on pressure injury prevention throughout the year, a focus which is directly linked to the National Safety and Quality Health Service Standards. Three workshops about identifying issues around pressure injury reporting were held in late 2013 and a number of key improvements have been introduced including, the establishment of a network between the Patient Safety Officer and wound stoma Clinical Nurse, the integration of pressure injury staging reference cards, a pilot to trial state-wide pressure injury assessment forms and ongoing education of staff in skin assessment.

Open Disclosure program

West Moreton Hospital and Health Service revitalised the formal Open Disclosure program to assist with open communication with patients/families and carers when an adverse clinical event or clinical incident has occurred.

Open Disclosure forms part of a quality clinical incident management process and aims to enhance communication with a patient, their family/carers when an incident may have resulted in harm to a patient while receiving healthcare. This helps ensure that lessons are learnt and future strategies incorporate the views of patients and family/carers.

During 2013-14, 15 staff attended an expert training session to develop skills in Open Disclosure. A multi-disciplinary group of staff were trained including mental health clinicians, allied health staff, nurses and midwives, medical staff and patient safety and quality staff.

Complaints management

2013-14 also saw the implementation of a new patient-centred model of service with a focus on resolving complaints, where possible, at the point of service. Supporting this new approach, West Moreton Hospital and Health Service now provides a broad array of pathways by which patients, their families and the community can provide feedback. In addition to feedback being received via phone, letter, email, face to face or by a “have your say forum”, patients and their families can also now choose to use Twitter, Facebook or the Patient Opinion Australia website.

West Moreton Hospital and Health Service’s subscription to the Patient Opinion Australia consumer management feedback platform provides an independent website that enables people to share their healthcare experiences, and for the West Moreton Hospital and Health Service to respond to these comments, on a public forum. Since April 2013, stories on Patient Opinion Australia have been viewed over 18,000 times, reinforcing the unique benefits offered through the site by increased transparency and accountability. West Moreton Hospital and Health Service values all feedback received. Increasing instances of feedback is not a negative, nor necessarily a sign that an organisation is in difficulty; rather it is generally a positive reflection on how seriously an organisation takes its responsibility to seek, value and act on input from its consumers and stakeholders.

Drive innovation and research

Key objectives and strategies

Develop a strong and vibrant research base

- Create a culture of education, research and innovation
- Optimise research partnerships to build capacity and attract funding
- Develop a collaborative approach to education and training.

A key focus for West Moreton Hospital and Health Service during the 2013-14 financial year was on the development of innovative ways to deliver high-quality, safe health services.

Research Day

In October 2013, the fourth annual West Moreton Hospital and Health Service Research Day was held, providing a unique opportunity for clinicians from across the health service to share research they had undertaken in the provision of contemporary clinical care. More than 20 professionals addressed the session delegates, with keynote speeches by Professor John Prins, Dr Judith Hough and Professor Bryan Mowry on topics including “Pioneering Research: Paving the way in bedside cardiorespiratory testing” and “The emerging genetic architecture of schizophrenia”.

Mental Health Research

In August 2013, Professor John McGrath of the Queensland Centre for Mental Health Research within West Moreton Hospital and Health Service, was awarded the prestigious National Health and Medical Research Council John Cade Fellowship.

The Fellowship awarded Professor McGrath \$3.7 million over five years, to progress studies into preventing serious psychiatric disorders, and enabling him and his team to examine the association between early life vitamin D and childhood brain development, and also later mental health and brain-related outcomes.

The Fellowship will also further allow the Queensland Centre for Mental Health Research to build skills in clinical trials and train junior psychiatrists in clinical neuroscience.

Path to Excellence (continued)

Professor Harvey Whiteford, head of the Queensland Centre for Mental Health Research's Policy and Epidemiology stream, and his collaborators published two papers in the journal, *The Lancet*. They found that mental and substance-use disorders were the leading cause of non-fatal illness worldwide in 2010.

Professor McGrath, along with Professor Alan Mackay-Sim at Griffith University and colleagues, published a paper on neural cells in schizophrenia in a leading United States journal, *Biological Psychiatry*. The paper was considered important enough to be the cover article for this prestigious journal.

Innovation Funding

To recognise the success of our staff and their approach to innovation in the workplace, the inaugural *Patient Innovation Fund* was launched, designed to facilitate the improvement of patients' experiences. Funding of \$500,000 was made available, to support successful applicants with their project or initiative over a 12-month period. More than 50 submissions were received and 19 successful applicants were awarded in the areas of Mental Health and Specialised Services, Corporate Governance and Strategy and Clinical Services. Awarded submissions included the purchase of new technology and equipment, improving facilities to support patient safety, staff training and the establishment of greater links with the community through the introduction of new clinics and services. Funds were allocated to innovative projects or initiatives that clearly aimed to demonstrate improvements in the patient experience; to demonstrate alignment with the triple aim of better health, better care and better value; and demonstrate alignment with the West Moreton Hospital and Health Service. These important projects are now underway and we look forward to reporting on their achievements in 2014-15.

The West Moreton Hospital and Health Board has committed a further \$500,00 for Innovation Funding in 2014-15 to continue the implementation of initiatives to improve the patient experience.

Service redesign

Ipswich Hospital's Emergency Department was also recognised in November 2013, for having delivered the most successful redesign project at the Department of Health Clinical Access and Redesign Unit's inaugural '*Leading by Example*' forum.

The award was given due to a dramatic turnaround in the National Emergency Admission Target (NEAT) performance amongst peers, as Ipswich Hospital was consistently exceeding targets. The local success is due to several factors including: a view that achieving NEAT belongs to the whole hospital; a culture of continuous improvement; and strong Executive and senior medical and nursing leadership.

Patient Flow Manager

A new automated monitoring care system, *Patient Flow Manager*, came online in May 2014 to replace the older manual care systems. *Patient Flow Manager* will particularly assist with managing clinical handover templates, which will support safety of the patient at all points of handover such as between staff, shifts and services and facilities.

Further innovative approaches to service delivery were implemented during the year, including the introduction of automated SMS messaging for outpatient appointments, and the introduction of online payment summaries to staff.

High Reliability Training

During 2013-14 over 990 staff across West Moreton Hospital and Health Service attended High Reliability Training. This training focuses an organisation on implementing safety management systems of care and process 24 hours a day. These principles are based on operating models where prediction and mitigation of risk occurs routinely, rather than reaction to events when they happen. It promotes optimal patient flow and staffing, with patients cared for in the right place by the right staff resulting in the best possible care outcomes and patient experience.

Structured Day Program

In 2013-14, a Structured Day Program was strengthened at The Park, to provide all clinical staff with responsibility for developing rehabilitation and recovery activities.

The Structured Day Program ensures consumers are engaged in recovery-focused therapeutic programs, with the aim of improving mental and physical health, increasing skills and promoting pro-social behaviours.

A Recovery Coordinator was appointed in early 2014 to support the Program. A three-monthly timetable is now established, ensuring that more activities are scheduled, there is more multidisciplinary input into program delivery, consumers are actively engaged in planning and evaluating the programs, and resources are used more effectively. This has led to an increase in skills-based, psycho-educational and physical fitness program delivery at The Park.

Infection prevention

A major focus for the Hospital and Health Service was infection prevention. In 2013-14, 70% of staff across the Hospital and Health Service received the influenza vaccination (at work). This was a major achievement in the prevention of infection and surpassed West Moreton Hospital and Health Service's target which was set at 65% of staff receiving the vaccination.

Since February 2014, the Infection Prevention Service instituted several new audit programs for Ipswich Hospital in the areas of Aseptic Non-Touch Technique (ANTT), Bare Below the Elbows (BBE), Environmental Hygiene, Isolation Room Management, Peripheral Intravenous Catheter (PIVC) Insertion and Management, Personal Protective Equipment (PPE) and Waste Segregation, Storage of Sterile Stock, and Transmission Based Precautions. The data collected through the audit programs will be available for analysis and application, and will support the further development of quality improvement programs and monitoring in the area of infection prevention.

Enable our people

Key objectives and strategies

Become an employer of choice in healthcare in south-east Queensland

- Develop a workforce strategy that supports local healthcare decision-making, improved patient access and quality service delivery
- Promote and market the 'West Moreton' brand and reputation as our point of difference.

Develop our people

- Develop a highly skilled, capable and sustainable workforce
- Define leadership culture that reflects West Moreton Hospital and Health Service's vision for the future
- Tailor learning and capability development to organisational needs.

Support and value our people

- Progressive implementation of an organisational structure and culture to facilitate front-line decision-making
- Promote safe and healthy workplaces and work practices
- Develop and implement reward and recognition programs.

In the 2013-14 financial year, West Moreton Hospital and Health Service's Workforce Division, complied with the relevant Queensland Government policies and legislation relating to human resources, workforce recruitment, including the *Public Sector Ethics Act 1994*.

Prescribed Employer status

In June 2012 the *Hospital and Health Boards Act 2011* was amended to give hospital and health services more autonomy, allowing them to be prescribed by regulation to become the employer of staff working in the health service.

In late May 2014, the Minister for Health announced the West Moreton Hospital and Health Service as one of eight hospital and health services across Queensland to have been prescribed by regulation to become the employer of all current and future health service employees.

While the Director-General will continue to be responsible for setting terms and conditions of employment for health service staff, becoming the employer of staff allows the Hospital and Health Service to hold all the authorities and accountabilities for administering the full breadth of human resource functions. The Hospital and Health Service already administers a wide range of human resource functions, and staff should not notice significant changes in the performance of those functions.

Path to Excellence (continued)

Employee terms and conditions, including remuneration and classification structures and negotiation of enterprise bargaining agreements, will continue to be set by the Director-General, Department of Health. The Department will ensure parity of working conditions throughout the State in order to prevent 'wage competition' and to support employment mobility across health services.

This move away from centralised decision-making will provide further flexibility to health services to manage staff and therefore meet community needs. It is consistent with the *Blueprint for better healthcare in Queensland*, the Queensland Public Service values and the intent of the *Hospital and Health Boards Act 2011*.

Working for Queensland employee opinion survey

The West Moreton Hospital and Health Service devoted considerable effort during the year to respond to the outcomes of the 2013 Working for Queensland employee opinion survey. The survey provides a result against which the Hospital and Health Service can measure progress from the previous year on improvements to staff engagement levels and that makes the Health Service a great place to work.

A further survey was undertaken in May 2014 and all workplace engagement factors, including job factors, workgroup factors and workplace and organisational factors improved from the 2013 results. Of particular note, the level of staff engagement with the Hospital and Health Service improved as did the perceptions of leadership across the hospital and health service.

Health Pathways Alliance

The Ipswich and West Moreton Health Pathways Alliance was formed in late 2011 by the West Moreton Hospital and Health Service in collaboration with over 60 partners to address the forecasted clinical workforce shortages in the region. The core objective of the Alliance is to understand the region's future healthcare workforce needs and to attract and engage the local community into healthcare education pathways within the region.

In the past year, the Health Pathways Alliance has engaged over 1000 secondary school students into the healthcare training and employment sector within the region. An opportunity for eight school-based trainees in aged care was also piloted within the Hospital and Health Service supported by many Alliance partners. The success of this program will enable another 15 young people to have an opportunity to enter a school-based traineeship within the district in the coming year.

Workforce engagement

West Moreton Hospital and Health Service is focused on attracting and retaining a highly-skilled workforce. Priorities and strategies to achieve this are supported by strong leadership and engagement with employees. We are focused on managing change to support service delivery while expanding the capacity of the workforce to suit the needs of the increasing population across the region.

The West Moreton Hospital and Health Service Workforce Engagement Strategy supports staff engagement and contribution to the workforce. The strategy facilitates building strong, mutually supportive relationships in all aspects of planning, delivering, improving and evaluating services, leading to service improvement for the wider community.

West Moreton Hospital and Health Service employs approximately 2,641 full-time equivalent staff, making it one of the largest employers in the region in which it operates. There is a major focus on performance planning and the appraisal process to ensure staff receive the support and feedback required to continue to do their jobs well.

During the year, the Clinical Services Executive Team developed a 'Team Charter' allowing the formal signing-off of intents to work in line with agreed behaviours and principles. This underpins the work requirements of all West Moreton Hospital and Health Service staff.

Other workforce engagement key initiatives undertaken during the year include:

- **Allied Health Professional Enhancement Program (AHPEP)** – A state-wide program which provides eligible regional, rural and remote allied health staff with improved access to quality clinical practice, service delivery or evidence-based practice focused placements.
- **Patient and Family Centred Care front line manager training** – Involving 80 key front-line managers and designed to provide the foundations to lead and role-model appropriate staff behaviours and interactions aligned with West Moreton Hospital and Health Service's Patient Centred principles.
- **Step Up: Registrars Leadership Program 2013** – A program focussing on the development and strengthening of skills Registrars need to supervise, motivate and provide effective leadership in a healthcare team.
- **Mandatory Training Month in May 2014** – To ensure staff have the required training to provide safe and appropriate care, and to ensure a safe workplace for themselves and others.
- **Medical Leadership in Action** – An experiential program designed to give Senior Medical Officers an opportunity to further develop leadership skills.

- **West Moreton Hospital and Health Service Privacy Compliance Plan training** – An organisation-wide program, to ensure staff remain aware of the importance of patient privacy, particularly in an environment of rapid technological change. The program was developed following a staff survey during Privacy Awareness Week, to gauge understanding of privacy and confidentiality obligations.
- **Complaints management training with the Ombudsman** – A program focused on ensuring management staff have the skills to effectively respond to consumer and carer complaints.

Medical and nursing education

West Moreton Hospital and Health Service is committed to supporting the education and training of medical and nursing staff, to ensure students and nursing professionals are well-trained and highly-competent, underpinning exceptional service delivery across the community.

West Moreton Hospital and Health Service provides a range of intern/junior doctor and supervisor/registrar educational programs and also hosts undergraduate medical students, predominantly from the University of Queensland. The medical education topics offered for interns and junior doctors in 2013-14 included:

- **Junior Doctor Education Program** – twice weekly program consisting of case presentations, discussions, practical skills training and tutorials. Attendance ranges from 20-40 attendees per session
- **Balint Group** – Professional Development workshops for intern training and is incorporated into the Junior Doctor Education Program, these sessions are set up in a supportive, confidential environment to discuss and promote coping strategies and develop an understanding of the patient and doctor perspectives
- **Ward rounds** – Individual departments conduct teaching ward rounds, tutorials, and case-based discussions for intern and junior doctor education, 'every-day learning program'. This is coordinated in each department and run predominately by either consultants or registrars. For example, Medicine Department coordinate three education sessions per week with electrocardiogram and radiology weekly workshops.

Internal education and training for registrars and consultants is organised through the respective departments in accordance with individual specialty college training curriculums. Education and training is delivered in the form of case presentations and discussions, journal clubs, special tutorials and inter-hospital videoconferences. Some specific examples of programs held in 2013-14 included:

- **Teaching on the Run Program** (multi-disciplinary program run by Medical Education Unit) – held in June 2014 with 10 attendees and over 20 applications. The next program workshop is scheduled for October 2014
- **Ipswich Hospital Grand Rounds Program** (multidisciplinary program run by Medical Education Unit) – average attendance per session per month of approximately 60 attendees.

In 2013-14, the Hospital and Health Service offered more than 35 formal education programs on a range of topics, which included (but was not limited to) *Advanced Adult Life Support*, *Patient Care Essentials: Bringing Back the Basic*, *NeoResus Workshop*, *Recognition and Management of the Deteriorating Paediatric Patient* and *Enhancing Patient Education*.

A major focus remains the coordination of undergraduate and post graduate nursing and midwifery student placements and orientations across West Moreton. In 2013, 1,275 university and TAFE students were integrated across the Hospital and Health Service, totalling almost 104,000 teaching hours throughout the year.

In addition, West Moreton Hospital and Health Service:

- Coordinated local participants in five state-wide transition support programs for nurses and graduate nurses to new specialties including the Intensive Care Unit, Emergency Department, Mental Health, Paediatrics and Peri-operative
- Coordinated 15 Mental Health (Nursing) Masters students
- Offered locally-developed, implemented, evaluated and benchmarked Graduate Nurse and Graduate Midwife programs
- Coordinated mandatory education programs in specialty clinical areas.

The Hospital and Health Service also supported the development of life-long learning pathways for all nurses and midwives to help establish priorities for professional development. Clinical Competency Workbooks were given to all mental health nurses.

Path to Excellence (continued)

Occupational health and safety

This financial year, significant progress has been made to address the safety culture in the Hospital and Health Service; to minimise risk of work-related illness or injury and to minimise costs associated with WorkCover claims and common law. This has been realised through increased compliance among staff with mandatory occupational health and safety training, improved recording and reporting systems to monitor compliance, developing safe handling procedures and resources, developing more mature systems to monitor and analyse occupational health and safety performance, including improved reporting to the Board and Executive. A revised model for Aggressive Behaviour Management Training has been implemented and hazard identification and risk assessment processes have been improved. New systems are also in place to review and monitor corrective actions following audits and risk assessments.

West Moreton Hospital and Health Service achieved excellent results in reducing the time lost due to workplace injuries by 15% in 2013-14. This reduction was the result of increased staff awareness of safety and their vigilance in identifying and rectifying hazards and improved return to work dates. A new Workplace Health and Safety Checklist was introduced by the Occupational Health and Safety Unit across the Hospital and Health Service in March 2014 and it is expected that this will further improve results.

While prevention is a key element of the workplace safety initiative at West Moreton Hospital and Health Service, the return to work element focuses on providing assistance and support to staff returning to work after a workplace incidence as quickly as possible. This two-pronged approach aims to prevent workplace incidents however when they do occur the new focus is on the staff member. This supported return to work approach reduces isolation and improves recovery for staff. Duties are modified according to medical advice and type of injury sustained.

During 2013-14, West Moreton Hospital and Health Service also maintained excellent performance across a number of measures and ranked below the national industry average and the targets set by Queensland Health. The average number of days until the staff member returned to work was 10.44 days, well below the target set by Queensland Health of 21.44 days.

Staff awards

Recognition of staff achievements is an important part of West Moreton Hospital and Health Service's approach to developing a strong and committed workforce.

In 2013-14, the Board introduced the inaugural *West Moreton Hospital and Health Service Award for Outstanding Contribution*. The Award recognises one staff member each year who has gone above and beyond in making a significant contribution to the service and community. The first recipient of the Award was **Dr David Walters** for excellence in orthopaedic care. Dr Walters has been providing orthopaedic services in the Ipswich region since 1973 and has been involved in teaching of orthopaedic advanced trainees at Ipswich Hospital in all aspects of orthopaedic surgery since 1989.

Additionally, the Board also recognised the achievements of six individuals and four teams through the *Australia Day Achievement Awards* – the highest level of recognition awarded to staff. The following staff were recognised in January 2014 for their achievements:

- **Dr Adel De Klerk Braasch**, for the development of an out-of-hours asthma clinic for difficult to treat asthmatics. The clinic has been successful in reducing hospitalisations of asthmatics
- **Caroline Zinnermann**, for her role as a consumer consultant for Mental Health and Specialised Services division, and seeking opportunities to promote mental health and reduce the stigma by talking openly and educating the community
- **Lynette Gill**, for leading the work required to complete the very first financial statement for our Hospital and Health Service, and ensuring the implementation of an effective compliance framework. Her work was recognised by the Queensland Audit Office for being of a high standard and enabled the Hospital and Health Services to achieve the highest score for completeness and accuracy of financial statements
- **Judy Blinco**, for her long-running nursing career at Ipswich Hospital since 1973, and the dedication of her working life to orthopaedic patients within the region
- **Lynne Kiernan**, for the establishment and management of West Moreton's internal audit function, which will serve the Hospital and Health Service well into the future

- **Dr Michael Bolton**, for being an inspirational role-model to colleagues by always having his patients' comfort and dignity at the centre of his decision-making and provision of care, and by streamlining systems to achieve efficiencies and benchmarks
- **West Moreton Public Health Team**, for effectively managing one of the largest measles outbreaks in Queensland, and one of the largest in the country for many years
- **Ipswich Hospital Courtesy Bus Team**, for providing excellent customer service, which is highly-valued by the patients, visitors and staff of Ipswich Hospital, and for being great ambassadors for the organisation
- **Queensland Centre for Mental Health Research Policy and Epidemiology Group**, for their development of the mental and substance-use disorders component of the landmark Global Burden of Disease Study 2010 which showed these disorders are significant contributors to the disease burden both globally and in Australia
- **Gatton Food Services**, for implementing a new, nutritionally-analysed patient menu and improving meal processes.

2014 Nursing and Midwifery Awards

The inaugural West Moreton Hospital and Health Service nursing and midwifery Excellence Awards were held in May 2014, to recognise the outstanding contribution of nursing and midwifery staff across the Hospital and Health Service.

More than 40 award nominations were received by the nursing leadership team and each of the following winners were awarded across the seven categories:

- **Excellence in patient-centred care** – Darren Mahoney, Nurse Unit Manager, Kuranda, The Park
- **Excellence in nurse education** – Ashleigh Djachenko, Acting Nurse Educator, Prison Mental Health Services
- **Excellence in innovation and research** – Kelly Foster, Clinical Nurse Consultant, Emergency Department (Paediatrics)
- **Excellence in patient safety** – Nicole Hayes, Registered Nurse, Ward 7A
- **Excellence in collaborative teamwork** – Carmel O'Neill, Clinical Nurse, Transition Care Program
- **Excellence in nurse leadership** – Nicole Ledger, Nurse Unit Manager, Boonah Hospital
- **Lifetime achievement awards** – Pat Butler, Enrolled Nurse, Ward 4F and Mary Purser, Nurse Educator, Nurse Education

Plan for a sustainable future

Key Objectives and Strategies

Optimise current and develop new infrastructure investment

- Explore opportunities for partnerships in the use of infrastructure and equipment
- Tailor current and future infrastructure development, assets and capital works to suit service delivery to the local community.

Increase the use of information and technology solutions to improve the efficiency, effectiveness and quality of health services

- Implement process and system changes to maintain performance within the context of National Health Reform and Activity Based Funding
- Support planning, management and reporting by providing access to accurate, timely and complete information.

Anticipate demand and plan for growth in health services to meet local health needs

- Undertake collaborative population health planning and evidence-based needs assessment to develop a Health Services Plan to 2026
- Implement demand management models as part of Clinical Services Plan that informs annual Purchasing Agreement.

Both Ipswich and the Western Corridor are forecast to experience significant growth in population of 82% by 2026.

Infrastructure improvements and planning studies were undertaken during 2013-14 to ensure necessary health services are in place to meet this projected population boom.

Health service planning

In 2013-14, West Moreton Hospital and Health Service and Metro South Hospital and Health Service undertook a joint health service planning study to examine the healthcare needs of south-east Queensland's south-west growth corridor.

The *South-West Growth Corridor Health Service Plan 2013* was completed in July 2013 and a preferred service option was endorsed by both the West Moreton and Metro South Hospital and Health Service Boards. The preferred service option includes staged redevelopments of Logan and Ipswich Hospitals in the medium-to-long term respectively, and a greenfield hospital development in the Springfield region in the short-term.

Path to Excellence (continued)

Later in 2013, West Moreton Hospital and Health Service developed the West Moreton Hospital and Health Service *Health Service Plan 2013-27*, which builds upon the preferred service option of the *South-West Growth Corridor Health Service Plan 2013*, and outlines West Moreton's catchment health service needs for each clinical service line through to 2026/27 as well as high level strategies to meet those needs. *West Moreton's Health Service Plan 2013-27* also outlines the Hospital and Health Service's key objective including increasing self-sufficiency and becoming a small tertiary facility.

The consultation draft *Health Service Plan 2013-27* was completed in March 2014 following a six-week consultation period with internal and external stakeholders which included: community information sessions in Boonah, Gatton, Esk, Laidley and Ipswich; personalised invitations to key stakeholders; and an online survey on the West Moreton Hospital and Health Service internet site.

Medicare Local

The Partnership Protocol between West Moreton-Oxley Medicare Local and West Moreton Hospital and Health Service commenced in December 2012 and a second protocol was signed off in February 2014. Consistent with the aim of the protocol the following has been achieved:

- Pre-referral guidelines for outpatient services developed and communicated with General Practitioners
- Success in a joint funding application for the Patient Emergency Access Point (PEAP) initiative. This project is attracting broad interest from Medicare Locals and other hospital and health services regarding its potential to divert patients from Emergency Departments. The establishment of a General Practice Liaison Officer (GPLO) as a joint initiative, with costs shared between West Moreton-Oxley Medicare Local and the West Moreton Hospital and Health Service. The role is a key component of the partnership arrangement between the two organisations to improve service integration and coordination in patient care. The GPLO works with a Local Clinical Governance Group which provides advice to the West Moreton Oxley Medicare Local in relation to matters of concern to GP Practices in the West Moreton Region, and also sits on the Lead Clinician Group at the West Moreton Hospital and Health Service. The role plays an important part in the development of networks and partnerships between hospital clinicians and primary care providers and contributes to delivering better outcomes for patients and the community

- Initiating an integrated approach to the promotion of the Personally Controlled Electronic Health Care Record (PCEHR). Development of a *Stakeholder Engagement Strategy and Communications Plan* aligned with the *West Moreton Consumer and Community Engagement Strategy*. Formal links between West Moreton and West Moreton-Oxley Medicare Local's community and consumer engagement strategies were established in November 2013, providing for an optimum level of engagement to assess community health requirements and priorities
- Establishing close working relationships in planning and the sharing of information. In addition to the Integrated Services Working Group, the West Moreton Lead Clinician Group includes representation from West Moreton-Oxley Medicare Local and the West Moreton-Oxley Medicare Local's Chief Executive Officer is a member of the West Moreton Hospital and Health Service Strategic Partnerships Committee. Currently, the West Moreton-Oxley Medicare Local shares information released by the National Health Performance Authority via the Strategic Partnerships Committee. This increased level of joint planning and information-sharing will deliver a more streamlined service to consumers.

Backlog Maintenance Remediation Project

The Backlog Maintenance Remediation Project (BMRP) is a four year program to undertake backlog infrastructure maintenance within the Hospital and Health Service. Total annual funding of \$4.9 million (\$3.9 million from the Department of Health and \$1.0 million funded by the Health Service) will enable the completion of essential activities, such as the maintenance of electrical, water and fire systems, across all West Moreton facilities, to ensure they support the delivery of health services. During the 2013-14 reporting period, West Moreton achieved all project delivery targets established by the Department of Health and will therefore receive additional incentive funding of \$1 million in 2014-15.

Achieve financial health

Key objectives and strategies

Build financial stewardship

- Develop and implement an education and training program to enhance the capability and financial capacity of decision-makers
- Review and implement an enhanced governance, risk management and financial reporting framework.

Maximise revenues

- Maximise own source revenue
- Identify innovative models to generate new sources of revenue
- Develop a strategic investment plan to further improve health service performance.

Streamline systems to achieve operational efficiencies, providing value in health services

- Reduce waste and maximise efficiency through effective decision support, and benchmarking
- Deliver services with a focus on outcomes in line with the healthcare purchasing agreement.

In the 2012-13 financial year the West Moreton Hospital and Health Service delivered an operating surplus of \$7.4 million. The surplus achieved in the 2012-13 financial year was reinvested into the Hospital and Health Service in the following ways:

- **Maternity funding** – Funding for seven additional midwifery staff and increased Obstetrics capability (\$1.8 million)
- **Backlog Maintenance** – West Moreton Hospital and Health Service's contribution to the Backlog Maintenance program (\$1.1 million)
- **Elective Surgery** – Investment in elective surgery through the outsourcing of long-wait patients and utilisation of a seventh operating theatre (\$1.012 million)
- **Increased Cardiology Capability** – Addition of a Senior Medical Officer, a Clinical Nurse and an Advanced Trainee Registrar (\$0.6 million)
- **Paediatric Capability** – Increase in resources to ensure high clinical practice standards dedicated to paediatrics (\$0.25 million)
- **Emergency Department** – Additional medical staff to continue the improvements within the Emergency Department and to continue our strong performance amongst peers against the National Emergency Access Target (NEAT) (\$0.5 million)
- **Emergency Management Fund** – Provision of funds to cover additional costs for emergency situations including outbreaks e.g. Norovirus and Measles (\$0.75 million)
- **Innovation Funding** – Funding to support West Moreton Hospital and Health Service staff initiated projects that clearly demonstrate a positive impact on the patient experience, and that align with the triple aim of better health, better care and better value (\$0.44 million).

The 2013-14 financial year was West Moreton Hospital and Health Service's second year operating as an independent statutory body under the *Hospital and Health Boards Act 2011*, and for the second consecutive year, the Hospital and Health Service returned a budget surplus.

This 2013-14 surplus position of \$29.741 million demonstrates the Hospital and Health Service's ongoing positive transformation from a challenging financial position two years ago. This substantially stronger financial position reinforces the prudent financial management of the organisation and highlights the greater efficiencies achieved through our improved service delivery model.

As a statutory body, the Hospital and Health Service operates within an Activity Based Funding model, and is responsible for developing its own financial management plan, including financial assumptions and embedding of financial scenario modelling.

Path to Excellence (continued)

For the 2013-14 financial period, West Moreton's focus was on delivering clinical activity monitoring, performance management and decision-making, as well as accurate, timely and focused reporting to assist the operational management and strategic positioning of the organisation. These will remain key areas of focus for the coming year.

The internal audit function, established in the previous financial period, continued to play an important role in 2013-14 in ensuring the Hospital and Health Service's financial and operational controls remained efficient, effective and ethical, and will further assist with improving business performance. The financial risk register continued as a key source of record keeping, helping to maintain a clear sight of risks to the service, while monitoring the status of actions.

Strategies for maximising revenue were also implemented during the 2013-14 period and included, but were not limited to, increasing revenue from private patients and continuing to drive the Hospital and Health Service's Own Source Revenue through the opening and operation of the second car park at Ipswich Hospital.

In 2013-14, West Moreton Hospital and Health Service undertook its first external audit as an independent statutory body. This resulted in the external auditor providing an unqualified opinion that the organisation's financial statements were fairly and appropriately presented in accordance with generally accepted accounting principles. This further demonstrates our robust governance framework, systems, processes and practices. The development of a Fraud Control Framework, Cost Centre Manager Training and an increase in the organisation's internal audit capabilities further supported the Hospital and Health Service's achievements across the year and will provide strength and stability into the coming financial period.

Savings achieved during this financial year will be re-invested into West Moreton's service delivery with the aim of achieving zero long waits for outpatients and continuing to improve the performance of Emergency Departments.

Cost Centre Manager Training

During 2013-14, training was provided to develop the business skills of health professionals to build capacity and capability for cost centre managers across West Moreton. This training was provided to staff with line management responsibilities. A number of core topics were covered, including fraud awareness, saving strategies, introduction to accounting, communication and managing teams, review of fundamentals of finance and performance reports and the business planning framework overview.



Ipswich Hospital Foundation

This year provided a great opportunity for the Ipswich Hospital Foundation to work more closely with the West Moreton Hospital and Health Service, to provide improved health services and make the community one of the healthiest in Australia.

During the reporting period, Griffith University's Professor Debra Hoepner was appointed to the Ipswich Hospital Foundation Board by the Minister for Health, and the Foundation looks forward to working with Debra and benefitting from her extensive knowledge in healthcare.

A key achievement during the 2013-14 financial year was the launch of a monthly publication called *Healthy Living Ipswich*. *Healthy Living Ipswich* provides information on how to be healthy including recipes and healthy living ideas, and provides a platform through which local businesses are able to support the Foundation. Approximately 70,000 copies of *Healthy Living Ipswich* are distributed each month, which is the highest distribution rate of any Ipswich publication.

In May 2014, the Ipswich Hospital Foundation also launched a digital signage campaign across the Hospital and Health Service. Signage was installed in the Ipswich Hospital car park and the Ipswich Health Plaza car park, promoting a range of health messages. Due to its success, the project is expected to be extended to other West Moreton Hospital and Health Service facilities in the coming year.

Other major highlights for the Foundation throughout 2013-14 included:

- The *Ipswich Park2Park* fun run, which attracted more than 2,000 participants – a record-breaking number of people walking, and running their way to better health. Approximately \$20,000 was raised for health and medical research in the West Moreton area.
- The *Ipswich 100 Bike Ride* which attracted close to 1,000 bike riders and raised approximately \$100,000 of which the Ipswich Hospital Foundation received a contribution as an official event charity.
- *Fit4Life* activities attracted approximately 300 community members each week, especially mothers and baby groups and at-risk health populations.
- The Foundation's men's health partnership with *Swich On Inc.* continued to prosper during the year with monies raised from a fundraising dinner contributing to the quarterly 'Breakfast for Blokes'.
- Support for the Ipswich Hospital's Sunshine Circle – an initiative of the West Moreton community in support of a brighter, healthier future for the children of Ipswich – remained strong thanks to a number of community groups including Driver Survivor, Happy Wanderers, Bradken and local fundraisers Grace and Richard.

Donations received throughout the year enabled the purchase of long-term, viable entertainment equipment for the children's ward including Nintendo DS play systems and portable DVD players. Thanks also to donations from Woolworths Australia and the Driver Survivor Group, Ipswich Hospital Foundation was able to purchase a 'giraffe shuttle' which is a vital piece of equipment for the Ipswich Hospital Special Care Nursery that connects to an infant warmer and supports the transport of the Hospital's smallest patients. Parents of the Sunshine Children's Ward also benefited from the addition of lounge chairs donated by Grandchester Social Club and the Australasian Order of Old Bastards.

- The Queensland Centre for Mental Health continued to partner with and fund a PhD research fellow Ilvana Dzafic, with additional support provided by mental health carers, The Arafmi Group of the Sunshine Coast.
- Support continued for University of Queensland Scholarships and Awards for health and medical students, with the Ipswich Hospital Foundation continuing to support and reward the students who will underpin the future of our health service.
- Dr Kylie Baker and Dr Thomas Nathow continued to receive support from the Ipswich Hospital Foundation for their health and medical research within West Moreton Hospital and Health Service. Dr Baker's research focused on the use of ultrasound within Emergency Departments and Dr Nathow's research focused on diabetes in the field of palliative care.
- Professional development funds remained in place for West Moreton Hospital and Health Service staff, including a number of Indigenous Health Workers and Child Health staff.
- Maintaining partnerships and supporting conferences and workshops held by key groups including the Queensland Orthopaedic Physiotherapy Network, the Queensland Rehabilitation Physiotherapy Network, the Queensland Cardiorespiratory Physiotherapy Network, the Youth Mental Health First Aid courses and International Social Work Day.
- Responding to almost 100 requests received by the Ipswich Hospital Foundation Resource Centre to provide hire equipment to support the running of major and interstate events including *City2South*, *Gold Coast Marathon*, *Jetty2Jetty*, *Rail Trail*, *Lockyer Valley Fun Run*, *The Lakes College Fun Run (North Lakes)*, *Mother's Day Classic*, *7 Pillars Bike Ride*, *Ipswich 100 Bike Ride* and *Anzac Run*.

Tom Yates
Executive Officer
Ipswich Hospital Foundation



Glossary of terms and acronyms

Term	Meaning
Accessible	Accessible healthcare is characterised by the ability of people to obtain appropriate healthcare at the right place and right time, irrespective of income, cultural background or geography.
Activity Based Funding (ABF)	<p>A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by:</p> <ul style="list-style-type: none">• Capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery• Creating an explicit relationship between funds allocated and services provided• Strengthening management's focus on outputs, outcomes and quality• Encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness• Providing mechanisms to reward good practice and support quality initiatives.
Acute	Having a short and relatively severe course.
Acute care	<p>Care in which the clinical intent or treatment goal is to:</p> <ul style="list-style-type: none">• Manage labour (obstetric)• Cure illness or provide definitive treatment of injury• Perform surgery• Relieve symptoms of illness or injury (excluding palliative care)• Reduce severity of an illness or injury• Protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function• Perform diagnostic or therapeutic procedures.
Admission	The process whereby a hospital accepts responsibility for a patient's care and/or treatment. It follows a clinical decision, based on specified criteria, that a patient requires same-day or overnight care or treatment, which can occur in hospital and/or in the patient's home (for hospital-in-the-home patients).
Allied Health staff	Professional staff who meet mandatory qualifications and regulatory requirements in the following areas: audiology, clinical measurement sciences, dietetics and nutrition, exercise physiology, leisure therapy, medical imaging, music therapy, nuclear medicine technology, occupational therapy, orthoptics, pharmacy, physiotherapy, podiatry, prosthetics and orthotics, psychology, radiation therapy, sonography, speech pathology and social work.
Ambulatory	Care provided to patients who are not admitted to the hospital, such as patients of emergency departments, outpatient clinics and community based (non-hospital) healthcare services.
Benchmarking	Involves collecting performance information to undertake comparisons of performance with similar organisations.
Best practice	Cooperative way in which organisations and their employees undertake business activities in all key processes, and use benchmarking that can be expected to lead to sustainable world class positive outcomes.
Clinical governance	A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.
Clinical practice	Professional activity undertaken by health professionals to investigate patient symptoms and prevent and/or manage illness, together with associated professional activities for patient care.
Clinical workforce	Staff who are or who support health professionals working in clinical practice, have healthcare specific knowledge/experience, and provide clinical services to health consumers, either directly and/or indirectly, through services that have a direct impact on clinical outcomes.
Emergency Department waiting time	Time elapsed for each patient from presentation to the Emergency Department to start of services by the treating clinician. It is calculated by deducting the date and time the patient presents from the date and time of the service event.
Full Time Equivalent (FTE)	Refers to full time equivalent staff currently working in a position.

Term	Meaning
GP	General Practitioner
Health outcome	Change in the health of an individual, group of people or population attributable to an intervention or series of interventions.
Health reform	Response to the National Health and Hospitals Reform Commission Report (2009) that outlined recommendations for transforming the Australian health system, the National Health and Hospitals Network Agreement (NHHNA) signed by the Commonwealth and states and territories, other than Western Australia, in April 2010 and the National Health Reform Heads of Agreement (HoA) signed in February 2010 by the Commonwealth and all states and territories amending the NHHNA.
Hospital	Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.
Hospital and Health Board	Hospital and Health Boards are made up of a mix of members with expert skills and knowledge relevant to managing a complex healthcare organisation.
Hospital and Health Service	A separate legal entity established by Queensland Government to deliver public hospital services.
Hospital in the home	Provision of care to hospital-admitted patients in their place of residence, as a substitute for hospital accommodation.
Indigenous health worker	An Aboriginal and/or Torres Strait Islander person who holds the specified qualification and works within a primary healthcare framework to improve health outcomes for Indigenous Australians.
Inpatient	A patient who is admitted to a hospital or health service for treatment that requires at least one overnight stay.
Long wait	A 'long wait' elective surgery patient is one who has waited longer than the clinically recommended time for their surgery, according to the clinical urgency category assigned. That is, more than 30 days for a category 1 patient, more than 90 days for a category 2 patient, and more than 365 days for a category 3 patient.
Medicare Local	Established by the Commonwealth to coordinate primary healthcare services across all providers in a geographic area. Works closely with hospital and health services to identify and address local health needs.
Medical practitioner	A person who is registered with the Medical Board of Australia to practice medicine in Australia, including general and specialist practitioners.
MOHRI FTE	MOHRI is a whole of government method for reporting and monitoring the Queensland Health Workforce. MOHRI stands for Minimum Obligatory Human Resource Information and FTE stands for Full Time Equivalent employee.
NEAT	National Emergency Access Target.
NEST	National Elective Surgery Target.
Nurse practitioner	A registered nurse educated and authorised to function autonomously and collaboratively in an advanced and extended clinical role. The nurse practitioner role includes assessing and managing clients using nursing knowledge and skills and may include, but is not limited to, direct referral of clients to other healthcare professionals, prescribing medications, and ordering diagnostic investigations.
Outpatient	Non-admitted health service provided or accessed by an individual at a hospital or health service facility.
Outpatient service	Examination, consultation, treatment or other service provided to non-admitted non-emergency patients in a speciality unit or under an organisational arrangement administered by a hospital.
Outreach	Services delivered to sites outside of the service's base to meet or complement local service needs.
Overnight stay patient	A patient who is admitted to, and separated from, the hospital on different dates (not same-day patients).
Patient flow	Optimal patient flow means the patient's journey through the hospital system, be it planned or unplanned, happens in the safest, most streamlined and timely way to deliver good patient care.
Performance indicator	A measure that provides an 'indication' of progress towards achieving the organisation's objectives. Usually has targets that define the level of performance expected against the performance indicator.

Glossary of terms and acronyms (continued)

Term	Meaning
Private hospital	A private hospital or free-standing day hospital is either a hospital owned by a for-profit company or a non-profit organisation and privately funded through payment for medical services by patients or insurers. Patients admitted to private hospitals are treated by a doctor of their choice.
Productive Series	Also known as the Releasing Time to Care Program, is a suite of products developed to release time away from non-value added activities, allowing staff to focus more on what improves quality, safety and efficiency of the service delivered. The Department of Health purchased the license in June 2011 for use across hospital and health services.
Public patient	A public patient is one who elects to be treated as a public patient, so cannot choose the doctor who treats them, or is receiving treatment in a private hospital under a contract arrangement with a public hospital or health authority.
Public hospital	Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
QGIF	Queensland Government Insurance Fund.
Registered nurse	An individual registered under national law to practice in the nursing profession as a nurse, other than as a student.
Statutory bodies/authorities	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees/councils.
Sub-acute	Sub-acute care focuses on continuation of care and optimisation of health and functionality.
Sustainable	A health system that provides infrastructure, such as workforce, facilities and equipment, and is innovative and responsive to emerging needs, for example, research and monitoring within available resources.
Telehealth	Delivery of health-related services and information via telecommunication technologies, including: <ul style="list-style-type: none"> • Live, audio and/or video inter-active links for clinical consultations and educational purposes • Store-and-forward Telehealth, including digital images, video, audio and clinical (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists • Teleradiology for remote reporting and clinical advice for diagnostic images • Telehealth services and equipment to monitor people's health in their home.
Triage category	Urgency of a patient's need for medical and nursing care.
Visiting medical officer	A medical practitioner who is employed as an independent contractor or an employee to provide services on a part time, sessional basis.
Weighted Activity Unit 16	A single standard unit used to measure all activity consistently. Phase 16 is the version of the Queensland Health Activity Based Funding Model.



Compliance checklist:

Annual report requirements for Queensland Government agencies

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs – section 8	Page 1
Accessibility	Table of contents	ARRs – section 10.1	Page 2
	Glossary		Page 44-46
	Public availability	ARRs – section 10.2	Inside front cover (IFC)
	Interpreter service statement	<i>Queensland Government Language Services Policy</i>	IFC
		ARRs – section 10.3	
	Copyright notice	<i>Copyright Act 1968</i>	IFC
		ARRs – section 10.4	
General information	Information Licensing	<i>QGEA – Information Licensing</i>	IFC
		ARRs – section 10.5	
	Introductory information	ARRs – section 11.1	Page 3-5
	Agency role and main functions	ARRs – section 11.2	Page 6-8
	Operating environment	ARRs – section 11.3	Page 7-8
Non-financial performance	Machinery of government changes	ARRs – section 11.4	Not applicable
	Government's objectives for the community	ARRs – section 12.1	Page 7-8, 20-42
	Other whole-of-government plans/specific initiatives	ARRs – section 12.2	Page 7-8, 20-42
	Agency objectives and performance indicators	ARRs – section 12.3	Page 3-8
	Agency service areas, and service standards	ARRs – section 12.4	Page 6-8, 18-21
Financial performance	Summary of financial performance	ARRs – section 13.1	Page 6-8, 18-21
Governance – management and structure	Organisational structure	ARRs – section 14.1	Page 17
	Executive management	ARRs – section 14.2	Page 9-15
	Related entities	ARRs – section 14.3	Not applicable
	Government bodies	ARRs – section 14.4	Not applicable
	Public Sector Ethics Act 1994	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule)	Page 35
Governance – risk management and accountability		ARRs – section 14.5	
	Risk management	ARRs – section 15.1	Page 16-17, 38, 42
	External scrutiny	ARRs – section 15.2	Page 16-17, 42
	Audit committee	ARRs – section 15.3	Page 9, 16-17
	Internal audit	ARRs – section 15.4	Page 16-17, 42
	Public Sector Renewal	ARRs – section 15.5	Page 3-8, 20-42
Governance – human resources	Information systems and recordkeeping	ARRs – section 15.6	Page 16-17, 23, 30-34, 42
	Workforce planning, attraction and retention, and performance	ARRs – section 16.1	Page 6, 18, 20, 22-42
	Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i>	Page 20
		ARRs – section 16.2	

Compliance checklist (continued)

Summary of requirement		Basis for requirement	Annual report reference
Open Data	Open Data	ARRs – section 17	Page 1
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 43 and 50 ARRs – section 18.1	Page 91
	Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Page 92
	Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	Page 83-88

Note: FAA Financial Accountability Act 2009 | FPMS Financial Management and Performance Standard 2009 | ARR's Annual Report Requirements for Queensland Government agencies



Financial Statements 2013–14

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West Moreton Hospital and Health Service (West Moreton) was established on 1 July 2012 as a statutory body under the *Hospital and Health Boards Act 2011* and is domiciled in Australia.

The System Manager of West Moreton is the Department of Health. The ultimate parent entity is the State of Queensland.

Its principal place of business is:

West Moreton Hospital and Health Service
Level 8, Tower Block
Ipswich Hospital
Chelmsford Avenue
Ipswich QLD 4305

A description of the nature of West Moreton's operations and its principal activities is included in the notes to the financial statements.

The financial statements are presented in Australian dollars.

The financial statements were authorised for issue by the Board at their meeting on 29 August 2014.

For information in relation to West Moreton's financial statements:

- Email MD09-WestMoreton-HSD@health.qld.gov.au or
- Visit the West Moreton website at:
www.westmoreton.health.qld.gov.au

Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Income			
User charges	4	434,274	397,691
Grants and other contributions	5	4,832	7,087
Other revenue	6	8,488	6,754
Total revenue		447,594	411,532
Other income	7	5	15
Total income		447,599	411,547
Expenses			
Employee expenses	8	1,292	602
Health service employee expenses	9	295,993	301,112
Supplies and services	10	98,274	83,539
Grants and subsidies	11	335	732
Depreciation and amortisation	12	13,533	10,545
Impairment losses	13	1,421	936
Other expenses	14	7,010	6,665
Total expenses		417,858	404,131
Operating result		29,741	7,416
Other comprehensive income			
<i>Items that will not be subsequently reclassified to operating result:</i>			
Increase in asset revaluation surplus	26	16,473	4,838
Total other comprehensive income		16,473	4,838
Total comprehensive income		46,214	12,254

The accompanying notes form part of these statements.

Statement of Financial Position

As at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	15	57,197	10,983
Receivables	16	6,633	20,872
Inventories	17	2,389	2,291
Other	18	205	169
Total current assets		66,424	34,315
Non-current assets			
Intangible assets	19	53	114
Property, plant and equipment	20	276,613	188,526
Total non-current assets		276,666	188,640
Total assets		343,090	222,955
Current liabilities			
Payables	21	32,883	25,630
Accrued employee benefits	22	46	148
Provisions	23	620	630
Unearned revenue	24	40	10
Total current liabilities		33,589	26,418
Total liabilities		33,589	26,418
Net assets		309,501	196,537
Equity			
Contributed equity	25	251,033	184,283
Accumulated surplus		37,157	7,416
Asset revaluation surplus	26	21,311	4,838
Total equity		309,501	196,537

The accompanying notes form part of these statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	Accumulated Surplus \$'000	Asset Revaluation Surplus (note 26) \$'000	Contributed Equity (note 25) \$'000	Total \$'000
Balance as at 1 July 2012	–	–	–	–
<i>Transfer under National Health Reform</i>				
Net assets received on 1 July 2012	–	–	179,605	179,605
Operating result for the year	7,416	–	–	7,416
<i>Total Other Comprehensive Income</i>				
– Increase in Asset Revaluation Surplus	–	4,838	–	4,838
<i>Transactions with Owners</i>				
– Non-appropriated equity injections	–	–	4,737	4,737
– Non-appropriated equity withdrawals	–	–	(10,535)	(10,535)
– Non-appropriated equity asset transfers	–	–	10,476	10,476
Balance as at 30 June 2013	7,416	4,838	184,283	196,537
Balance at 1 July 2013	7,416	4,838	184,283	196,537
Operating result for the year	29,741	–	–	29,741
<i>Total Other Comprehensive Income</i>				
– Increase in Asset Revaluation Surplus	–	16,473	–	16,473
<i>Transactions with Owners</i>				
– Non-appropriated equity injections	–	–	6,006	6,006
– Non-appropriated equity withdrawals	–	–	(13,885)	(13,885)
– Non-appropriated equity asset transfers	–	–	74,629	74,629
Balance as at 30 June 2014	37,157	21,311	251,033	309,501

The accompanying notes form part of these statements.

West Moreton Hospital and Health Service

Statement of Cash Flows

For the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges		433,405	373,783
Grants and other contributions		4,832	7,087
Interest received		30	33
GST collected from customers		754	424
GST input tax credits		5,526	2,755
Other		8,273	6,722
<i>Outflows:</i>			
Employee expenses		(1,292)	(602)
Health service employee expenses		(297,741)	(300,913)
Supplies and services		(89,787)	(67,629)
Grants and subsidies		(335)	(525)
Insurance		(5,645)	(4,814)
GST paid to suppliers		(5,763)	(3,406)
GST remitted		(712)	(363)
Other		(1,050)	(1,807)
Net cash provided by operating activities	27	50,495	10,745
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		5	15
<i>Outflows:</i>			
Payments for property, plant and equipment		(10,292)	(4,881)
Payments for intangible assets		-	(44)
Net cash used by investing activities		(10,287)	(4,910)
Cash flows from financing activities			
<i>Inflows:</i>			
Cash received at 1 July 2012 from Department of Health		-	411
Equity injections		6,006	4,737
Net cash provided by financing activities		6,006	5,148
Net increase in cash and cash equivalents held		46,214	10,983
Cash and cash equivalents at beginning of the financial year		10,983	-
Cash and cash equivalents at end of the financial year	15	57,197	10,983

The accompanying notes form part of these statements.

Notes to the Financial Statements

For the year ended 30 June 2014

1 Objectives and principle activities of West Moreton Hospital and Health Service

West Moreton Hospital and Health Service (West Moreton) was established as a statutory body on 1 July 2012 and is a not-for-profit entity.

West Moreton Hospital and Health Service is situated to the west of Brisbane and extends from Ipswich in the east, to Boonah in the south, north to Esk and west to Gatton. West Moreton Hospital and Health Service services four local government areas; Scenic Rim Regional Council, including Boonah, Lockyer Valley Regional Council, covering Laidley and Gatton, Somerset Regional Council, including Esk and Ipswich City Council.

West Moreton covers a population of approximately 252,000 people. The region's demographics are diverse and include metropolitan and small rural community settings.

West Moreton has a major teaching role, providing both undergraduate and postgraduate clinical experience for members of the multidisciplinary healthcare team. West Moreton currently employs over 2,600 full time equivalent staff.

By 2026 it is projected that the population serviced by West Moreton will increase by 82% to approximately 450,000, making the West Moreton region the fastest growing in the state.

West Moreton delivers health services across the continuum of care; preventative and primary health care services, ambulatory services, acute care, sub and non-acute aged care, oral health and mental health and specialised services (including Offender Health and Alcohol Tobacco and Other Drugs).

West Moreton is responsible for operating the following hospital and health service facilities:

- Ipswich Hospital
- Gatton Health Service
- Laidley Health Service
- Boonah Health Service
- Esk Health Service
- The Park – Centre for Mental Health, Treatment, Research and Education ('The Park')
- Goodna Community Health
- Ipswich Community Health

West Moreton provides hospital, community and school based primary oral health care services and a range of secondary and specialist care services in fixed clinics and mobile dental clinics across the region.

West Moreton provides a large hospital-based forensic and rehabilitation mental health service at The Park 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.

Offender health provides services for Brisbane Women's, Wolston and Brisbane Correctional facilities and the Helana Jones Centre.

West Moreton Hospital and Health Service Strategic Plan, Path to Excellence 2014 to 2018 outlines the vision to deliver consistent, quality, accessible and culturally effective health services to the community in the West Moreton area.

As part of the Strategic Plan, West Moreton also seeks to contribute to the National Indigenous Reform Agreement (NIRA) which aims to close the gap in disadvantage between Indigenous and non-Indigenous Australians.

To achieve this, it is essential that services are well planned and organised and that they evolve and change in line with changing practice and community needs. This is reflected in the strategic directions of West Moreton:

- Revitalise services
- Strengthen safety and quality
- Drive innovation and research
- Enable our people
- Plan for a sustainable future
- Maintain financial health.

2 Summary of significant accounting policies

The significant accounting policies which have been adopted in the preparation of this financial report are:

a) Statement of compliance

These financial statements have been prepared in compliance with section 62(1) of the *Financial Accountability Act 2009* and section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements. These have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities as West Moreton Hospital and Health Service is a not-for-profit entity. In addition, these financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ended 30 June 2014, and other authoritative pronouncements. Except where stated, the historical cost convention is used.

West Moreton Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2014

b) The reporting entity

West Moreton prepares individual financial statements, which include all its revenues, expenses, assets and liabilities. West Moreton does not have any controlled entities.

Establishment of West Moreton Hospital and Health Service

West Moreton Hospital and Health Service was established as a statutory body on 1 July 2012. The details of its formation are below.

Health reform

On 2 August 2011, Queensland, as a member of the Council of Australian Governments signed the National Health Reform Agreement, committing to major changes in the way that health services in Australia are funded and governed. These changes were effective from 1 July 2012 and included:

- moving to a purchaser-provider model, with health service delivery to be purchased from legally independent hospital networks (statutory bodies to be known as Hospital and Health Services (HHSs) in Queensland)
- introducing national funding models and a national efficient price for services, with the majority of services to be funded on an activity unit basis into the future
- defining a refocused role for state governments in managing the health system, including:
 - the use of purchasing arrangements and other levers to drive access and clinical service improvements within and across the HHSs; and
 - a responsibility to intervene to remediate poor performance, either at the state's initiative or in response to prompting by the National Health Performance Authority, which will publicly report on performance of the HHSs and healthcare facilities.

The Health and Hospitals Network Act 2011 (HHNA) enabling the establishment of the new health service entities and the role of System Manager for the Department of Health in Queensland, was passed by the Queensland Parliament in October 2011. On 17 May 2012, the Minister for Health introduced amending legislation into the Parliament to expand the functions of HHSs under the HHNA. The amended legislation is known as the *Hospital and Health Boards Act 2011 (HHBA)*.

Department of Health

Under the new arrangements, the role of the Department of Health's corporate office changed. Corporate office transitioned to the role of System Manager which purchases services from West Moreton Hospital and Health Service under a Service Agreement negotiated between the two entities.

Balances transferred at 1 July 2012

Certain balances were transferred from the Department of Health to West Moreton Hospital and Health Service effective 1 July 2012. This was effected via a transfer notice signed by the Minister for Health, designating that the transfer be recognised as a contribution by owners through equity. The transfer notices were approved by the Director-General of the Department of Health and the Chair and Chief Executive of West Moreton Hospital and Health Service. Balances transferred to hospital and health services materially reflected the closing balances of the Hospital Service Districts that existed as at 30 June 2012. These balances represent the opening balances of West Moreton Hospital and Health Service, and are recorded as such in these financial statements. The cash balance transferred to West Moreton Hospital and Health Service at 1 July 2012 was the amount required to ensure West Moreton commenced operations with a balanced working capital position. Consequently net assets of \$179.6 million were transferred from the Department of Health to the newly created statutory body on 1 July 2012.

c) Trust transactions and balances

West Moreton Hospital and Health Service acts in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions and balances are not recognised in the financial statements. Although patient funds are not controlled by West Moreton Hospital and Health Service, trust activities are included in the audit performed annually by the Auditor-General of Queensland. Note 31 provides additional information on the balances held in patient trust accounts.

d) User charges

User charges primarily comprise Department of Health funding, hospital fees, reimbursement of pharmaceutical benefits and sales of goods and services. There has been a change in the recognition of Department of Health funding from grants and other contributions in 2012-13 to user charges this year.

User charges controlled by West Moreton are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. User charges are controlled by West Moreton where they can be deployed for the achievement of West Moreton's objectives.

Notes to the Financial Statements

For the year ended 30 June 2014

2 Summary of significant accounting policies (continued)

d) User charges (continued)

Funding is provided to West Moreton in accordance with a service agreement between West Moreton and the Department of Health. The Department of Health receives its revenue for funding from the Queensland Government (majority of funding) and the Commonwealth. Hospital and Health Services are funded for eligible services through block funding; activity based funding; or a combination of both. Activity based funding is based on an agreed number of activities, per the service agreement and a state-wide price by which relevant activities are funded. Block funding is not based on levels of public health care activity.

The funding from Department of Health is provided predominantly for specific public health services purchased by the Department from West Moreton in accordance with a service agreement between the Department and West Moreton. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by West Moreton.

The service agreement specifies the public hospital, health and other services to be delivered by West Moreton and the funding to be provided by the Department of Health to West Moreton for the provision of these services. The current service agreement covers the period from 1 July 2013 to 30 June 2016.

The funding from the Department of Health is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of services provided is above or below the agreed level.

Revenue recognition for other user charges and fees is based on either invoicing for related goods, services and/or the recognition of accrued revenue.

e) Grants and other contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which West Moreton Hospital and Health obtains control over them. This includes amounts received from the Australian Government for programs that have not been fully completed at the end of the financial year. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

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

f) Recoveries

Recoveries represent contract employee expenses that have been recouped from either other hospital and health services or externally. Recoveries represent monies in relation to workers' compensation, employees contracted to other departments or services and jury service obligations.

g) Special payments

Special payments include ex gratia expenditure and other expenditure that West Moreton is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, West Moreton maintains a register setting out the details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within Other Expenses. However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

h) Finance and borrowing costs

Finance and borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include interest on short-term and long-term borrowings, and ancillary administration charges.

i) Cash and cash equivalents

Cash includes all cash on hand and in banks, cheques receipted but not banked at the reporting date, call deposits and cash debit facility.

j) Trade and other receivables

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than twelve months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that West Moreton will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired.

West Moreton Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2014

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

k) Inventories

Inventories consist mainly of medical supplies held for distribution to hospital and health service facilities. Inventories are measured at weighted average cost, adjusted for obsolescence. Unless material, inventories do not include supplies held for ready use in the wards throughout the hospital and health service facilities.

l) Acquisition of assets

Property, plant and equipment are initially recorded at consideration plus any other costs directly incurred in bringing the asset ready for use. Items or components that form an integral part of an asset are recognised as a single (functional) asset. The cost of items acquired during the financial year has been judged by management to materially represent the fair value at the end of the reporting period.

Intangible assets are only recognised if they satisfy recognition criteria in accordance with AASB 138 *Intangible Assets*. Intangible assets are recorded at cost, which is consideration plus costs incidental to the acquisition, less accumulated amortisation and impairment losses. An intangible asset is recognised only if its cost is equal to or greater than \$100,000. Internally generated software cost includes all direct costs associated with development of that software. All other costs are expensed as incurred. Where assets are received for no consideration from another Queensland Government department (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation. Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are initially recognised at their fair value at the date of acquisition.

m) Property, plant and equipment

Control of land and buildings used by West Moreton was transferred to West Moreton via a deed of lease arrangement on 1 July 2012. Although legal ownership remains with the Department of Health, the property is reported on the balance sheet of West Moreton as it substantially holds all the risks and rewards incidental to ownership of the land and building assets during the term of the lease arrangement. Items of a capital nature with a cost or other value equal to more than the following thresholds and with a useful life of more than one year are recognised at acquisition. Items below these values are expensed on acquisition.

Class	Threshold
Buildings and land improvements	\$10,000
Land	\$1
Plant and equipment	\$5,000

n) Revaluation of non-current physical intangible assets

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement*, and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

Independent revaluations are performed at least every five years or earlier if there is reason to believe there has been a significant change in the carrying amount. The valuation is based on the highest and best use for each asset and reflects the likely exit price in the principal market for an asset of this type.

The fair values reported by West Moreton are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer note 2 (q)).

Land is measured at fair value each year using independent revaluations, desktop market revaluations or indexation by the State Valuation Service within the Department of Natural Resources and Mines.

Buildings are measured at fair value utilising either independent revaluation or applying an interim revaluation methodology developed by the external registered quantity surveyor. Assets under construction are not revalued until they are ready for use. Reflecting the specialised nature of West Moreton's buildings (health service buildings and on hospital-site residential facilities), fair value is determined using depreciated replacement cost methodology. Depreciated replacement cost is determined as the replacement cost less the cost to bring to current standards.

Notes to the Financial Statements

For the year ended 30 June 2014

2 Summary of significant accounting policies (continued)

n) Revaluation of non-current physical intangible assets (continued)

In determining the depreciated replacement cost of each building, the independent valuers applied a methodology of a financial simulation in lieu of 'market value or income approach' which also reflects the likely 'exit price' of any transaction in the principal market for assets of this nature. A replacement cost is estimated by creating a cost plan (estimate) of the asset through measurement of key data such as; gross floor area, number of floors, girth of building, height of building and number of lifts, staircases and location.

The estimate is compiled by measuring quantities (floor areas etc.) using drawings obtained through the e-Plan room, obtained from West Moreton and verified on site or by completing a site measurement.

The model developed by the valuer creates an elemental cost plan using this data. The cost model is updated each year and tests are done to compare the model outputs on actual recent projects (observable inputs) to ensure it produces a true representation of the cost of replacement.

Assets have been valued on the basis that the value is the estimated replacement cost of the asset, or the likely cost of construction including fees and on costs if tendered on the valuation date. No allowance has been made for cost escalation during documentation and construction.

The estimate is based on the assumption that the asset to be replaced will be of the same function and area of the original building but is dependent upon the asset being fully utilised. If the asset has a history of underutilisation the estimate will be based upon the value of the portion of the asset that is utilised. It is also assumed that if the building is replaced that it will be replaced with one that meets current design standards (but within existing floor area).

The costs are at Brisbane prices and published location indices are used to adjust the pricing to suit local market conditions. This is accepted practice within the Quantity Surveying profession and is also used extensively by the Queensland Department of Public Works. The 'Cost to Bring to Current Standards' is the estimated cost of refurbishing the asset to bring it to current standards and a new condition. For each of the five condition ratings the estimate is based on professional opinion as well as having regard to historical project costs.

In assessing the cost to bring to current standards, a condition rating is applied based upon the following information:

- Visual inspection of the asset
- Asset condition data
- Verbal guidance from the asset manager
- Previous reports and inspection photographs if available (to show the change in condition over time).

The rating system adopted is from the Internal Management Manual which is co-authored by AECOM. Davis Langdon is part of the AECOM group.

Category	Condition	Comment
1	Very good condition	Only normal maintenance required
2	Minor defects only	Minor maintenance required
3	Maintenance required to return to accepted level of service	Significant maintenance required (up to 50% of capital replacement cost)
4	Requires renewal	Complete renewal of the internal fit out and engineering services required (up to 70% of capital replacement cost)
5	Asset unserviceable	Complete asset replacement required

These condition ratings are linked to the cost to bring to current standards and assumes the following:

- The weighted average life of a health facility is generally 30 years and is adjusted for those assets in extreme climatic conditions that historically have shorter lives, or where assets such as residences generally have longer lives.
- Estimates of remaining life are based on the assumption that the asset remains in its current function and will be maintained.
- No allowance has been provided for significant refurbishment works in our estimate of remaining life as any refurbishment should extend the life of the asset.
- Buildings have been valued on the basis that there is no residual value.

West Moreton Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2014

For interim revaluations, West Moreton Hospital and Health Service uses a 'Building Asset Indexation' (BAI) which has been developed by Davis Langdon. The valuer's methodology is based on their review of cost escalation across the industry subject to any regional variances due to specific market conditions such as impact due to local resource projects. The interim valuations for the following sub-classes are to be annually adjusted by applying the BAI for the duration of the current program:

- 2% hospital and health service sites; and
- 1% to residential, on-site accommodation at hospital sites.

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

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

West Moreton Hospital and Health Service has adopted the gross method of reporting revalued assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets. Accumulated depreciation is restated proportionally in accordance with the independent advice of the appointed valuers/quantity surveyors. The proportionate method has been applied to those assets that have been revalued by way of indexation.

Plant and equipment (other than major plant and equipment) is measured at cost net of accumulated depreciation and any impairment in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector.

o) Amortisation and depreciation of intangibles and property, plant and equipment

Property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis. Annual depreciation is based on fair values and West Moreton's assessments of the remaining useful life of individual assets. Land is not depreciated. Assets under construction (work-in-progress) are not depreciated until they are ready for use.

Any expenditure that increases the capacity or service potential of an asset is capitalised and depreciated over the remaining useful life of the asset. Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease. The unexpired period of leases includes any option period where exercise of the option is probable.

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

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

Intangibles

Intangible assets are amortised on a straight-line basis over their estimated useful life with a residual value of zero. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Software is amortised from the time of acquisition or, in respect of internally developed software, from the time the asset is completed and held ready for use. The amortisation rates for West Moreton's software are between 10% and 20%.

p) Impairment of assets

All non-current and intangible assets are assessed for indicators of impairment on an annual basis in accordance with AASB 136 *Impairment of Assets*. If an indicator of impairment exists, West Moreton determines the asset's recoverable amount (higher of value in use and fair value less costs to sell). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss.

An impairment loss is recognised immediately in the statement of comprehensive income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Financial Statements

For the year ended 30 June 2014

2 Summary of significant accounting policies (continued)

q) Fair value measurement

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets or liabilities being valued. Observable inputs used by West Moreton include, but are not limited to, published sales data for land and general buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristic of the assets or liabilities being valued. Significant unobservable inputs used by West Moreton include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of West Moreton's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics and functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets or liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities of West Moreton for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included with level 1) that are observable, either directly or indirectly; and
- Level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

None of West Moreton's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

More specific fair value information about West Moreton's property, plant and equipment is outlined in note 20.

r) Leases

Leases of property, plant and equipment where West Moreton, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that West Moreton will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to West Moreton as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where West Moreton is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

s) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

West Moreton Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2014

t) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

u) Financial instruments

Recognition

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when West Moreton becomes party to the contractual provisions of the financial instrument.

West Moreton does not enter transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, West Moreton holds no financial assets classified at fair value through profit or loss.

Classification

Financial instruments are classified and measured as follows: cash and cash equivalents – held at fair value through profit or loss; receivables – held at amortised cost; payables – held at amortised cost.

Impairment

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are additionally assessed for impairment on a collective basis. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

All other disclosures relating to the measurement and financial risk management of other financial instruments are included in Note 32.

v) Employee benefits

- (i) Provision of employee services from the Department of Health

West Moreton and the Department of Health have entered into a Service Agreement under which employees of the Department of Health will perform work for West Moreton to enable West Moreton to perform its functions and exercise powers under the *Hospital and Health Boards Act 2011* and to ensure delivery of the services prescribed in the Service Agreement.

Under this Service Agreement:

- The Department of Health will provide Department of Health employees to perform work for West Moreton and the Department of Health acknowledges and accepts its obligations as the employer of the Department of Health employees;
- West Moreton will be responsible for the day-to-day workforce management;
- West Moreton will reimburse the Department of Health for the salaries and on-costs of these Department of Health employees.

West Moreton treats the reimbursements to the Department of Health for these Department of Health employees in these financial statements as health service employee expenses.

- (ii) Board and Chief Executive Remuneration

Pursuant to the provisions of the *Hospital and Health Boards Act 2011*, the members of the West Moreton Hospital and Health Board and the Chief Executive are employed by West Moreton directly.

Wages, salaries and sick leave

Wages, and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

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

As sick leave is non-vesting, an expense is recognised for the leave as it is taken.

Notes to the Financial Statements

For the year ended 30 June 2014

2 Summary of significant accounting policies (continued)

v) Employee benefits (continued)

Annual and long service leave

Under the Queensland Government's Annual Leave Central Scheme (established on 30 June 2008) and Long Service Leave Central Scheme (established on 1 July 1999), levies are payable by the Department of Health to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The provisions for these schemes are reported on a whole-of-government basis pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. These levies are expensed in the period in which they are paid or payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears.

Superannuation

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

Liabilities for redundancy payments are recognised, and are measured at the values that represent the existing obligations, including on-costs, at the reporting date of the consolidated entity to make the payments.

w) Insurance

Property and general losses above a \$10,000 threshold are insured through the Queensland Government Insurance Fund (QGIF). Health litigation payments above a \$20,000 threshold and associated legal fees are also insured through QGIF. Premiums are calculated by QGIF on a risk assessed basis. The Department of Health pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. This premium is expensed to West Moreton.

x) Services received free of charge or for a nominal value

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

For example West Moreton receives corporate services support from the Department of Health for no cost. Corporate services received include payroll services, accounts payable services, finance transactional services, taxation services, supply services and information technology services. As the fair value of these services is unable to be estimated reliably, no associated revenue and expense is recognised in the statement of comprehensive income.

y) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

z) Taxation

West Moreton is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes recognised by West Moreton.

aa) Goods and services tax

West Moreton is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes recognised by West Moreton. The GST transactions with the Australian Tax Office are lodged and managed via the Department of Health.

Both West Moreton and the Department of Health satisfy section 149-25(e) of the *A New Tax System (Goods and Services) Act 1999 (Cth)* (the GST Act) and were able, with other hospital and health services, to form a "group" for GST purposes under Division 149 of the GST Act. This means that any transactions between the members of the "group" do not attract GST.

However, all entities are responsible for the payment or receipt of any GST for their own transactions. As such, GST credits receivable from and payable to the Australian Taxation Office (ATO) are recognised and accrued.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

West Moreton Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2014

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

bb) Issuance of financial statements

The financial statements are authorised for issue by the Chair and the Chief Executive, at the date of signing the Management Certificate.

cc) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period; or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Land valuation

West Moreton carries its land at fair value. Land is measured at fair value each year using independent revaluations, desktop market revaluations or indexation by the State Valuation Service within the Department of Natural Resources and Mines. Independent revaluations are performed with sufficient regularity to ensure assets are carried at fair value.

(ii) Building valuation

West Moreton carries its buildings at fair value. Buildings are measured at fair value each year utilising either independent revaluations or by interim revaluation methodology of applying an indexation supplied by an external registered valuer. Buildings are valued based on the observable or unobservable input data available. Buildings can be broadly categorised as:

Non-health service delivery buildings

Non-health service delivery buildings such as residential buildings are valued taking into consideration the size, location and condition of the property against comparable properties that have sold in the local property market.

Health service delivery buildings

West Moreton's buildings are predominantly of a specialised nature and as such there is no active market for such properties. Management consider the advice of external valuers in conjunction with internal knowledge of building condition when adopting fair values for these assets.

(iii) Depreciation

Management estimates the useful lives and residual values of property, plant and equipment based on the expected period of time over which economic benefits from use of the asset will be derived. Management reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions. Refer to note 2(o) for details of current depreciation rates used.

(iv) Impairment of receivables

Management reviews collectability of trade receivables on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that West Moreton will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

dd) Rounding and comparatives

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

ee) New and revised accounting standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Notes to the Financial Statements

For the year ended 30 June 2014

2 Summary of significant accounting policies (continued)

ee) New and revised accounting standards (continued)

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. West Moreton's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 9 *Financial Instruments*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Operative dates: Part A Conceptual Framework – 20 Dec 2013; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015] and AASB 2014-1 *Amendments to Australian Accounting Standards* [Operative dates: Parts A-C 1 Jul 2014; Part D – 1 Jan 2016; Part E – 1 Jan 2015] (effective 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities.

In December 2009 the AASB issued AASB 9 which is part of phase one of the comprehensive project to replace AASB 139. It addresses the classification and measurement of financial assets and is likely to affect West Moreton's accounting for its financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. The standard eliminates the existing AASB 139 categories of held to maturity, available-for-sale and loans and receivables.

In December 2010 a revised version of AASB 9 was issued incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over of the existing derecognition requirements from AASB 139 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The standard is not applicable until 1 January 2018 and West Moreton is yet to assess its full impact. West Moreton does not expect to adopt the new standard before its operative date. It would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2019.

- (ii) AASB 10 *Consolidated Financial Statements* (effective 1 January 2014)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. West Moreton does not expect this new standard to have a significant impact as it does not prepare consolidated financial statements.

In December 2012, the AASB issued AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments* [AASB 1 5, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]. These amendments relate largely to the AASB's decision to defer the mandatory application of AASB 10 *Consolidated Financial Statements* and to not-for-profit entities until annual reporting periods beginning on or after 1 January 2014.

West Moreton does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2015.

- (iii) AASB 1055 *Budgetary Reporting and 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements* (effective 1 July 2014)

This Standard specifies budgetary disclosure requirements for the whole-of-government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. Disclosures made in accordance with this Standard will provide users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it. West Moreton will be required to include the original budgeted financial statements as presented to parliament in the same format as the statutory financial statements together with explanations of major variances between the actual amounts presented in the financial statements and the corresponding original budget amounts.

West Moreton does not intend to adopt the revised standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2015.

Notes to the Financial Statements

For the year ended 30 June 2014

3 Changes in accounting policies

Recognition of funding provided by the Department of Health

West Moreton has made a voluntary change in accounting policy for the recognition of funding provided by the Department of Health under a service agreement between the Department of Health and West Moreton. The service agreement specifies those public health services purchased by the Department of Health from West Moreton.

In 2012-13 the Department of Health provided this funding as grant payments but for 2013-14 has determined that the payment is not of a grants nature but rather is procurement of public health services. Specific public health services are received by the department under a service agreement and the department has determined that it receives approximately equal value for the payment provided, and directly receives an intended benefit.

To align with this basis of funding provided by the Department of Health under a service agreement, West Moreton now recognises the 2013-14 funding as user charges revenue for 2013-14 rather than as grants revenue which occurred in 2012-13. The main affect is that the revenue is now recognised under the criteria detailed in AASB 118 *Revenue* for 2013-14, rather than under AASB 1004 *Contributions* in 2012-13. The revenue recognition criteria is described in note 2(d) User charges and note 2(e) Grants and other contributions.

This change in accounting policy has been applied retrospectively with the affect that Grants and other contributions revenue for 2012-13 has reduced by \$385,537,000 and User charges revenue has increased by the same amount. An amount of \$15,909,000 was disclosed as 'government grants receivable' within receivable in 2012-13, this amount is now included within 'trade receivables' in the same classification.

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
4 User charges		
ABF funding		
Commonwealth	97,722	68,800
State	144,298	133,418
Block funding		
Commonwealth	40,099	28,176
State	68,584	64,778
System manager funding		
State	51,395	61,810
Depreciation funding	13,885	10,535
Teacher training funding	2,523	18,020
Hospital fees	9,908	8,380
Sale of goods and services	5,546	3,632
Rental income	314	142
	434,274	397,691

5 Grants and other contributions

Commonwealth grants		
Transition care	2,323	2,337
Home and community care	711	2,892
Specialist training program	246	354
	3,280	5,583
State funding		
Other	1,428	1,392
	1,428	1,392
Donations other	124	112
	4,832	7,087

6 Other revenue

Interest	30	33
Recoveries	8,088	6,374
Commissions	4	4
Other	366	343
	8,488	6,754

7 Other income

Gain on sale of property, plant and equipment	5	15
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Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
8 Employee expenses		
<i>Employee benefits</i>		
Wages and salaries	1,045	488
Employer superannuation contributions	76	51
Annual leave levy	88	19
Long service leave levy	50	5
<i>Employee related expenses</i>		
Payroll tax	19	25
Other employee related expenses	14	14
	1,292	602

Employee expenses represent the cost of engaging board members and the employment of health executives who are employed directly by West Moreton.

	30 June 2014	30 June 2013
Number of MOHRI* Full Time Equivalent Employees (FTE)		
West Moreton employees	13	8
Health service employees provided to West Moreton	2,628	2,509
Total FTE	2,641	2,517

*Minimum Obligatory Human Resource Information

	2014 \$'000	2013 \$'000
9 Health service employee expenses		
Health service employee expenses	295,993	301,112

Health service employee expenses represent the cost of the Department of Health employees contracted to West Moreton to provide public health services. As established under the *Hospital and Health Boards Act 2011*, the Department of Health is the employer for all health service employees.

Refer note 8 for the number of health service employees provided to West Moreton.

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
10 Supplies and services		
Outsourcing of service delivery		
Interstate hospital charges	2,162	2,162
Medical	4,761	896
X-ray	328	94
Lithotripsy	174	70
Other	2	129
	7,427	3,351
Other supplies and services		
Consultants and contractors	19,837	16,008
Electricity and other energy	2,714	2,229
Patient travel	970	677
Other travel	380	484
Water	699	475
Building services	484	431
Computer services	1,855	1,383
Motor vehicles	326	363
Communications	3,286	3,290
Repairs and maintenance	7,632	6,360
Operating lease rentals	2,546	2,957
Drugs	9,242	8,658
Clinical supplies and services	17,488	14,705
Pathology	7,875	8,505
Catering and domestic supplies	8,387	7,322
Other	7,126	6,341
	90,847	80,188
	98,274	83,539

Supplies and services expense has been categorised as 'Outsourcing of service delivery' and 'Other supplies and services' to enhance understanding of the nature of supplies and services.

	2014 \$'000	2013 \$'000
11 Grants and subsidies		
Medical research programs	285	619
Other	50	113
	335	732

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
12 Depreciation and amortisation		
Buildings	8,302	6,505
Plant and equipment	5,200	4,019
Software purchased	31	21
	13,533	10,545

	2014 \$'000	2013 \$'000
13 Impairment losses		
Impairment losses on receivables *	741	613
Bad debts written off	680	115
Revaluation decrement – land	–	208
	1,421	936

* Refer notes 16 and 32 (a)

14 Other expenses

External audit fees*	181	181
Bank fees	8	8
Insurance	5,645	4,814
Loss on sale of property, plant and equipment	25	44
Inventory written off	64	23
Special payments		
Ex-gratia payments**	213	767
Other legal costs	282	483
Journals and subscriptions	132	89
Advertising	33	14
Interpreter fees	290	240
Other	137	2
	7,010	6,665

* Total audit fees paid or payable to Queensland Audit Office relating to the 2013-14 financial year were \$181,000 (2013: \$181,000). There are no non-audit services included in this amount.

** Ex-gratia payments relate to legal settlements and include excess payments made to Queensland Government Insurance Fund.

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
15 Cash and cash equivalents		
Cash on hand	6	7
Cash at bank	56,810	10,608
Cash on deposit	381	368
	57,197	10,983

Cash on deposit represents cash contributions from external entities and other benefactors in the form of gifts, donations and bequests for specific purposes. These funds are retained in the Queensland Treasury Corporation Cash Fund and set aside for specific purposes underlying the contribution. Cash on deposit is at call and is subject to floating interest rates. The weighted average effective interest rate is 3.42% (2013: 3.99%).

Cash at bank (except operating and revenue accounts) is at call and is subject to floating interest rates. The weighted average effective interest rate is 2.99% (2013: 3.55%).

Cash on hand is non-interest bearing.

	2014 \$'000	2013 \$'000
16 Receivables		
<i>Current</i>		
Trade receivables	7,640	21,311
Less: Allowance for impairment	(1,792)	(1,029)
	5,848	20,282
 GST input tax credits receivable	 888	 651
GST payable	(103)	(61)
Net receivable	785	590
	6,633	20,872

a) Impaired trade receivables

At the end of each reporting period, West Moreton assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, changes in debtor credit ratings and current outstanding accounts over 60 days.

The allowance for impairment reflects West Moreton's assessment of the credit risk associated with receivables balances and is determined based on consideration of objective evidence of impairment, past experience and management judgement.

As at 30 June 2014 current trade receivables of West Moreton with a nominal value of \$1,792,000 (2013: \$1,029,000) were impaired. The amount of the provision was \$1,792,000 (2013: \$1,029,000). The individually impaired receivables mainly relate to long stay residential patients at The Park.

Notes to the Financial Statements

For the year ended 30 June 2014

The aging of these receivables is as follows:

	2014 \$'000	2013 \$'000
Less than 30 days	38	91
30-60 days	69	45
61-90 days	96	54
More than 90 days	1,589	839
	1,792	1,029

Movement in the allowance for impairment of receivables is as follows:

Balance at the beginning of the financial year	1,029	–
Liabilities transferred on 1 July 2012	–	416
Amounts written-off during the year	(402)	–
Amounts recovered during the year	(178)	–
Increase in allowance recognised in operating result	1,343	613
Balance at the end of the financial year	1,792	1,029

b) Past due but not impaired

As at 30 June 2014, trade receivables of \$2,152,000 (2013: \$2,232,000) were past due but not impaired. These relate to a number of independent customers for whom there is no history of default.

The aging of these receivables is as follows:

	2014 \$'000	2013 \$'000
30-60 days	728	648
61-90 days	319	535
More than 90 days	1,105	1,049
	2,152	2,232

c) Other receivables

These amounts generally arise from transactions outside of the usual operating activities of West Moreton. They are non-interest bearing and collateral is not normally obtained.

d) Fair value and credit risk

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

	2014 \$'000	2013 \$'000
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17 Inventories

Current

Medical supplies	2,318	2,216
Other	71	75
	2,389	2,291

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
18 Other assets		
<i>Current</i>		
Prepayments	205	169
	205	169
		\$'000
19 Intangible assets		
<i>Software purchased</i>		
Assets transferred on 1 July 2012		
At cost		100
Accumulated amortisation		(9)
		91
Assets transferred on 1 July 2012		91
Acquisitions		44
Amortisation charge for the year		(21)
Carrying amount at 30 June 2013		114
At 30 June 2013		
At cost		144
Accumulated amortisation		(30)
		114
Year ended 30 June 2014		
Opening net book amount		114
Acquisitions		-
Disposals		(30)
Amortisation charge for the year		(31)
Carrying amount at 30 June 2014		53
At 30 June 2014		
At cost		103
Accumulated amortisation		(50)
		53

West Moreton has intangible assets with an original cost of \$nil (2013: \$nil) or 0.0% (2013: 0.0%) of total intangible assets gross value and a written down value of zero still being used in the provision of services.

West Moreton does not have any significant intangible assets not recognised as assets because they do not meet the criteria of AASB 138 *Intangible Assets*.

Notes to the Financial Statements

For the year ended 30 June 2014

20 Property, plant and equipment

	Land (at fair value) \$'000	Buildings (at fair value) \$'000	Plant and equipment (at cost) \$'000	Capital works in progress (at cost) \$'000	Total \$'000
Assets transferred on 1 July 2012					
At cost/fair value	32,450	272,405	36,330	364	341,549
Accumulated depreciation	–	(147,146)	(15,292)	–	(162,438)
	32,450	125,259	21,038	364	179,111
Assets transferred on 1 July 2012	32,450	125,259	21,038	364	179,111
Acquisitions	–	–	2,791	2,090	4,881
Disposals	–	–	(44)	(5)	(49)
Transfers between classes	–	257	–	(257)	–
Transfers in/(out)	–	7,727	2,852	(102)	10,477
Revaluation increments	–	4,838	–	–	4,838
Revaluation decrements	(208)	–	–	–	(208)
Depreciation charge for the year	–	(6,505)	(4,019)	–	(10,524)
Carrying amount at 30 June 2013	32,242	131,576	22,618	2,090	188,526
At 30 June 2013					
At cost/fair value	32,242	312,935	42,391	2,090	389,658
Accumulated depreciation	–	(181,359)	(19,773)	–	(201,132)
	32,242	131,576	22,618	2,090	188,526
Year ended 30 June 2014					
Opening net book value	32,242	131,576	22,618	2,090	188,526
Acquisitions	–	247	6,115	4,152	10,514
Disposals	–	–	(26)	–	(26)
Transfers between classes	–	(391)	391	–	–
Transfers in/(out)	(231)	77,712	1,662	(4,514)	74,629
Revaluation increments	2,500	13,972	–	–	16,472
Depreciation charge for the year	–	(8,302)	(5,200)	–	(13,502)
Carrying amount at 30 June 2014	34,511	214,814	25,560	1,728	276,613
At 30 June 2014					
At cost/fair value	34,511	404,471	49,375	1,728	490,085
Accumulated depreciation	–	(189,657)	(23,815)	–	(213,472)
	34,511	214,814	25,560	1,728	276,613

Notes to the Financial Statements

For the year ended 30 June 2014

20 Property, plant and equipment (continued)

Land

In 2013-14 the State Valuation Service completed valuations of 100% (2013: 0.0%) of the gross value of the land portfolio.

In 2012-13, land was indexed using the appropriate indices sourced from the State Valuation Service. These indices are based on actual market movements for the relevant location and asset category.

The revaluation program resulted in an increment of \$2,500,000 (2013: decrement of \$208,000) to the carrying amount of land.

Buildings

An independent revaluation of 100% (2013: 49%) of the gross value of the building portfolio was performed during 2013-14. For all other buildings, an indexation was applied to bring the asset to its fair value. Refer note 2(n).

The buildings revaluation program resulted in a net increment to the West Moreton Hospital and Health Service's building portfolio of \$13,972,000 (2013: \$4,838,000). This is an increase of 6.96% (2013: 3.7%) to the building portfolio as at 30 June 2014.

West Moreton Hospital and Health Service has plant and equipment with an original cost of \$360,000 (2013: \$2,031,000) or 0.07% (2013: 0.5%) of total plant and equipment gross value and a written down value of zero still being used in the provision of services.

From 1 July 2013, AASB 13 *Fair Value Measurement* became mandatory which requires non-financial assets measured at fair value to be categorised based on the input values used to measure fair value, into a fair value hierarchy as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; and
- Level 3 inputs are unobservable inputs.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

a) Fair value hierarchy

The following table details the fair value hierarchy for Land and Buildings at 30 June 2014:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	–	34,511	–	34,511
Buildings	–	1,210	213,604	214,814
Fair value at 30 June 2014	–	35,721	213,604	249,325

Notes to the Financial Statements

For the year ended 30 June 2014

b) Valuation methodology for level 2 and 3 fair values

Land (level 2)

Land was revalued by the State Valuation Service as at 30 June 2014. The fair value of land was based on publicly available data on recent sales of similar land in nearby localities. In determining the values, adjustments were made to the sales data to take into account the location of the land, its size, street/road frontage and access, and any significant restrictions.

Buildings – Non-health service delivery (level 2)

Non-health service delivery buildings were revalued by Davis Langdon as at 30 June 2014. The methodology reflects the likely exit price in the principal market for an asset of this type.

Buildings – Health service delivery (level 3)

Health service delivery buildings were revalued by Davis Langdon as at 30 June 2014. Due to their specialised nature, health service delivery buildings were valued based on a depreciated replacement cost methodology to simulate a 'market or income approach'. The methodology reflects the likely exit price in the principal market for an asset of this type.

c) Change in valuation technique

The introduction of AASB 13 *Fair Value Measurement* requires that land and buildings are valued at an 'exit' price in the principal market rather than an 'entry' price.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table details a reconciliation of level 3 movements:

	Buildings \$'000	Total \$'000
Fair value at 1 July 2013	131,191	131,191
Transfers between levels		
Transfers out	(391)	(391)
Total gains or losses recognised in other comprehensive income		
Increase in asset revaluation reserve	13,119	13,119
Additions	247	247
Transfers in (Department of Health)	73,812	73,812
Transfers in (work-in-progress)	3,900	3,900
Depreciation	(8,274)	(8,274)
Fair value at 30 June 2014	213,604	213,604

Notes to the Financial Statements

For the year ended 30 June 2014

e) Level 3 significant valuation inputs and relationship to fair value

The fair value of health service site buildings is computed by quantity surveyors. The methodology is known as the Depreciated Replacement Cost valuation technique. The following table highlights the key unobservable inputs assessed during the valuation process and the relationship to fair value.

Description	Significant unobservable inputs	Unobservable inputs quantitative measures Ranges used in valuations	Relationship of unobservable inputs to fair value
Buildings – Health service delivery	Replacement cost estimates	Hospitals \$2,864,000 to \$76,668,000 Other buildings \$32,000 to \$52,354,000	Replacement cost is based on tender pricing and historical building cost data. An increase in the estimated replacement cost would increase the fair value of the assets. A decrease in the estimated replacement cost would reduce the fair value of the assets.
Fair value – \$213,604,000	Remaining lives estimates	6 to 38 years	The remaining useful lives are based on industry benchmarks. An increase in the estimated remaining useful lives would increase the fair value of the assets. A decrease in the estimated remaining useful lives would reduce the fair value of the assets.
	Costs to bring to current standards	Hospitals \$nil to \$16,206,000 Other buildings \$5,000 to \$20,530,000	Costs to bring to current standards are based on tender pricing and historical building cost data. An increase in the estimated costs to bring to current standards would reduce the fair value of the assets. A decrease in the estimated costs to bring to current standards would increase the fair value of the assets.
	Condition rating	1 - 4	The condition rating is based on the physical state of the assets. An improvement in the condition rating (possible high of 1) would increase the fair value of the assets. A decline in the condition rating (possible low of 5) would reduce the fair value of the assets.

Usage of alternative level 3 inputs (as per the above table) that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value.

The conditions rating of an asset is used as a mechanism to determine the cost to bring to current standards and also to estimate the remaining life. For further information on condition ratings refer note 2(n).

There are no other direct or significant relationships between unobservable inputs that materially impact fair value.

f) Highest and Best Use

After considering what is physically possible, legally permissible and financially feasible, the independent valuer considers that the highest and best use of all fair valued assets is their current use.

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
21 Payables		
Trade creditors and accruals	19,514	4,104
Accruals	13,369	21,526
	32,883	25,630

22 Accrued employee benefits

Salaries and wages accrued	46	148
	46	148

23 Provisions

Current

Provision for insurance claims	620	630
	620	630

Movement in provision for insurance claims

Carrying amount at the beginning of the financial year	630	–
Charged to operating result		
– Additional provision recognised	280	630
– Unused amounts reversed	(280)	–
Amounts used during the year	(10)	–
Carrying amount at the end of the financial year	620	630

24 Unearned revenue

Current

Unearned other revenue*	40	10
	40	10

* Unearned revenue represents revenue received in advance for services yet to be delivered at year end.

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
25 Contributed equity		
Opening balance at beginning of year	184,283	–
Net assets received on 1 July 2012	–	179,605
<i>Non-appropriated equity injections</i>		
Minor capital funding	6,006	4,737
<i>Non-appropriated equity withdrawals</i>		
Non-cash depreciation funding returned to Department of Health as a contribution towards capital works program	(13,885)	(10,535)
<i>Non-appropriated equity asset transfers</i>		
Ipswich Hospital expansion	65,804	–
Breastscreen	904	–
Offender Health	145	–
Land	(231)	–
Emergency Department	5,947	–
Extended Forensic Treatment Rehabilitation Unit	1,867	–
High Dependency Unit	150	–
Ipswich Hospital car park	43	7,624
Dental vans	–	1,112
Oral health fit out	–	1,727
Public health computer equipment	–	13
	74,629	10,476
Balance at the end of the financial year	251,033	184,283

26 Asset revaluation surplus by class

Land

Balance at the beginning of the financial year	–	–
Revaluation increments	2,500	–
Reclassification to income statement	–	–
	2,500	–

Buildings

Balance at the beginning of the financial year	4,838	–
Revaluation increments	13,973	4,838
Reclassification to income statement	–	–
	18,811	4,838

Balance at the end of the financial year	21,311	4,838
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The asset revaluation surplus represents the net effect of revaluation movements in assets.

Notes to the Financial Statements

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
27 Reconciliation of operating surplus to net cash flows from operating activities		
Operating result from continuing operations	29,741	7,416
<i>Non-cash items:</i>		
Depreciation expense	13,502	10,524
Amortisation expense	31	21
Revaluation decrement – land	–	208
Net gains on realisation of property, plant and equipment	170	29
Other non-cash supplies	(13,885)	(10,535)
Other non-cash items	–	5
Changes in assets and liabilities net of transfer under National Health Reform:		
(Increase)/decrease in receivables	14,238	(13,233)
(Increase)/decrease in inventories	(98)	(361)
(Increase)/decrease in other assets	(36)	273
Increase/(decrease) in payables	7,254	15,621
Increase/(decrease) in accrued employee benefits	(102)	148
Increase/(decrease) in provisions	(10)	630
Increase/(decrease) in unearned revenue	30	(1)
Net cash generated by operating activities	50,495	10,745

28 Non-cash financing and investing activities

Assets and liabilities received or transferred by West Moreton are set out in the statement of changes in equity refer to page 52.

29 Commitments for expenditure

a) Non-cancellable operating leases

West Moreton Hospital and Health Service has non-cancellable operating leases relating predominantly to office and residential accommodation and vehicles. Lease payments are generally fixed, but with escalation clauses on which contingent rentals are determined. No lease arrangements contain restrictions on financing or other leasing activities.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2014 \$'000	2013 \$'000
Within one year	1,620	1,782
Later than one year but not later than five years	3,179	2,486
Later than five years	15	408
	4,814	4,676

Notes to the Financial Statements

For the year ended 30 June 2014

29 Commitments for expenditure (continued)

b) Expenditure and other commitments

Capital and other expenditure commitments contracted for at reporting date but not recognised in the financial statements are payable as follows:

	2014 \$'000	2013 \$'000
Capital works	272	1,478
Repairs and maintenance	1,489	1,138
	1,761	2,616
Within one year	1,067	2,558
Later than one year but not later than five years	694	59
Later than five years	–	–
	1,761	2,617

c) Grants and other contributions

Grants and contribution commitments committed to at reporting date, but not recognised in the accounts are payable as follows:

	2014 \$'000	2013 \$'000
Within one year	375	155
Later than one year but not later than five years	–	–
Later than five years	–	–
	375	155

30 Contingencies

Litigation

From time to time claims are made against West Moreton. These claims are vigorously defended and there are no contingent liabilities in respect of these claims.

Notes to the Financial Statements

For the year ended 30 June 2014

31 Off balance sheet transactions and balances

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

	2014 \$'000	2013 \$'000
Patient fiduciary funds		
Receipts		
Patient fund receipts	1,629	1,617
Total receipts	1,629	1,617
Payments		
Patient fund related payments	1,564	1,655
Total payments	1,564	1,655
Cash at beginning of financial year	163	201
Increase/(decrease) in net patient fund assets	65	(38)
Fiduciary fund assets		
Current assets		
Cash		
Patient fund deposits	228	163
Total current assets	228	163

32 Financial risk management

West Moreton is exposed to a variety of financial risks – credit risk, liquidity risk and market risk.

Financial risk is managed in accordance with Queensland Government and departmental policies. Policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of West Moreton.

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

West Moreton holds the following financial instruments by category:

	2014 \$'000	2013 \$'000
Financial assets		
Cash and cash equivalents	57,197	10,983
Receivables*	6,633	20,872
	63,830	31,855
Financial liabilities		
Payables	32,883	25,630
	32,883	25,630

* excludes prepayments

Notes to the Financial Statements

For the year ended 30 June 2014

32 Financial risk management (continued)

a) Credit risk

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment.

The carrying amount of receivables and cash and cash equivalents represents the maximum exposure to credit risk.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired and are stated at the carrying amounts as indicated.

There are no significant concentrations of credit risk. \$570,000 relates to government funding which was received in July 2014 (2013: \$15,909,000) the remaining receivables relate to health providers and ineligible patients.

Aging of past due but not impaired as well as impaired financial assets are disclosed in note 16.

Credit risk is considered minimal given all West Moreton Hospital and Health Service deposits are held by the State through Queensland Treasury Corporation.

b) Liquidity risk

Liquidity risk is the risk that West Moreton will not have the resources required at a particular time to meet its obligations to settle its financial liabilities.

West Moreton is exposed to liquidity risk through its trading in the normal course of business. West Moreton aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times.

(i) Financing arrangements

Under the whole-of-government banking arrangements, West Moreton has an approved working debt facility of \$4,000,000 (2013: \$4,000,000) to manage any short term cash shortfalls.

West Moreton had access to the following undrawn borrowing facilities at the end of the reporting period:

	2014 \$'000	2013 \$'000
Floating rate		
- Expiring beyond one year	4,000	4,000
	4,000	4,000

(ii) Maturities of financial liabilities

Due to the short-term nature (less than 12 months) of the current payables, their carrying amount is assumed to approximate the total contractual cash flow.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: foreign exchange risk; interest rate risk; and other price risk. West Moreton has interest rate exposure on the cash at bank and cash on deposit. West Moreton does not undertake any hedging in relation to interest rate risk. Changes in interest rate have a minimal effect on the operating result of West Moreton.

West Moreton does not trade in foreign currency and is not materially exposed to commodity price changes. West Moreton is exposed to interest rate risk on its cash deposited in interest bearing accounts with Commonwealth Bank through whole-of-government bank arrangements and Queensland Treasury Corporation.

West Moreton does not undertake any hedging in relation to interest rate risk and manages its risk as per the liquidity risk management strategy articulated in West Moreton's Financial Management Practice Manual.

Changes in interest rate have a minimal effect on the operating result of West Moreton.

Notes to the Financial Statements

For the year ended 30 June 2014

d) Fair value measurements

Cash and cash equivalents are measured at fair value. All other financial assets or liabilities are measured at amortised cost.

33 Key management personnel

a) Key executive management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of West Moreton, directly or indirectly, including any director of West Moreton.

The following persons were considered key management personnel of West Moreton during the current financial year.

(i) Board

Name	Position
Dr Mary Corbett	Chair – Non-executive Board member
Paul Casos	Non-executive Board member
Dr Robert McGregor	Non-executive Board member
Melinda Parcell	Non-executive Board member
Professor Julie Cotter	Non-executive Board member
Gary Edwards	Non-executive Board member (from 18 May 2014)
Professor Sonj Hall	Non-executive Board member (from 18 May 2014)
Tim Eltham	Deputy Chair – Non-executive Board member (retired 17 May 2014)
Alan Fry	Non-executive Board member (retired 17 May 2014)

(ii) Other key management personnel

Name	Position	Contract classification / appointment authority
Lesley Dwyer	Chief Executive (from 30 July 2012)	Individual contract / <i>Hospital and Health Boards Act 2011</i>
Ian Wright	Executive Director Finance and Business Services (from 27 August 2012)	HES 2H / <i>Hospital and Health Boards Act 2011</i>
Sharon Kelly	Executive Director Mental Health and Specialised Services (from 1 July 2012)	HES 2H / <i>Hospital and Health Boards Act 2011</i>
Linda Hardy	Executive Director Clinical Services (from 1 July 2012)	HES 2H / <i>Hospital and Health Boards Act 2011</i>
Dr Mark Mattiussi	Acting Executive Director Clinical Governance, Education and Research (from 1 June 2013 to 19 January 2014)	Relieving/higher duties arrangement
Dr Mark Waters	Acting Executive Director Clinical Governance, Education and Research (from 20 January 2014 to 2 May 2014)	Relieving/higher duties arrangement
Dr John Christie	Acting Executive Director Clinical Governance, Education and Research (from 5 May 2014 to 20 June 2014)	Relieving/higher duties arrangement
Alan Millward	Executive Director Workforce (from 3 September 2012)	HES 2L / <i>Hospital and Health Boards Act 2011</i>
Chris Thorburn	Executive Director Corporate Governance and Strategy (from 1 July 2013)	HES 2L / <i>Hospital and Health Boards Act 2011</i>

Notes to the Financial Statements

For the year ended 30 June 2014

33 Key management personnel (continued)

b) Position descriptions

Chief Executive	Responsible for the overall management of West Moreton Hospital and Health Service through major functional areas to ensure the delivery of key government objectives in improving the health and well-being of Queenslanders.
Executive Director Finance and Business Services	Responsible for developing, implementing, managing and monitoring the financial framework, corporate financial systems and budget administration of West Moreton Hospital and Health Service.
Executive Director Mental Health and Specialised Services	Responsible for the operational leadership and management of mental health and specialised services throughout the West Moreton Hospital and Health Service.
Executive Director Clinical Services	Responsible for the operational leadership and management of Ipswich Hospital and provides leadership for medical services throughout the West Moreton Hospital and Health Service.
Executive Director Clinical Governance, Education and Research	Responsible for developing, implementing, managing and monitoring the clinical governance framework, research and education of West Moreton Hospital and Health Service.
Executive Director Workforce	Responsible for providing strategic leadership in relation to all human resource functions, including industrial relations, throughout the West Moreton Hospital and Health Service.
Executive Director Corporate Governance and Strategy	Lead and manage the functions relating to accountability and governance across West Moreton Hospital and Health Service. Responsible for developing governance, strategic planning and performance management frameworks.

c) Compensation terms

(i) Board

In accordance with the *Hospital and Health Boards Act 2011*, the Governor in Council appoints Board members, on the recommendation of the Minister, for a period not exceeding 4 years. In appointing a Board member the Governor in Council must have regard to the person's ability to make a contribution to West Moreton to perform its functions effectively and efficiently.

Pursuant to the *Hospital and Health Boards Act 2011*, Board members' fees are determined by the Governor in Council. Board members are paid an annual salary consistent with the government procedure titled "*Remuneration procedures for Part-time Chairs and Members of Government Boards*" (previously "*Remuneration of Part-time Chairs and Board Members of Government Boards, Committees and Statutory Authorities*").

Under the revised procedure, Hospital and Health Services were assessed as 'Governance' entities and grouped into different levels of a remuneration matrix based on a range of indicators including: revenue/budget, net and total assets, independence, risk and complexity. The Governor in Council approves the remuneration arrangements for Hospital and Health Board chairs, deputy chairs and members.

Annual salaries are based on the standard categories and are calculated using the daily amounts prescribed for special assignment for the appropriate category. They are based on a five-day per fortnight work commitment for Chairs and three-day per fortnight work commitment for Deputy Chairs and other members, (this projected work commitment includes time spent on Board committee work) 22 fortnights are used in the formula for calculating annual salaries.

West Moreton Hospital and Health Service

Notes to the Financial Statements

For the year ended 30 June 2014

West Moreton Hospital and Health service Board members are paid as follows:

Pre 18 May 2014		Effective 18 May 2014		
Special assignment fee	Annualised	Special assignment fee	Annualised	Annualised
	Chair 5-day fortnight		Chair 5-day fortnight	Sub-committee fees
Full Day	Member 3-day fortnight	Full Day	Member 3-day fortnight	
Chair: \$553	Chair: \$60,830 Per month: \$5,069.17	Chair: \$682	Chair: \$75,000 Per month: \$6,250.00	Chair: \$4,000
Member: \$453	Member: \$29,898 Per month: \$2,491.50	Member: \$606	Member: \$40,000 Per month: \$3,333.33	Member: \$3,000

A Board member may resign by giving notice in writing.

The term and expiry date of the appointment for each Board member are:

Name	Term	Expiry date
Dr Mary Corbett	3 years	17 May 2016
Paul Casos	3 years	17 May 2016
Dr Robert McGregor	3 years	17 May 2016
Melinda Parcell	4 years	17 May 2018
Professor Julie Cotter	3 years	17 May 2016
Gary Edwards	1 year	17 May 2015
Professor Sonj Hall	1 year	17 May 2015
Tim Eltham	1 year	17 May 2014
Alan Fry	1 year	17 May 2014

(ii) Other key management personnel

Chief Executive

The Chief Executive is appointed by the Board with the approval of the Minister in accordance with the *Hospital and Health Boards Act 2011*. Notice of termination may be made by either party with one month's notice.

Health Executive Service

The appointment of key management personnel who are deemed to be "health executive service" (HES) as defined in the *Hospital and Health Boards Act 2011* is subject to an individual written contract with a maximum term of five years. Notice of termination may be made by either party with one month's notice.

Other key management personnel

Other key management personnel are employed under individual employment agreements which incorporate their appropriate award. The contracts have no fixed term. Notice of termination may be made by the employee with two weeks notice. In the event of redundancy the agreement provides for appropriate notice period to be paid. In addition, West Moreton is required to pay 2 weeks salary for each year of service subject to a cap of 52 weeks salary, accrued long service leave and accrued annual leave.

Notes to the Financial Statements

For the year ended 30 June 2014

33 Key management personnel (continued)

c) Compensation terms (continued)

Remuneration comprises the following components:

- Short-term employee benefits which include:
 - Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination.
- There was no performance bonuses paid in the 2013-14 financial year (2013: \$nil).
- Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

The term and expiry date of these agreements for each key management personnel are:

Position	Term	Expiry date
Lesley Dwyer	5 years	29 July 2017
Ian Wright	3 years	12 September 2016
Linda Hardy	3 years	12 September 2016
Dr Mark Mattiussi	No fixed term	–
Dr Mark Waters	Short-term contract	2 May 2014
Dr John Christie	Short-term contract	20 June 2014
Sharon Kelly	3 years	12 September 2016
Alan Millward	3 years	8 December 2016
Chris Thorburn	3 years	8 December 2016

Notes to the Financial Statements

For the year ended 30 June 2014

Details of the compensation of each key management personnel are:

(i) Board

	Short-term benefits	Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Base	Non-Monetary benefits			
2014	\$'000	\$'000	\$'000	\$'000	\$'000
Name					
Dr Mary Corbett	68	–	–	6	74
Paul Casos	30	–	–	3	33
Dr Robert McGregor*	180	25	–	27	232
Melinda Parcell*	136	9	–	24	169
Professor Julie Cotter	32	–	–	3	35
Gary Edwards	–	–	–	–	–
Professor Sonj Hall	–	–	–	–	–
Tim Eltham	28	–	–	3	31
Alan Fry	31	–	–	3	34

	Short-term benefits	Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Base	Non-Monetary benefits			
2013	\$'000	\$'000	\$'000	\$'000	\$'000
Name					
Dr Mary Corbett	74	–	–	6	80
Tim Eltham	31	–	–	3	34
Paul Casos	30	–	–	3	33
Dr Robert McGregor*	204	–	–	20	224
Melinda Parcell*	73	9	–	13	95
Professor Julie Cotter	25	–	–	2	27
Alan Fry	24	–	–	2	26

*Dr Robert McGregor and Melinda Parcell are part of the general workforce of West Moreton Hospital and Health Service in addition to their roles as Board members.

Notes to the Financial Statements

For the year ended 30 June 2014

33 Key management personnel (continued)

c) Compensation terms (continued)

(ii) Other key management personnel

	Short-term benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Non-Monetary					
2014	Base	benefits				
Name	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lesley Dwyer	279	–	–	26	–	305
Ian Wright	190	9	–	32	–	231
Linda Hardy	200	–	–	31	–	231
Dr Mark Mattiussi	241	6	–	25	–	272
Dr Mark Waters	67	11	–	14	–	92
John Christie	26	–	–	3	–	29
Sharon Kelly	152	4	–	27	–	183
Alan Millward	149	16	–	26	–	191
Chris Thorburn	149	11	–	25	–	185

	Short-term benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Non-Monetary					
2013	Base	benefits				
Name	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lesley Dwyer	237	–	–	20	–	257
Ian Wright	121	13	–	22	–	156
Linda Hardy	180	–	–	28	–	208
Dr Mark Mattiussi	4	–	–	–	–	4
Dr Yogesh Mistry	269	–	–	29	–	298
Sharon Kelly	141	4	–	25	–	170
Alan Millward	100	19	–	23	–	142
Christopher Hodgson	24	7	–	5	–	36
Mark Kearin	168	–	–	25	–	193
Ray Chandler	136	10	–	24	–	170
Kathryn Green	114	8	–	23	–	145

Notes to the Financial Statements

For the year ended 30 June 2014

34 Economic dependency

West Moreton is dependent on funding provided by the Department of Health under a Service Agreement pursuant to the requirements of the *Hospital and Health Boards Act 2011*.

The Services Agreement outlines the services that the Department of Health will purchase from West Moreton during the year. For the year ending 30 June 2014 the approved funding for services was \$442,277,000 (2013: \$406,402,000). The Service Agreement for 2014-15 currently provides for approved funding for services of \$465,724,000.

The Service Agreement details:

- hospital, health and other services to be provided by West Moreton
- funding provided to West Moreton for the provision of these services
- the Hospital and Health Service Performance Framework
- key performance indicators
- purchasing initiatives; and
- agreement value.

West Moreton's ability to continue viable operations is dependent on this funding. At the date of this report, management has no reason to believe that this financial support will not continue, particularly as the current service agreement covers the period from 1 July 2013 to 30 June 2016.

35 Events after the reporting period

Transfer of general purpose housing to the Department of Housing and Public Works

As part of a whole-of-government initiative, management of all non-operational housing transitioned to the Department of Housing and Public Works (DHPW) on 1 January 2014. Legal ownership of certain housing assets will transfer from the Department of Health to the DHPW on 1 July 2014.

As at 30 June 2014, West Moreton held non-operational housing assets with a total net book value of \$2,058,000 under a Deed of Lease arrangement with the Department of Health. Effective 1 July 2014, the Deed of Lease arrangement in respect of these assets will cease, and certain assets will be transferred to the Department of Health at their net book value, prior to their transfer to the DHPW. The remainder will transfer to West Moreton due to their physical location being within close proximity of the Ipswich Hospital.

As this transfer will be designated as a Transaction with Owners, the transfer will be undertaken through West Moreton's equity account during the 2014-15 financial year. Therefore, this transaction will have no impact on the statement of profit or loss and other comprehensive income in the 2014-15 financial year.

Transfer of legal ownership of health service land and buildings

The control of health services land and buildings transferred to West Moreton at no cost to West Moreton through a deed of lease arrangements when West Moreton was established on 1 July 2012. The Department of Health retained legal ownership of West Moreton's land and buildings however the intention was for legal title of the assets to eventually transfer to West Moreton.

Due to effective control of the assets transferring to West Moreton, these assets are recognised within the financial statements of West Moreton and not within the Department of Health's financial statements.

On 23 June 2014, the Minister for Health announced that the Queensland Government had approved the transfer of legal ownership of land and buildings to West Moreton in a staged process over the next 12 months.

The transfer of legal ownership of land and buildings to West Moreton will occur from 31 December 2014. There is no material impact for the financial statements as these assets are already controlled and recognised by West Moreton.

Notes to the Financial Statements

For the year ended 30 June 2014

35 Events after the reporting period (continued)

Transfer of prescribed employer function

As established under the *Hospital and Health Boards Act 2011*, the Department of Health is currently the employer of all health service employees (except for chief executives and health executive service employees) and recovers all employee expenses and associated on-costs from West Moreton.

Although the *Hospital and Health Boards Act 2011* allows a Hospital and Health Service to be the employer of health service employees, for this to occur the Minister for Health required each Hospital and Health Service to demonstrate their capacity and capability to be the prescribed employer of health service employees, with the Hospital and Health Service holding all authorities and accountabilities for Human Resource functions. West Moreton developed a prescribed employer assessment framework to demonstrate their capacity and capability.

On 23 June 2014, the Minister for Health announced that the employment of existing and future staff would become the responsibility of West Moreton and that existing employment conditions, including pay arrangements, would remain unchanged. The Department of Health will remain responsible for setting state-wide terms and conditions of employment, including remuneration and classification structures and for negotiating enterprise agreements.

West Moreton will become the prescribed employer of health service employees from 1 July 2014. There is no material impact for the financial statements as health service employee costs are currently recognised by West Moreton. The employee costs relating to health service employees will be recognised as employee costs from 1 July 2014 in the income statement.

Senior Medical Officer and Visiting Medical Officer Contracts

Effective 4 August 2014, Senior Medical Officers and Visiting Medical Officers will transition to individual employment contracts.

Individual contracts mean senior doctors will have a direct employment relationship with their Hospital and Health Service and employment terms and conditions tailored to individual or medical specialty circumstances (within a consistent state-wide framework).

As a direct employment relationship will be established between contracted medical officers and their Hospital and Health Service, employee-related costs for contracted Senior Medical Officers and Visiting Medical Officers will be recognised by West Moreton as employee costs rather than health service employees from the date the contracts are effective.

Other than the items noted above, there has been no other matter or circumstance that has arisen subsequent to the reporting date that has significantly affected, or may significantly affect:

- (i) the operations of West Moreton in future financial years, or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of West Moreton in future financial years.

Management certificate

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act, we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) these financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of West Moreton Hospital and Health Service for the financial year ended 30 June 2014 and of the financial position of the Service at the end of the year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Dr Mary Corbett BSc PhD FAICD
Chair

29 August 2014



Lesley Dwyer RN RM BAppSc MAICD
Chief Executive

29 August 2014

Independent Auditor's Report

To the Board of West Moreton Hospital and Health Service

Report on the Financial Report

I have audited the accompanying financial report of West Moreton Hospital and Health Service, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chair and Chief Executive.

The Board's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the West Moreton Hospital and Health Service for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters – Electronic Presentation of the Audited Financial Report

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



B R STEEL CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

