

2019–2020
ANNUAL
REPORT



Accessibility

Information about consultancies, overseas travel and the Queensland language services policy is available at the Queensland Government Open Data website (qld.gov.au/data).

An electronic copy of this report is available at: www.westmoretonhealth.qld.gov.au

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Aboriginal and Torres Strait Islander people are advised that this publication may contain words, names, images and descriptions of people who have passed away.

Acknowledgment to Traditional Owners

We acknowledge and give our respects to the Jagera, Yuggera and Ugarapul people, Traditional Owners and Caretakers of this land, where they have performed age-old ceremonies of storytelling, healing, music, dance and celebration. We would also like to acknowledge and give our respects to our Elders, past, present and emerging, for they hold the memories, traditions and knowledge of Aboriginal and Torres Strait Islander culture.

Recognition of Australian South Sea Islanders

West Moreton Hospital and Health Service formally recognises the Australian South Sea Islanders as a distinct cultural group within our geographical boundaries. West Moreton Hospital and Health Service is committed to fulfilling the *Queensland Government Recognition Statement for Australian South Sea Islander Community* to ensure that present and future generations of Australian South Sea Islanders have equality of opportunity to participate in and contribute to the economic, social, political and cultural life of the State.

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Statement of compliance



Queensland
Government

West Moreton Health

7 August 2020

The Honourable Steven Miles MP
Deputy Premier, Minister for Health and Minister for Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Deputy Premier

I am pleased to submit for presentation to the Parliament the Annual Report 2019–2020 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 2019*; and
- the detailed requirements set out in the Annual Report Requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on page 87 of this annual report.

Yours sincerely

Michael Willis
Chair
West Moreton Hospital and Health Board



Caring Better Together

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West Moreton Health

Statement on Queensland Government objectives for the community

Government objectives

The objectives of the West Moreton Health Strategic Plan 2017-21 contributes to the Queensland Government's objectives for the community as outlined in *Our Future State: Advancing Queensland's Priorities* keeping Queenslanders healthy and giving all our children a great start by providing safe, quality, and appropriate health and wellbeing services for members of the West Moreton community. This is consistent with West Moreton Health's vision, which is 'to create a West Moreton community which is thriving and well'.

Creating jobs in a strong economy

As one of the largest employers in the region, we play an integral role in supporting the economic vitality of the community we serve.

We specifically support a stronger economy by:

- increasing workforce participation
- ensuring safe, productive and fair workplaces
- stimulating economic growth and innovation
- delivering new infrastructure and investment.

Give all our children a great start

West Moreton Health provides a wide range of health services to children throughout the region. We are committed to providing early intervention initiatives and strategies that are designed to improve integration of care and improve health outcomes for children. Our child health and development services aim to improve health outcomes for all children in the West Moreton region, from birth.

Keep Queenslanders healthy

Our interconnected care strategy emphasises partnerships and a commitment to addressing the social circumstances that influence health in the West Moreton region.

We play a vital role in helping to strengthen the community by providing health and wellbeing services. Our Mental Health and Specialised Services and Prison Health Services teams also strive to keep consumers supported and well, acknowledging the significant challenges they face. In providing education and healthcare services in community health centres for culturally and linguistically diverse community members, we also support their connection with the broader community. Our Strategic Plan seeks to identify and deliver the integrated health services that will help build a stronger West Moreton community, now and into the future. We particularly recognise that Aboriginal and Torres Strait Islander peoples continue to experience poorer health and social outcomes and we worked on a wide range of initiatives in 2019–20 to continue to work to Close the Gap in health outcomes for First Nations peoples.

From the Chair and Chief Executive

In the past year, West Moreton Health staff held fast to their pledge to deliver the highest quality care for the community. When facing the COVID-19 pandemic, as well as managing the day to day work, our staff excelled in responding, adapting and finding solutions. Staff have been true heroes in facing this uncertainty with courage and tenacity, and we pay tribute to them.

By June 2020, we began to resume services that were delayed during the intense period of preparation and response. We expect the impacts of COVID-19 will be with us for some time to come and we remain ready to respond. This will include ongoing monitoring of hospital bed capacity and appropriate streaming of patients while we focus on full resumption of services.

An unexpected benefit of the pandemic was the increased and innovative use of digital health solutions – including virtual care of COVID-19 patients in the community. We have retained many of these solutions and will have a renewed focus on digital innovation in the next 12 months.

As we enter the final year of our current Strategic Plan, we have an opportunity to reflect on the great progress we have made as a health service. We have resolutely pursued our strategic priorities during the past three busy years. In 2019–20, our 3745-strong workforce continued to deliver safe, quality care to meet the health needs of a diverse and growing community. During the financial year, we provided more episodes of care than ever before. In 2019–20, 99.9 per cent of Category 1 patients attending emergency departments were seen within the recommended two minute timeframe while 98 per cent of Category 1 elective surgery patients were treated within the clinically recommended timeframe of 30 days. The median wait time for treatment in emergency departments was 12 minutes while the median wait time for elective surgery was 30 days. During this same period, we saw a decrease in hospital-acquired infections and complications and reportable incidents.

We progressed our 15-year Master Plan, which will help us meet the future demand from a rapidly increasing population. The Queensland Government confirmed

\$146.3 million for the Ipswich Health Precinct. In December 2019, we delivered the first component with the installation of an MRI machine at Ipswich Hospital. Since then, more than 1000 people, who otherwise had to travel outside the region, have been able to have their scans done locally. In addition, the Queensland Government announced a new \$25 million 26-bed ward at Ipswich Hospital that is expected to be opened by the end of 2021. In addition, detailed planning is underway for a new \$91 million 50-bed Acute Mental Health Unit at Ipswich Hospital, expected to be constructed by the end of 2022.

We demonstrated our commitment to the *Human Rights Act 2019*, including developing an Equity Framework to ensure we provide accessible, equitable services for the community and a safe, fair workplace for staff.

We worked on a range of projects to Close the Gap in health outcomes for First Nations peoples. We are grateful for the support and guidance provided by First Nations peoples and community Elders.

There were, unfortunately, instances of physical and verbal abuse of West Moreton Health staff. Occupational violence is not acceptable and we continue to manage and mitigate risks related to occupational violence. We provided training and support and implemented strategies and actions to keep staff safe.

Overall performance was affected by the response to COVID-19 and this year West Moreton Health ended the financial year with a deficit of \$10.4 million.

As demand for services continues to grow, we are prioritising the provision of the safe, sustainable services for which we are funded. We will continue to develop partnerships with primary health and private partners to provide the best possible care to the community. Our partnerships with key organisations strengthened in the past year, with Queensland Police Service and Queensland Ambulance Service working closely with our clinicians on programs such as Mental Health Co-Responder (MH-CORE), which provides early support for people experiencing a mental health crisis.

We also continued to work with the Darling Downs and West Moreton Primary Health Network (PHN) and local government partners on community led projects designed to achieve real change in the areas of obesity, social isolation, and youth mental health wellbeing. In addition, our research agenda continued to mature. The Queensland Centre for Mental Health Research once again led the way on vital mental health research, including studies to support Aboriginal and Torres Strait Islander mental health.

Without doubt, this has been a difficult 12 months with unprecedented health and economic challenges. We are proud of, and grateful to, the exceptional people who work for and support West Moreton Health. Thanks to them, we delivered on our promise of Caring Better Together by living our values of connect, respect and excel. And by continuing to work together, we are confident we will continue to provide quality healthcare for the West Moreton community.

Michael Willis, Chair

Dr Kerrie Freeman, Chief Executive

About us

West Moreton Health provides health and wellbeing services to more than 300,000 people across the Somerset, Scenic Rim, Lockyer Valley and Ipswich communities, from Esk in the north, Gatton to the west, Springfield and Ipswich in the east, and Boonah to the south.

We provide preventative and primary healthcare services, ambulatory services, acute care, sub-acute care and oral health, mental health and other specialised services (including prison health services and alcohol and other drugs services) to the region.

We have the fastest growing population in Queensland in relative terms, which is expected to double to 587,000 by 2036.

West Moreton Health was established on 1 July 2012 as a statutory body under the *Hospital and Health Boards Act 2011*. One of 16 hospital and health services in Queensland, West Moreton Health is governed by the West Moreton Hospital and Health Board, whose members are accountable to the community and to the Honourable Steven Miles MP, Deputy Premier, Minister for Health and Minister for Ambulance Services. Hospital and health services and the Department of Health together make up Queensland Health.

West Moreton Health operates in line with the *Service Agreement* with the Department of Health.

The agreement can be viewed here:

<https://www.publications.qld.gov.au/dataset/west-moreton-hhs-service-agreements>

We recognise and welcome the role we play in not only healthcare, but in the economic development, sustainability and prosperity of the West Moreton region.

Our hospital network includes Ipswich Hospital and four rural hospitals in Boonah, Gatton, Laidley and Esk, which together provide 384 beds for their communities. Community services are also delivered through the Ipswich Health Plaza, Goodna Community Health, Gailes Community Care Unit and the Ipswich Oral Health Clinic. The expansion of community services means more care is provided in people's homes, as well as community outreach centres at Redbank Plains and South Ripley or via our mobile

BreastScreen and dental vans. West Moreton Health provides Queensland's only forensic mental health inpatient beds – the High Security Inpatient Service, the Extended Forensic Treatment Rehabilitation Unit and the Secure Mental Health Rehabilitation Unit at The Park – Centre for Mental Health.

We also provide statewide services through the Queensland Centre for Mental Health Research, the Queensland Centre for Mental Health Learning and the Queensland Mental Health Benchmarking Unit. In addition, we provide health services to five prison facilities in South East Queensland and our care for prisoners will continue to expand over coming years. In 2019–20, West Moreton Health provided care at Brisbane Correctional Centre, Brisbane Women's Correctional Centre, Brisbane Youth Detention Centre, Borallon Training and Correctional Centre and Wolston Correctional Centre. From 1 July 2020, West Moreton Health will assume responsibility for healthcare at Arthur Gorrie Correctional Centre under a broad expansion of our Prison Health Services that will include Southern Queensland Correctional Centre by 2022.

We have strong community reference groups and consumer engagement, which ensures the community has a voice in planning, design, delivery and evaluation of healthcare services. We thank them for their very tangible support for and dedication to the West Moreton community.

Operating environment

West Moreton is the fastest growing region in Queensland in relative terms. The population is expected to double to 587,000 by 2036 and we are responding to the growing demand for health services now, and in the future.

West Moreton Health put several initiatives in place to respond to significant growth in demand:

- We accelerated our virtual health program, using the COVID-19 pandemic as an opportunity to transform how services are delivered. This included telehealth, sub-acute care within the home setting, remote monitoring and remote chronic disease management.
- We completed clinical redesign projects led by clinicians, including allied health and child development services, and worked to develop a more coordinated approach to providing care for elderly patients.
- We strengthened partnerships with the Queensland Ambulance Service, Queensland Police Service, PHN, GPs, community and private partners to integrate delivery of care.
- We progressed our Master Plan, including plans for a new 26-bed ward for Ipswich Hospital to be completed in 2021.

During our initial response to COVID-19, we temporarily paused elective surgery, screening and outpatient services in line with Federal directives.

Our COVID-19 response provided further opportunities to focus on staff safety and wellbeing. We embedded safety leadership into our everyday work practices by promoting occupational health and safety, COVID-safe work and education plans and a COVID-19 Staff Wellbeing Action Plan.

Impact of COVID-19

The COVID-19 pandemic has had a significant impact on staff, consumers and services across West Moreton Health. At the same time, our response to the pandemic has produced innovations in our healthcare delivery.

Strategic direction

West Moreton Health completed a 2020 update of the 2017–2021 Strategic Plan that acknowledges the new health and economic challenges posed by COVID-19 while continuing to develop virtual health, infrastructure and services to meet the needs of one of the fastest growing communities in Queensland.

The West Moreton Health Strategic Plan seeks to manage these challenges by connecting, partnering, growing and transforming our services while providing safe, reliable care that is closer to home.

The Strategic Plan focuses on four strategic priorities:

1. Person-centred care: delivering equitable, person-centred care and supporting diverse and vulnerable communities.
2. Caring for our teams: inspiring a workplace where staff, volunteers and partners thrive and know they are valued.
3. Interconnected care: using partnerships and technology to deliver virtual and integrated care.
4. Better care: delivering safe, high quality and high value care backed by innovation and research.

Key achievements in implementing our Strategic Plan across the four strategic priorities included:

Person-centred care

- We developed an all-encompassing community and staff Equity Framework to help deliver equitable healthcare to our most vulnerable consumers, in accordance with the *Human Rights Act 2019*.
- We built on engagement with Aboriginal and Torres Strait Islander Elders, the Australian South Sea Islander community, staff and the wider West Moreton community, and recruited the inaugural director of Indigenous Health Services as we worked to Close the Gap in health outcomes for First Nations peoples.

Caring for our teams

- We measured staff sentiment every month through our CheckIn survey to understand and respond to staff feedback.
- We continued to mature the #everyoneisaleader program to grow leadership capability in a rapidly changing health landscape.
- We developed the West Moreton Health Staff Wellbeing Framework which included a focus on occupational violence prevention and management.

Interconnected care

- We launched the West Moreton Region Care at End of Life Knowledge Framework for health professionals in the West Moreton region through the West Moreton Care at the End of Life Collaborative. We also partnered with Queensland Ambulance Service to design a toolkit for paramedic staff working in this region to support integrated education and paramedic placements within the Ipswich Hospital Palliative Care Unit.
- The joint PHN and West Moreton Health Regional Mental Health and Alcohol and Other Drug Plan was launched in February 2020.
- We launched the HealthPathways program in partnership with the PHN to support primary healthcare providers to make the best decisions on care paths for patients.
- We continued the Mental Health Co-Responder (MH-CORE) collaboration with the Queensland Police Service and Queensland Ambulance Service to support care for patients with mental health needs. It is a model that has been taken up and implemented statewide as part of the Rapid Results program.

Better care

- We continued to implement the first phase of our 15-year Master Plan.
- West Moreton Health also began a \$2 million preliminary business case for Stage 2 of our Master Plan.
- We implemented the S/4HANA system under the statewide Financial System Renewal (FSR) project.
- We transitioned our safety and quality systems to meet version 2 of the National Safety and Quality Health Service Standards.
- We implemented the Advancing Kidney Care 2026 Plan to expand access to outpatient appointments for people with chronic renal disease and improve transplant coordination, vascular access coordination and kidney supportive care models.

Our response to future demand

The Queensland Government has provided funding of \$146.3 million to progress the West Moreton Health 15-year Master Plan for the Ipswich Health Precinct, and this includes:

- a \$5.7 million Magnetic Resonance Imaging (MRI) suite that opened ahead of schedule at Ipswich Hospital in December 2019. Now more than 50 people each week can have their scans done on-site instead of having to leave the hospital. The new unit is helping clinicians diagnose life-threatening conditions such as spinal infections, cancer, stroke and heart and brain issues more rapidly. The Architect 3.0T scanner, engineered by GE Healthcare, has an imaging 'blanket' equipped with AIR coil technology, which enhances patient comfort by conforming to their body. West Moreton Health took delivery of the MRI on 9 November 2019 when the seven-tonne MRI magnet, measuring 2.4m x 2.1m, was lowered into position in Ipswich Hospital's Medical Imaging Department by crane. Before the MRI was installed, patients had to be transported to external private providers, who offered limited hours of operation. If patients needed urgent imaging, they had to be transferred to Brisbane or Logan. From mid-December 2019 to 30 June, 1068 patients were scanned locally.
- a \$91 million 50-bed Acute Mental Health Unit for adults and older people, which is to be completed by late 2022. The new facility, which has been co-designed with consumers and clinicians, will provide six extra beds, provide contemporary models of mental healthcare and free up the current mental health site on the Ipswich Hospital campus, allowing for future hospital expansion.
- a \$25 million 26-bed ward at Ipswich Hospital to be completed by late 2021 and the proposed purchase of nearby Ipswich City Council buildings, subject to government approvals, for future development of the Ipswich Health Precinct.

Approach to future stages

The Master Plan is based on a population health approach, working with partners including the Darling Downs and West Moreton PHN, Queensland Ambulance Service, other health service providers, universities and the community, to develop contemporary service models that make the most of technology and deliver care closer to home.

We will continue to work closely with the community, our healthcare partners and staff to make sure the Master Plan delivers on those goals.

Values, Vision, Purpose

Our values	connect . respect . excel
Our vision	To create a West Moreton community which is thriving and well.
Our purpose	To meet the health needs of the diverse and growing community now and in the future.

- advise staff of complaints and support them in their resolution
- provide consumer feedback management training on request
- assist with the identification of complaint trends to contribute to quality improvement actions.

Priorities

Our priorities are clearly outlined in our Strategic Plan 2017–21 and covering the key areas of person-centred care, caring for our teams, interconnected care, and better care.

Equity Framework

The new West Moreton Equity Framework sets out our vision and values for providing an accessible, equitable workplace for staff and accessible, equitable services for the community.

Engaging with the community and consumers

West Moreton Health engages with the community by listening to and collaborating with consumers, their families and carers. Our Consumer Engagement Strategy 2018-21 guides our work in building strong and effective partnerships within our diverse community, facilitating active participation in healthcare planning and design, service delivery and evaluation, and improving health and wellbeing for all. All our engagement is driven by our strategic objectives.

The Consumer Liaison Office manages all consumer feedback about services provided by West Moreton Health. The West Moreton community can provide compliments, suggestions and complaints to the Consumer Liaison Office by telephone, email, letter, a Have Your Say form, or the West Moreton Health Facebook page. When a compliment, suggestion or complaint is received, the Consumer Liaison Office team will:

- record and report all consumer feedback
- let staff know about compliments and suggestions to be shared

The Consumer Liaison Office also coordinates responses to complaints from external sources, including the Office of the Health Ombudsman, local Members of Parliament, Office of the Public Guardian, and the Honourable Steven Miles MP, Deputy Premier, Minister for Health and Minister for Ambulance Services. The Office also ensures it complies with the *Human Rights Act 2019*.

The new West Moreton Health Cultural Diversity Action Plan aims to deliver equitable, person-centred care that supports vulnerable communities.

West Moreton Health's commitment to ensuring workforce diversity is demonstrated by the fact that 17.59 per cent of our staff are from non-English speaking backgrounds. In the 2016 Census, 12 per cent of West Moreton respondents identified as having a non-English speaking background and 20 per cent said they were born overseas.

The Multicultural Health and Wellbeing Collaborative brings together representatives from key services and agencies in the West Moreton region to improve access to and engagement with health services for consumers from cultural and linguistically diverse backgrounds.

West Moreton Health appreciates the generous contribution of volunteers in supporting patients and families who visit our facilities. From Ipswich Hospital Foundation volunteers to community members who are part of our rural hospital auxiliaries, volunteers support our services by giving their time, raising funds and assisting patients in a variety of hospital and health spaces including Parents in Theatre, Rehabilitation and Aged Care, the Ipswich Hospital Special Care Nursery and Children's Ward, Renal Unit, Palliative Care and Outpatient areas.

Partnering with stakeholders

Our partnership with the Queensland Ambulance Service (QAS) is among our most important. The partnership permeates through the entire West Moreton Health organisation – from the doors of our hospital emergency departments through to close links with many of our teams.

West Moreton Health continues to work in close partnership with the Queensland Police Service (QPS) to provide better health outcomes for the West Moreton community.

West Moreton Health also worked in partnership with Darling Downs and West Moreton PHN to provide better, integrated healthcare for the community and improve health services.

West Moreton Health continued its engagement with union partners through regular Local and Health Service Consultative Forums. This year presented us with the opportunity to further strengthen our relationships with unions as we navigated the significant clinical and workforce impacts of responding to the COVID-19 pandemic. Weekly union briefings were established through teleconferencing, which provided an accessible platform for engagement. These briefings supported a flow of information, including the sharing of results from regular staff surveys, consultations on our agile workforce strategies, and the capturing of feedback to understand the needs of our workforce.

Research

The West Moreton Health Research and Innovation Strategy 2015–20 focuses on supporting staff to actively improve the way we provide care to our community. Over the past four years, this has led to staff focusing on priority areas, including chronic and preventable disease, health promotion and prevention, service delivery improvement and mental health. The West Moreton Centre for Research and Innovation has also had a strong focus on building research capability and capacity within the clinical workforce through research skills training, communities of practice, structured mentorship and supporting staff to start research higher degrees with our academic partners.

Within West Moreton Health, the Human Research Ethics Committee (HREC) carefully considers potential benefits and risks associated with each research proposal. HREC operates in accordance with the policies and guidelines published by the National Health and Medical Research Council (NHMRC) and Queensland's Research Ethics and Governance Unit.

West Moreton Health is home to Queensland's premier mental health research facility, the Queensland Centre for Mental Health Research (QCMHR), which aims to reduce the level of disability associated with mental illness. It achieves this by providing internationally recognised research that leads to more effective mental health services and interventions, the identification and reduction of risk factors and the development of researchers in the field of mental health.

Aboriginal and Torres Strait Islander Health

West Moreton Health is working to deliver safe, excellent care and create a culturally safe and welcoming environment for the Aboriginal and Torres Strait Islander community of West Moreton. The West Moreton Health Strategic Plan is underpinned by a population-health approach, including working with our partners to address health inequality and to Close the Gap in health outcomes for First Nations peoples. This is a long-term challenge to which we are committed. West Moreton Health has strong connections with the region's Aboriginal and Torres Strait Islander peoples, including seeking Elders' invaluable input, suggestions and feedback to help shape our health service.

In working to Close the Gap, and in responding to the *Making Tracks towards closing the gap in health outcomes for Indigenous Queenslanders by 2033: Investment Strategy 2018–2021*, West Moreton Health continues to engage with staff and the community on how it provides Indigenous health services, focusing on services delivered at Ipswich Hospital and mental health and community sites. In the financial year, we continued to implement an action plan to improve West Moreton Aboriginal and Torres Strait Islander health outcomes, placing the needs of individuals at the core of service delivery.

During 2019, we also developed a project to improve health outcomes, which included the development of a new Social and Emotional Wellbeing Framework and recruitment of a new Director for Aboriginal and Torres Strait Islander Health who will commence in the inaugural role in July 2020.

In building a culturally capable and responsive workforce to support the community, West Moreton Health has employed an identified clinical midwifery consultant, child health nurse, specified caseload midwife, Aboriginal health workers, Indigenous hospital liaison officers and coordinators to support Aboriginal and Torres Strait Islander patients and their families across the region.

Indigenous hospital liaison officers provide direct support and assistance to both clinicians and to Aboriginal and Torres Strait Islander inpatients, families and communities across the West Moreton region. The continuum of care is supported from hospital to community with Aboriginal health workers facilitating a seamless transition and supporting consumers in community to reduce potentially preventable hospitalisations.

Our community based and hospital based services

West Moreton Health's strategic pillars – person-centred care, caring for our teams, interconnected care and better care – are all designed to deliver on our vision of creating a thriving and well West Moreton community. Our community and hospital-based services expanded their work to help deliver on these strategies, particularly on our objective of providing more care closer to home.

West Moreton Health quickly established a virtual care response to the COVID-19 pandemic, building on four years of experience in using digital health solutions. We provided exemplary virtual healthcare to meet the needs of patients with mild symptoms through to those who required hospital admission.

Telehealth saves patients and their families time and money by reducing the need to travel from their rural or regional homes to Ipswich Hospital for follow-up care such as palliative care consultations or to discuss pain management or recovery. The program also allows teams – including cardiac rehabilitation, pharmacy and allied health services – to connect with patients to continue their recovery in the community via videoconference.

Mobile Enabled Care (MeCare) is a virtual care program that integrates community and hospital-based chronic disease management for complex, chronically ill patients via remote patient monitoring and telehealth. Patients use remote monitoring devices to measure biometrics like blood pressure, oxygen levels, blood glucose and weight. Patients can also report how they are feeling through online surveys and assessments. This enables the MeCare clinical team to work with patients to track their health status. Clinicians can quickly identify any deterioration in a patient's condition and encourage them to see their GP, thereby potentially reducing the need to go to hospital.

The Hospital in The Home (HITH) service, established in 2011, helps support more than 90 people a month to recover at home and avoid unnecessary hospitalisation.

HITH offers three key services:

- an alternative to admission through appropriate treatment plans and ongoing healthcare support that allows patients to receive care at home
- access to a clinic for patients who require ongoing blood or drug infusions, thereby eliminating the need for hospital admission
- provision of wound care and longer-term intravenous antibiotics for patients recovering from both acute and less intensive treatment.

The service allows clinicians to develop a discharge plan, schedule medical reviews and facilitate necessary medical appointments, give advice on what to do in an emergency and provide after-hours telephone support.

West Moreton Health is developing new models of care around kidney transplant coordination, kidney supportive care, vascular access co-ordination and pre-dialysis education. With \$550,000 recurrent funding from Queensland Health's Advancing Kidney Care 2026 Collaborative Program, we are addressing key areas of kidney health and care, including management of chronic kidney disease, the delivery of specialist kidney care and access for people in West Moreton.

Rehabilitation and Acute Stroke Services continue to advance patient outcomes through its focus on patient education and awareness, and staff training. The unit at Ipswich Hospital is one of only a few in Queensland that offers both stroke and rehabilitation services, providing a gold standard in stroke recovery care.

In 2019–20 West Moreton Health rolled out a Sepsis Diagnostic Bundle at Ipswich Hospital to provide faster diagnosis of sepsis, a life-threatening reaction to infection.

West Moreton Health is proud to be a leader in palliative care, offering one of the only dedicated palliative care units in Queensland. Ipswich Hospital provides a 13-bed unit, as well as a community outreach service, an outpatient clinic and telehealth services. The unit accommodates the needs of people in rural facilities who want to receive care closer to home, as well as those who want to be cared for in their own homes. The emphasis is to keep people at home as that coincides with their wishes to take the rest of their journey at home to a certain point or even die at home.

The Nursing and Midwifery team at Ipswich Hospital welcomed the creation of several new roles this year to support the delivery of high quality, individualised care. These roles include new multicultural liaison midwives who provide culturally safe care, a dedicated expert midwife to improve neonatal care, and dedicated bereavement care services to support families who have suffered a loss.

The West Moreton Care at End of Life Collaborative's membership is representative of the diverse services throughout the region involved in care at the end of life. The collaborative – made up of government, non-government, not-for-profit organisations and consumer representatives – was established to improve care at the end of life through the development and implementation of a shared action plan that addresses gaps in capacity and capability to deliver quality care.

The Residential Aged Care Acute Support Service (RaSS) was established in July 2019 to support Residential Aged Care Facilities (RACFs) and GPs to care for residents in their location of choice. This includes their home when clinically appropriate. This evidence-based program is designed to support RACF residents and their families when sub-acute or acute care is required, which improves the residents' experience as they progress through the health service.

West Moreton Oral Health operated 30 dental chairs and 12 mobile dental vans across West Moreton in 2019–20 to provide emergency, general and specialist dental care. The team worked with 14 West Moreton schools to provide a comprehensive oral health program through a dedicated oral health promotion van and offered onsite dental treatment to children at 55 schools in the region.

BreastScreen Queensland – Ipswich Service added a second mobile van to its services on 27 November 2019. The van, called 'Wattle', allows the service to provide additional screening sites at Booval and Redbank Plains, the Brisbane Women's Correctional Facility at Wacol and Ipswich Hospital. BreastScreen also reaches out to include Gatton in the regions it serves. West Moreton Health now has three breast screening facilities: Ipswich Health Plaza and the Bottlebrush and Wattle breast screening vans.

Alcohol and Other Drug Services (AODS) provides a vital service for people whose lives have been affected by addiction. A multidisciplinary team – including an addiction specialist and psychiatrists, clinical nursing staff, a senior social worker and a senior psychologist – provide assessment, treatment and support options.

Diabetes educators promote optimal health and wellbeing for individuals using a wide range of specialised knowledge and skills. They integrate diabetes self-management education with clinical care as part of a therapeutic intervention to promote physical, social, spiritual and psychological wellbeing. Diabetes education is provided by a range of services including Inpatient management at Ipswich Hospital, Gestational Diabetes, Outpatient services for Type 1 and Type 2 diabetes, a drop-in service, telephone consultations, and specialised clinics, including Insulin pump therapy and dose adjustment for normal eating (DAFNE).

Vital cardiac rehabilitation and heart failure services are delivered to consumers in West Moreton Health. The multidisciplinary teams of nurses, dietitians, exercise physiologists, social worker, psychologist, pharmacist, occupational therapist, Indigenous health workers and nurse practitioners partner with patients to provide expert clinical support, education and interventions.

Mental Health and Specialised Services

Forensic and secure services

As Queensland's only forensic mental health inpatient service, The Park – Centre for Mental Health (The Park) has three separate areas: the High Security Inpatient Service, the Extended Forensic Treatment Rehabilitation Unit and the Secure Mental Health Rehabilitation Unit.

The High Security Inpatient Service is a statewide 70-bed facility that provides a highly supervised, supportive and secure environment, based on a recovery model of care. It caters for people alleged to have committed serious indictable offences and those who are involved with the criminal justice system and presenting with complex mental health needs requiring assessment and/or treatment and rehabilitation. Comprising five units catering for varying levels of acuity, the High Security Inpatient Service admits consumers through prison mental health services, court liaison, the Mental Health Court and other hospital and health services.

The Extended Forensic Treatment and Rehabilitation Unit is a statewide service that provides 20 beds in a residential-style setting. It oversees the rehabilitation of consumers transitioning from the High Security Inpatient Service who require further support in achieving rehabilitation and recovery goals.

Providing services to the West Moreton, Metro South and Gold Coast regions, the 34-bed Secure Mental Health Rehabilitation Unit offers a structured environment for medium to long-term inpatient treatment. The unit also supports rehabilitation for consumers with persistent and disabling symptoms of mental illness, who cannot be adequately supported in other inpatient settings.

The Park also houses health services for South East Queensland prisons, including the state's largest prison mental health service and Prison Health Services.

In addition to clinical services, The Park hosts:

- the Queensland Centre for Mental Health Learning (the Learning Centre), a Registered Training Organisation that delivers face-to-face workshops and eLearning training across Queensland
- the Queensland Centre for Mental Health Research, an internationally recognised centre that aims to reduce the level of disability associated with mental illness through research
- the Queensland Mental Health Benchmarking Unit, which undertakes internal benchmarking activities with extended treatment mental health inpatient services through Queensland Health. It supports hospital and health services to undertake quality improvement activities within extended treatment services aimed at improved health outcomes for consumers.

Prison Health Services

Prison Health Services delivers primary healthcare to people in custody. Dedicated teams are based in a health clinic setting within correctional and youth detention facilities in the West Moreton region, including the Brisbane Correctional Centre, Brisbane Women's Correctional Centre, Wolston Correctional Centre, Borallon Training and Correctional Centre and Brisbane Youth Detention Centre.

Prison Health Services provides medical, nursing, optometry, mental health and dietary and nutrition care.

Mental Health Services

In January 2020, the Darling Downs and West Moreton PHN, in partnership with both West Moreton Health and Darling Downs Health, launched the Darling Downs West Moreton Regional Mental Health Alcohol and Other Drugs Plan. The Plan outlines shared priority areas across the region, including integration and partnerships, information sharing, and workforce planning. West Moreton Health has committed to contributing resources to the Plan to achieve key strategies under these focus areas and work with our partners across the region to provide the right care at the right time in the right place.

In July 2019, the Specialist Mental Health Intellectual Disability Service was established in West Moreton Health after transitioning from the Department of Communities. The service is a statewide initiative to assist service providers supporting individuals who have an intellectual and/or developmental disability and complex clinical needs, including mental illness or challenging behaviours. West Moreton Health's Mental Health and Specialised Services enabled this team to transition successfully to a new environment, and they are now located at The Park – Centre for Mental Health.

In 2019, Child and Youth Mental Health Services (CYMHS) expanded with the introduction of a new community team at Goodna and an additional Ed-LinQ role. The Ed-LinQ Initiative aims to improve the early detection and collaborative management of mental health issues affecting school-aged children and young people.

Mental Health and Specialised Services expanded its Peer Support Program into the Community and Acute Services division. The program provides timely, confidential and practical support to help the recovery of staff who have been affected by occupational violence and other types of traumatic incidents while on duty.

The Allied Health Brief Therapies Clinics (AHBTC) was piloted in 2019 in collaboration with Darling Downs and Metro South Health Services. The overall aim is to mitigate suicide risk during times of consumer crisis and support transition to, and ongoing engagement with, longer term community-based services. The clinics work collaboratively with consumers at risk of

suicide, their carers and families, to deliver timely, accessible evidence-based psychotherapeutic services within three business days of referral.

In January 2020, the Gailes Community Care Unit transitioned from a partnership model with a Non-Government Organisation to an enhanced clinically based model. The change has seen an increase in clinical and support staff roles and included the integration of staff with a lived experience.

West Moreton Health's participation in the multi-site collaborative Zero Suicide project has seen the introduction of a range of suicide prevention initiatives during the past year.

Prison Health Services has supported the Women in Safer Care program led by the Queensland Corrective Services Assistant Commissioner to develop and implement new initiatives that focus on the specific health needs of women in correctional centres.

West Moreton Health has worked in partnership with Darling Downs and West Moreton PHN and Richmond Fellowship Queensland to develop referral pathways and clinical governance structures for The Way Back Support Service.

A six-month trial of an Occupational Therapy (OT) Clinic embedded within West Moreton Health's Ipswich and Rural Continuing Care Team (IRCCT) began in August 2019. The OT Clinic offers individual assessments and brief interventions for consumers who need and can access other external providers for OT-specific input and support. The evaluation of the trial recommended it be permanently established.

Car parking concessions

West Moreton Health is committed to ensuring access to safe and affordable car parking at Ipswich Hospital and Ipswich Health Plaza for patients, carers, visitors and hospital staff. During the 2019–20 period, 1228 concession passes were issued to eligible patients and their carers at a cost of \$6140.

Targets and challenges

West Moreton Health provides public health services for the community across the continuum of healthcare including preventative and primary services, ambulatory services, acute and sub-acute care, oral health, prison health, and mental health and specialised services.

As a community, West Moreton has a unique demographic outlook including:

- the fastest growing population (in relative terms) in Queensland, which is expected to increase to about 587,000 people by 2036
- an Aboriginal and Torres Strait Islander population that represents 4.8 per cent of West Moreton's total population (2017)
- a high percentage of people born overseas (18 per cent) or who speak a language other than English (9.8 per cent)
- 5.9 per cent of our community who have a profound or severe disability
- more than 60 per cent of the population who are in the bottom two quintiles of relative socio-economic disadvantage.

The population health outlook for the West Moreton community as reported in the 2018 Chief Health Officer's Report presents some notable challenges including:

- 35 per cent of adults who are obese (the second highest in Queensland)
- 15 per cent of adults who smoke and 17 per cent of women who smoke during pregnancy
- 44 per cent of deaths that are premature
- 9 per cent of hospitalisations that are potentially preventable
- higher than average rates of suicide.

In addition to the unique demographic and population health challenges, West Moreton Health faces a range of strategic operating challenges that include:

- meeting current and future service demand
- working within constraints of funding, particularly in the challenging COVID-19 economic environment
- ensuring our partnerships continue to mature in supporting the delivery of care to the community
- continuing to attract and retain high-calibre staff
- managing ongoing change in the external environment.

As a result of Federal Government directives, there was a temporary cessation of elective surgery, screening and outpatient services from March to June 2020. West Moreton Health secured additional Queensland Government funding to address patients waiting for surgery.

The cancellation of non-urgent elective surgery and travel restrictions impacted West Moreton Health activity, thereby increasing the cost per cases treated. The increased cost of transport, PPE and services over the pandemic period may have offset any savings due to the downturn in patient activity.

In addition to continuing the delivery of core health services, meeting performance targets and working to meet the rapidly growing health needs of the population, key initiatives to improve patient outcomes during 2020–21 for West Moreton Health will include:

- continuing to deliver on the Ipswich Health precinct with a new 26-bed ward for Ipswich Hospital to be opened in the second half of 2021.
- construction of a new 50-bed Mental Health Unit at Ipswich Hospital commencing in early 2021, to be completed by late 2022.
- purchase of Ipswich City Council buildings as part of our plan for future growth.

The safety and wellbeing of staff, consumers and community members who access our facilities is our highest priority.

Governance

Our people

Board

The West Moreton Hospital and Health Board comprises nine non-executive members appointed by the Governor in Council on the recommendation of the Honourable Steven Miles MP, Deputy Premier, Minister for Health and Minister for Ambulance Services in accordance with the *Hospital and Health Boards Act 2011*.

In setting the strategic direction of West Moreton Health, the Board is responsible for:

- developing, approving and periodically reviewing the Strategic Plan
- approving West Moreton Health's entering into the service agreement with the Department of Health
- approving the annual budget
- setting performance goals for West Moreton Health
- making decisions in relation to significant strategic initiatives or matters of a sensitive or extraordinary nature
- overseeing risk management, and assessing and determining whether to accept risks outside of the risk appetite set by the Board
- ensuring the health service has the resources necessary to achieve goals, monitor progress and report outcomes.

The Board sets the boundaries, or key policies, within which West Moreton Health must operate and is accountable for the performance of the health service.

Board remuneration

The Governor-in-Council approves the remuneration arrangements for board chairs, deputy chairs and members.

The annual fees paid by West Moreton Health are consistent with the remuneration procedures for part-time chairs and members of Queensland Government bodies. The reported fees may be impacted by fringe benefits tax and other factors.

Several Board members were reimbursed for out-of-pocket expenses during 2019–20. The total value reimbursed was \$1855.44.

Board and committee meeting attendance

Member	Position	Board	Finance Committee	Executive Committee	Safety and Quality Committee	Audit and Risk Committee
Michael Willis	Board and Committee Chair Tenure 18/05/17 – 17/05/21 Initial appointment date 18/05/16	17/17	5/6	3/3		1****
Susan Johnson	Board Deputy and Committee Chair Tenure 18/05/19 – 31/03/22 Initial appointment date 26/06/15	16/17	4/4*	2/2**		5/5
Lyn Birnie	Member Tenure 18/05/19 – 31/03/22 Initial appointment date 18/05/18	17/17	6/6			5/5
Prof Jeff Dunn AO	Member and Committee Chair Tenure 18/05/19 – 31/03/22 Initial appointment date 18/05/18	15/17			1/2***	4/5
Pat Evatt	Member Tenure 18/05/17 – 17/05/21 Initial appointment date 18/05/16	16/17		1/1**		4/5
Prof Gerald Holtmann	Member and Committee Chair Tenure 18/05/17 – 17/05/21 Initial appointment date 18/05/16	16/17	1/2*	1/1**	4/4	
Stephen Robertson	Member and Committee Chair Tenure 18/05/19 – 31/03/22 Initial appointment date 18/05/18	15/17	6/6		4/4	
Sue Scheinflug	Member Tenure 18/05/17 – 17/05/21 Initial appointment date 18/05/16	17/17		3/3	3/4	
Dr Cathryn Hester	Member Tenure 18/05/19 – 31/03/22 Initial appointment date 18/05/19	17/17		1/2	1/1***	

*Change in membership as at Feb-20 meeting

**Change in membership as at March-20 meeting

***Change in membership as at Feb-20 mtg

****attended as ex-officio member

Board membership

Michael Willis Board Chair

Michael Willis is a company director and corporate governance specialist with more than 28 years' governance experience in industry, financial services and the health and education sectors. He is Deputy Chair of the National Injury Insurance Scheme Qld, where he chairs the Audit and Risk Committee. Michael is currently the Chair of the Queensland Health Board Chairs Forum and is a member of the Queensland Health Leadership Board. He is also a sessional lecturer in accounting with the graduate program of Australian Catholic University. As the national president of FINSIA, he led its participation in the initial development of the ASX Corporate Governance Principles. He is a Fellow of the Australian Institute of Company Directors.

Susan Johnson Deputy Chair

Susan Johnson is a self-employed consultant with a background in law, public policy, research and governance, integrity principles, risk management and effective governance. She has worked in, and with, public sector agencies for more than 30 years, including senior executive roles in research and misconduct prevention at the former Criminal Justice Commission and Crime and Misconduct Commission (now the Crime and Corruption Commission), and she has been involved in major policy reviews for government in the areas of police powers, domestic violence and child protection. Susan holds a Bachelor of Arts, a Bachelor of Laws, and a Master of Business Administration. Susan is a Graduate of the Australian Institute of Company Directors (GAICD).

Lyn Birnie

Lyn Birnie is a finance leader with more than 35 years' experience in senior roles in major mining companies and Queensland Government-owned power generators. She is a Graduate of the Australian Institute of Company Directors (GAICD) and a Certified Practising Accountant and holds a Bachelor of Business and a Master of Business Administration.

Professor Jeff Dunn AO

Professor Jeff Dunn AO is Chief Executive Officer of the Prostate Cancer Foundation of Australia and Professor and Chair of Social and Behavioural Science in the Division of Research and Innovation at the University of Southern Queensland. Jeff serves the International Union for Cancer Control as a board member and as Treasurer and Chair of the Finance, Risk and Audit Committee.

Patricia Evatt

Patricia Evatt has a background in psychology, with a strong interest in organisational psychology. She has more than 24 years' experience in corporate governance in both the public and private sectors and is a former director of a consultancy company specialising in industrial relations, organisational development and human resource management. Patricia holds a Bachelor of Applied Science (Applied Psychology), a Diploma of Psychology, a Master of Organisational Psychology and is a Graduate of the Australian Institute of Company Directors (GAICD).

Dr Cathryn Hester

Dr Cathryn Hester is a general practitioner and practice owner in Karana Downs. She has worked in clinical medicine for more than a decade, spending much of this time in the Ipswich region which is also her home. Cathryn is a Fellow of the Royal Australian College of General Practitioners (RACGP).

Professor Gerald Holtmann

Professor Gerald Holtmann is a medical specialist in the field of gastroenterology with extensive academic and organisational leadership experience. Besides his medical qualifications, he has a Master of Business Administration. He is Director of the Department of Gastroenterology and Hepatology at the Princess Alexandra Hospital in Queensland and Director of Clinical Innovation for the Health Faculties of The University of Queensland (UQ). He also serves on the board for UQ Health Care.

Stephen Robertson

Stephen Robertson is the Director for Marketing, Stakeholder Engagement and Strategy at Planet Ark Power, a Brisbane-based power electronics and renewable energy technology company. In 2012, he completed a 20-year career as a Member of the Queensland Parliament and was a senior Minister in successive state governments between 1999 and 2012. Over the course of 13 years of ministerial service, Stephen held the portfolios of Health, Energy, Water, Mines, Natural Resources, Trade and Emergency Services. He has a Bachelor of Arts with Honours from Griffith University.

Sue Scheinpflug

Sue Scheinpflug has more than 20 years' experience as a CEO. She is currently a community board member of the Parole Board Queensland, the Chair of Brisbane Diamantina Health Partners and a board member of CPL – Choice, Passion, Life and the Ipswich Hospital Foundation. Sue holds qualifications in education and is a Graduate of the Australian Institute of Company Directors (GAICD).

Board committees

Executive

Members: Michael Willis (Chair), Dr Cathryn Hester, Susan Johnson and Sue Scheinpflug. The chartered role of the committee is to work with the chief executive to progress strategic issues, strengthen the relationship with the chief executive and deliver accountability. The committee oversees performance against the measures stated in the service agreement. The committee supports the Board to develop engagement strategies and protocols with primary health organisations and address issues that arise.

Safety and Quality

Members: Professor Gerald Holtmann (Chair), Dr Cathryn Hester, Stephen Robertson and Sue Scheinpflug. The Safety and Quality Committee assists the Board in its oversight of West Moreton Health's safety and quality-related strategies, performance, governance arrangements and improvements. It is also responsible for promoting a culture of open and

honest reporting of any situation that may threaten the quality of patient care and staff safety. The Safety and Quality Committee includes consumer representatives at each of its meetings to bring the perspective of our consumers to the committee's consideration of safety and quality matters.

Audit and Risk

Members: Professor Jeff Dunn (Chair), Lyn Birnie, Patricia Evatt and Susan Johnson. The Audit and Risk Committee is responsible for assisting the Board in overseeing West Moreton Health's financial statements, internal control structures, internal audit function, risk management systems and compliance systems. The committee works in partnership with the Queensland Audit Office (QAO) and assesses external audit reports and any subsequent action taken. The members of the committee:

- reviewed, updated and recommended Board approval of changes to West Moreton Health's strategic risks
- reviewed and recommended Board approval of the *West Moreton Health Annual Report 2018–19*
- updated and recommended Board approval of the 2018–19 Internal Audit work plan
- reviewed QAO recommendations and monitored their implementation
- reviewed internal and external audit activities and findings and monitored implementation of recommendations
- recommended the Board's approval of amendments to relevant policies and procedures as they fell due.

Finance

Members: Stephen Robertson (Chair), Lyn Birnie, Professor Gerald Holtmann and Michael Willis. The Finance Committee is responsible for advising the Board about West Moreton Health's budgets, cash flows, financial and operating performance, financial systems, financial risks or concerns and complex or unusual financial transactions. It also plays a role in overseeing West Moreton Health's assets and infrastructure plans and performance.

Executive management

Dr Kerrie Freeman Chief Executive

Dr Kerrie Freeman has more than 15 years' leadership of healthcare delivery and transformative change. She has a Doctor of Philosophy (Community Health), a Bachelor of Business and a Graduate Diploma of Public Health. She is also a Graduate of the Australian Institute of Company Directors (GAICD) and holds an Adjunct Professorship at The University of Queensland. Kerrie holds a board director position with Brisbane Diamantina Health Partners, a research collaborative.

Colleen Clur Chief Strategy Officer

Before joining West Moreton Health in September 2017, Colleen Clur worked at Children's Health Queensland Hospital and Health Service as senior director of Communication and Engagement. She holds a Master of Arts and a Graduate Diploma of Business Administration and is a Graduate of the Australian Institute of Company Directors (GAICD).

Associate Professor Deepak Doshi Chief Medical Officer

Associate Professor Deepak Doshi has strong clinical and management experience in a career that spans three continents. Deepak trained as a general surgeon in India before moving to the United Kingdom where he specialised in emergency and paediatric emergency medicine. He has spent the past decade working in Australian hospitals, including as emergency department director at Campbelltown Hospital in Sydney, New South Wales, and most recently as the deputy executive director of medical services at Central Queensland Hospital and Health Service. Deepak has a Master of Public Health and a Master of Health Services Management.

Matthew Tallis Chief Operating Officer

Matthew Tallis has more than 20 years' experience in healthcare. He has worked in both Australia and the Middle East in roles spanning hospital and health service operations, policy, reform, commissioning, innovation and performance improvement. He has a Master of Health Management, Graduate Certificates in Business Innovation and Global Healthcare and a Bachelor of Physiotherapy.

Alistair Luckas Acting Chief Finance Officer

Alistair Luckas is a senior finance executive and chartered accountant with more than 20 years' experience leading finance teams and both Queensland Government and private sector entities to implement significant financial transformation. Before joining West Moreton Health, Alistair worked for Queensland Health as the acting chief finance officer and as senior director of Statutory and Advisory Services.

Taresa Rosten Executive Director People and Culture

Taresa Rosten has more than 17 years' experience in human resources, workplace relations and strategy, having held several leadership positions within the public sector. She holds a Bachelor of Commerce with Honours and a Bachelor of Law. She held the position of executive director strategy management at Children's Health Queensland before joining West Moreton Health.

Philip Juffs Acting Executive Director Allied Health

Philip Juffs is an Advanced Accredited Practising Dietitian with more than 20 years' experience in clinical dietetics and food service management. He has extensive experience as a clinical dietitian in areas including renal nutrition across a range of large tertiary, rural and remote settings. They include the Royal Brisbane and Women's Hospital (RBWH), Princess Alexandra Hospital, Alice Springs Hospital, and a range of National Health Service hospitals in the United Kingdom.

Karyn Ehren Acting Executive Director Nursing and Midwifery

Karyn Ehren has worked in healthcare for 38 years and has a background in senior leadership roles, including as nursing director for surgery and perioperative services. Her clinical background is in paediatric intensive care as an educator and nurse unit manager. Karyn holds a Master of Business Administration with concentrations in leadership and health service management and has graduate qualifications in paediatrics and intensive care nursing. Nursing and midwifery leadership and workforce are two areas of interest.

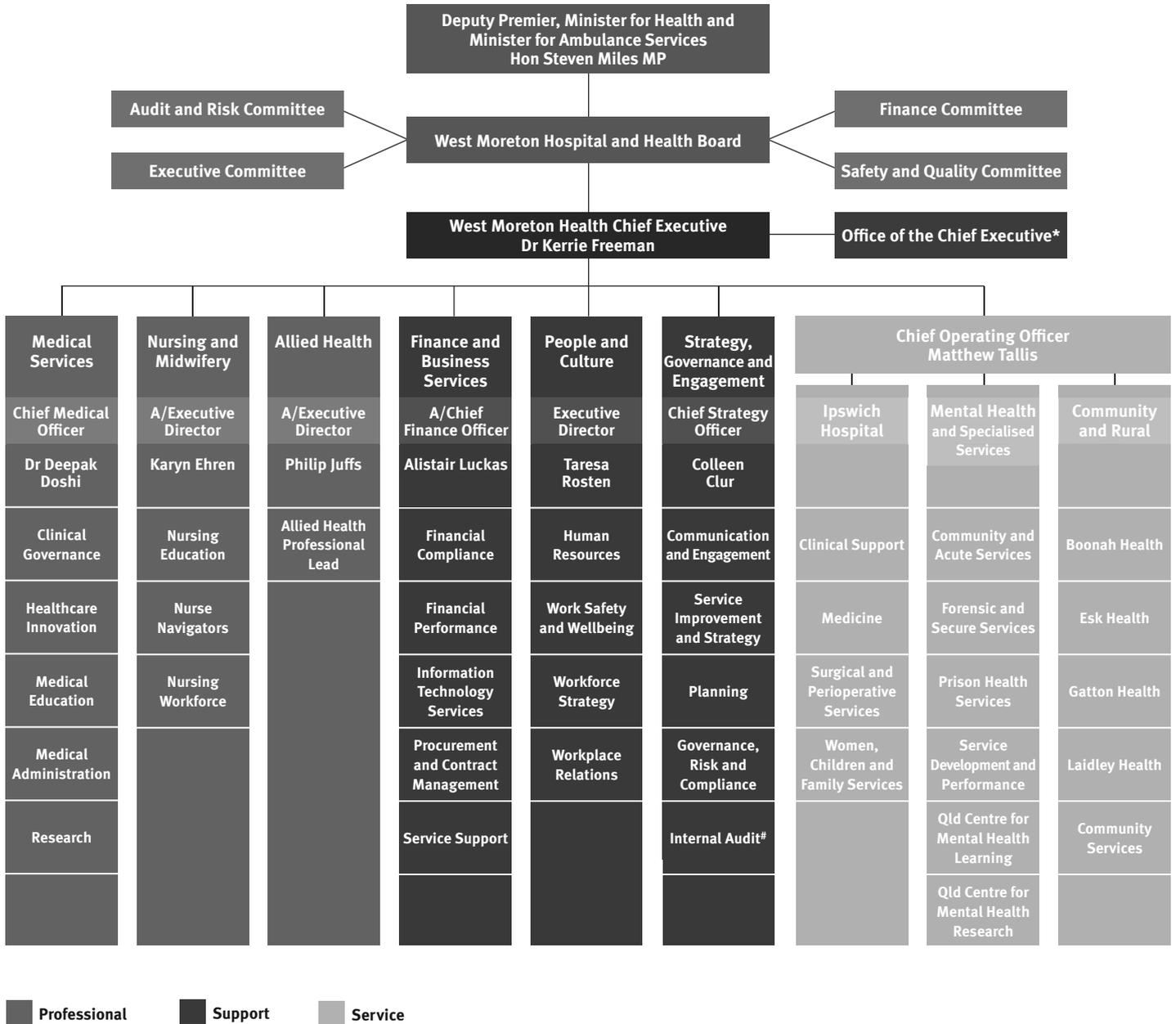
Claire Barratt General Counsel and Corporate Secretary

Claire Barratt is a solicitor with more than 16 years' experience in the banking, retail, pharmacy and health sectors. She holds a Bachelor of Laws, Master of Laws, Graduate Diploma of Legal Practice and Graduate Diploma of Applied Corporate Governance.

West Moreton Health acknowledges and thanks the contribution of past members of the executive leadership team who served this financial year:

- Dr Eleri Carrahar, Interim Executive Director Medical Services (to November 2019)
- Melinda Parcell, Interim Executive Director Ipswich Hospital (to November 2019)
- Umesh Goel, Chief Finance Officer (to February 2020)
- Rachel Phillips, Director of Allied Health and Research (to December 2019)
- Dr Robyn Henderson, Executive Director Nursing and Midwifery Services (to December 2019)
- Melinda Parcell, Executive Director Community and Rural (to June 2020)
- Michael Lewczuk, Executive Director Ipswich Hospital (to June 2020)
- Rachel Phillips, Executive Director Mental Health and Specialised Services (to June 2020).

Organisational structure



* Office of the Chief Executive consists of the General Counsel Corporate Secretary, Executive Officer, Assistant Corporate Secretary, Legal Team, Right to Information Team and Correspondence Officer

Internal Audit has a direct reporting line to the West Moreton Health Chief Executive and the Board Audit and Risk Committee

Workforce profile

Table 1: More doctors, nurses and allied health practitioners*

	2015–16	2016–17	2017–18	2018–19	2019–20
Medical staff ^a	344	370	414	450	457
Nursing staff ^a	1,366	1,436	1,603	1,807	1,840
Allied Health staff ^a	373	392	432	462	446

Table 2: Greater diversity in our workforce*

	2015–16	2016–17	2017–18	2018–19	2019–20
Persons identifying as being First Nations ^b	44	48	55	65	70

Note: * Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end. Data presented is to Jun-20.

Source: ^a DSS Employee Analysis, ^b Queensland Health MOHRI, DSS Employee Analysis

Workforce snapshot

West Moreton Health provides quality health and wellbeing services to the community of 3745 full-time equivalent staff.

The West Moreton population is made up of many different nationalities and, reflecting the community, we seek to achieve diversity in our workforce. We are proud to be represented by staff who embrace and celebrate diversity.

Throughout the year, West Moreton Health experienced a 4.6 per cent permanent separation rate.

Supporting our employees

West Moreton Health supports flexible working arrangements for staff, providing a variety of work options, subject to operational requirements, including part-time work, job sharing, career breaks, telecommuting, variable shift lengths and patterns, access to leave and phased retirement. Currently, 41.27 per cent of the workforce is employed under part-time arrangements. Working from home arrangements increased during the COVID-19 pandemic to ensure staff safety.

Cultural capability

Our vision is to inspire, partner with and contribute to the health and wellbeing of local communities and one of our priorities is to listen to, involve and empower Aboriginal and Torres Strait Islander patients, consumers and their families in everything we do.

In partnership with our people and the community, we aim to increase the representation of Aboriginal and Torres Strait Islander peoples within our workforce through three focus areas:

- reducing the gap between Aboriginal and Torres Strait Islander employees and non-Indigenous employees within West Moreton Health
- building a sustainable and culturally competent workforce to improve health outcomes for Aboriginal and Torres Strait Islander people in West Moreton
- improving career development and retention of Aboriginal and Torres Strait Islander employees through culturally appropriate education, training and employment.

The following achievements and continued undertakings indicate our progress towards Closing the Gap:

- quarterly Elders and Traditional Owners meetings with the West Moreton Health Chief Executive and executive team
- Aboriginal and Torres Strait Islander Elders on executive recruitment panels
- Aboriginal and Torres Strait Islander representation on recruitment panels for identified/specified positions
- single point of contact for Aboriginal and Torres Strait Islander recruitment
- audit of Aboriginal and Torres Strait Islander identified positions
- assistance in reviewing Aboriginal and Torres Strait Islander position descriptions
- Aboriginal and Torres Strait Islander students' participation in our Health Pathways Alliance program
- provision of cultural support and advice to health service employees
- attendance at community events to promote the health service as an employer of choice, and celebration and recognition of culturally significant days.

Strategic workforce planning and performance

Through their responses to the annual Working for Queensland survey, West Moreton Health staff showed they wanted more opportunities to share their thoughts on how the leadership team and the organisation were performing.

In June 2019, People and Culture sent out the first of its monthly surveys and these continued throughout the year to respond to staff feedback.

In February 2020, People and Culture partnered with the eHealth Queensland Innovation team to pilot a 'Culture Jam' with West Moreton Health staff. The session guided participants to develop workable solutions to challenges that had been identified through the surveys.

West Moreton Health continues to work with its strategic partner, Clinical Excellence Queensland's Centre for Leadership Excellence, to enhance the capabilities of staff through the #everyoneisaleader framework.

Through this framework, the health service builds leadership capability by improving conversations between staff and leaders at all levels. These conversations empower staff by facilitating the sharing of ideas and solutions. The #everyoneisaleader program underpins all learning interactions, starting with the orientation of new staff through to the programs 'Coaching skills for leaders', 'Leading through meetings', and 'Customer first leadership'.

Leaders work through real-life examples to test understanding in a safe learning context and are provided with tools and resources to take into their everyday leadership practice. They are then supported through ongoing interactions with the Human Resource and Workplace Relations advisory teams.

Early retirement, redundancy and retrenchment

There were no early retirements, redundancies and retrenchments in the financial year.

Our risk management

The West Moreton Health Board is accountable for the oversight of an effective risk management system that supports the achievement of strategic objectives by applying consistent, best practice risk management across the organisation. West Moreton Health considers human and cultural factors in our approach to risk management and acts in accordance with the *Human Rights Act 2019*.

Risk management is integrated into all planning, governance and operational processes at West Moreton Health to support and inform decision making, including considering the strategic direction and culture, capabilities and practices within our organisation. Accountable executives and leaders are responsible for managing risk within the Board's risk appetite statement which holds patient safety and staff safety as our highest priority. We will not tolerate any risks that could result in poor quality care, unacceptable clinical risk or non-compliance with agreed clinical standards. This commitment supports our strategic priority of delivering safe, excellent, value-based care.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister to West Moreton Health during the financial year and the action taken by the HHS as a result of the direction. During the 2019–20 period, no directions were given by the Minister to West Moreton Health.

Internal audit

West Moreton Health's internal audit function is a key component of our corporate governance, providing an independent and objective assurance and advisory service to improve and add value to the operation of the health service.

The Internal Audit Unit is independent of management and reports operationally to the Chief Executive and the Audit and Risk Committee and administratively to the Chief Strategy Officer.

Board-level support is provided by the Audit and Risk Committee, which oversees internal audit planning, monitoring and reporting processes. This forms part of the governance processes to ensure internal audit operates effectively, efficiently and economically.

The Internal Audit Charter, together with the Strategic Plan and annual plan, endorsed by the Audit and Risk Committee and approved by the Board, directed the unit's activities and provided a framework for its effective operation.

The Internal Audit Charter is consistent with the Institute of Internal Auditors' International Professional Practices framework. The plans were developed using a risk-based approach that considered both strategic and operational risk.

Audit reports include recommendations based on a root-cause analysis and the implementation of these recommendations is followed up regularly, with progress reported to the Audit and Risk Committee.

Key achievements during 2019–20 include:

- the ongoing delivery of the approved audit plan, targeting high risk areas and improving the effectiveness of systems, processes and risk management
- enhanced reporting to the Audit and Risk Committee and the Board through continual improvement to dashboards used for the presentation of data
- continued development of in-house capability and knowledge.

External scrutiny, information systems and record keeping

External scrutiny

Accreditation

West Moreton Health is accredited by the Australian Council on Healthcare Standards to the National Safety and Quality Health Service Standards to 27 February 2021. This accreditation status will be maintained under COVID-19 pandemic arrangements until assessments recommence.

Coronial inquests

When required, West Moreton Health participates in investigations and inquests conducted by a coroner that examines healthcare provided by West Moreton Health. As a provider of primary healthcare and mental healthcare services to several correctional facilities, West Moreton Health participated in four inquests during the 2019–20 period. All four inquests examined the healthcare provided to prisoners who died in custody. Findings for these four inquests all reported that the care provided to the relevant prisoners was reasonable and appropriate. Findings were also handed down for one of the remaining inquests held during the 2018–19 financial year. The findings reported that the care provided to the relevant prisoner was reasonable and appropriate given the circumstances. However, more broadly, the coroner referred to the findings and recommendations regarding information sharing between Queensland Corrective Services and Queensland Health/hospital and health services after recent inquests.

Audits

There were no finalised 2019–20 audits by external agencies responsible for scrutinising the governance arrangements of Queensland public sector agencies. Updates were provided to external agencies about the implementation status of previous audit recommendations with an ongoing focus on identifying fraudulent activity and reporting instances of identified fraud. An organisation-wide fraud risk assessment was completed, and actions identified to further mitigate potential opportunities for fraud.

West Moreton Health has remained informed about the Queensland Audit Office audit approach to the statewide implementation of the new financial system S/4HANA for Queensland Health. Internal audit activity was aligned to further expand on the scope of this audit, which has commenced and will continue into the next financial year.

Delegations

Both the Commonwealth and Queensland Government responses to COVID-19 involved some change to legislation and associated delegations. All changes relevant to West Moreton Health were enacted and recorded in the delegations register.

Information systems and record keeping

The transition to digital medical records as part of the Integrated Electronic Medical Records (ieMR) implementation is assisting West Moreton Health in maintaining its compliance with Queensland State Archives' (QSA) whole-of government record-keeping policy framework and the *Public Records Act 2002*. West Moreton Health applies the General Retention and Disposal Schedule for corporate records management and clinical records.

Information security and information privacy has been a sustained focus as a result of increased storage of records in digital systems.

West Moreton Health's Information Security Procedure and Protocol guides staff on secure record keeping within the health service, and the Information Technology Service facilitates mandatory information security staff training in West Moreton Learning Online (WMLOL). West Moreton Health is committed to the protection of private and confidential information of both patients and staff.

Best endeavours are used to ensure all access to and disclosure of clinical and corporate records is in accordance with the *Information Privacy Act 2009*, *Right to Information Act 2009* and *Hospital and Health Boards Act 2011*. Regular privacy awareness communications and in-service education sessions are made available to all staff and they are also encouraged to undertake the online privacy training provided by the Office of the Information Commissioner and the corporate records training programs provided on the QSA website.

Queensland Health is implementing an Information Security Management System (ISMS) to meet the Queensland Government's information security policy standard, Information Standard 18 (IS18:2018). IS18 is aligned with the current Australian and International standard for Information Security Management Systems (ISO 27001) and provides a greater focus on risk management. West Moreton Health will localise the implementation of the ISMS to meet requirements.

Queensland Public Service Ethics

The *Public Sector Ethics Act 1994* details the ethical principles, values and standards of conduct required by employees in the Queensland Public Service. A single Code of Conduct for the Queensland Public Service, reflecting the ethical principles and values set out in the Act, was adopted in 2011.

The Code of Conduct applies to all West Moreton Health employees including volunteers, students, contractors, consultants and casual staff, regardless of their employment status.

West Moreton Health is committed to upholding the values and standards of conduct outlined in the Code of Conduct, which are:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

Training in the Code of Conduct is a mandatory requirement for all employees of West Moreton Health, and is provided through the workplace behaviours and ethics, corrupt conduct and public interest disclosures courses.

The Code of Conduct is also available to all staff on the West Moreton Health intranet site, along with an online learning program.

Confidential information

Section 160 of the *Hospital and Health Boards Act 2011* requires that confidential information disclosures made in the public interest by a service are outlined in the annual report for that service. To comply with the Act, there was one release of confidential information by West Moreton Health under this provision. This disclosure was in response to a request for patient records from an external investigator engaged by West Moreton Health.

Human Rights Act 2019

West Moreton Health undertook work to ensure compatibility with the *Human Rights Act 2019* during the 2019–20 period. We:

- integrated human rights into our vision and value statements and our strategic planning
- developed an Equity Framework
- reviewed high-risk policies and procedures, including our complaints-handling process
- developed tools to assist our staff in ensuring decisions are compatible with human rights
- developed a Knowledge Framework Project to educate clinicians on how to incorporate human rights in end-of-life care
- started education and training on the new legislation for staff
- created brochures and posters for consumers, integrating the legislation with the Australian Healthcare Charter 2nd edition
- notified 78 functional public entities about the impact of the new legislation to their service delivery on behalf of West Moreton Health
- delivered information sessions to raise awareness of the new legislation to our five community reference groups.
- ensured flexible responses, including the use of virtual health, so essential services could continue despite physical distancing requirements
- sourced appropriate personal protective equipment (PPE) to protect staff and vulnerable people
- implemented all of the Chief Health Officer's directions, including limiting hospital visitors
- reconfigured the layout of facilities, including for the emergency department, intensive care and medical wards at Ipswich Hospital, to temporarily increase capacity for COVID-19 patients or suspected cases and to mitigate the risk of cross-infection
- temporarily reconfigured our workforce, including deploying resources to meet demand in infection prevention and public health and identifying and supporting vulnerable staff
- provided health management information to high-risk patients with chronic disease to mitigate the risk of infection.

During our response to the COVID-19 pandemic, Queensland Health, and health services including West Moreton Health, balanced the protection of the right to life and the right to health services with some necessary limits in accordance with the Chief Health Officer's directions. In making these decisions, we were mindful of our obligations under the *Human Rights Act 2019 (Qld)* to ensure we acted compatibly with human rights and that any limitations on these rights were reasonable and justified. In response to the introduction of the Act and as part of our COVID-19 actions, West Moreton Health also:

- temporarily suspended Category 2 and Category 3 specialist outpatient and elective services and high-risk procedures to increase capacity, manage the impact of the pandemic and limit non-essential physical contact in accordance with directives

West Moreton Health continued to provide humane treatment where liberty was deprived. In order to provide humane treatment while meeting physical distancing requirements, we consulted with Queensland Corrective Services so we could provide prisoners with access to services in prison health centres where possible. Visitor policies were aligned with corrective services facilities' directions.

Section 97(2)(b) Human Rights Complaints

Number of human rights complaints received over the current reporting period
140 total complaints received for the reporting period
Outcomes of complaints received
Outcomes of complaints:
<ul style="list-style-type: none">• 126 resulted in no further action*• 3 resulted in further action** – conciliation through Queensland Human Rights Commission to occur on 2 July 2020 (outside this reporting period)• 11 open and under review.

* No further action refers to complaints resolved locally by way of apology, clinical review and provision of explanation/or additional information.

** Further action refers to complaints that were accepted and resulted in remedial or improvement action, investigation, process change, formal discipline penalties, and/or conciliation.

Performance

Data for wait times, surgery and emergency care is used to measure the efficiency and performance of a health service.

In 2019–20, 99.9 per cent of Category 1 patients attending emergency departments were seen within the recommended two minute timeframe (target 100 per cent); 68.4 per cent of Category 2 patients were seen within the recommended 10 minute timeframe (target 80 per cent); 66.1 per cent of Category 3 patients were seen within the recommended 30 minute timeframe (target 75 per cent); 81.2 per cent of Category 4 patients were seen within the recommended 60 minute timeframe (target 70 per cent); and 93.2 per cent of Category 5 patients were seen within the recommended 120 minute timeframe (target 70 per cent).

A total of 98 per cent of Category 1 elective surgery patients were treated within the clinically recommended timeframe of 30 days (target 98 per cent); 88.2 per cent of Category 2 patients were treated within the clinically recommended timeframe of 90 days (target 95 per cent); and 90.6 per cent of Category 3 patients were treated within the clinically recommended timeframe of 365 days (target 95 per cent).

West Moreton Health put the following steps in place to either review or improve performance in 2020–21:

- We introduced the Sepsis Diagnostic Bundle at Ipswich Hospital to help staff identify and treat the signs of potential sepsis earlier.
- We commissioned a new Magnetic Resonance Imaging (MRI) machine at Ipswich Hospital, and increased medical imaging activity, to support the Ipswich Hospital Emergency Department and clinical teams to provide timely diagnoses.
- We continued to develop our relationship with the Queensland Ambulance Service to provide high standards of emergency treatment and patient care for the sick and injured.
- We used consistent escalation procedures and responses, guided by the Health Operations Centre.
- We provided specialist coordinated care for elderly patients using the Geriatric Emergency Department Intervention (GEDI) model.
- We strengthened our preparedness to accept COVID-19 patients by temporarily increasing the capacity of Ipswich Hospital's Emergency Department (ED) and Intensive Care Unit.

Infrastructure, maintenance and security

Building refurbishments

In 2019–20, West Moreton Health delivered significant infrastructure improvements, which included:

- upgrading the Esk and Laidley fire systems to ensure the safety of patients, staff and the public
- commencing the upgrade of nurse call and duress systems at The Park – Centre for Mental Health
- completing the upgrade of the Ipswich Hospital Ward Block main electrical switchboard to ensure compliance with electrical standards and to enable full emergency backup power supply
- preparing to replace the Ipswich Hospital chillers to supply cool water to critical systems such as air conditioning, medical imaging and pathology
- preparing to upgrade the Ipswich Hospital theatre plant room preconditioner to establish humidity control.

In 2019–20, West Moreton Health invested \$680,000 as part of the annual infrastructure renewals program. Operationally funded projects included:

- demolition of Leichardt Dental Clinic to convert the service to a mobile facility
- remediation works on the wards to ensure the safety of patients, staff and the public
- an electrical safety audit to ensure the safety of patients, staff and the public.

Other infrastructure works that have commenced and are continuing into 2020–21 include modifications to the Building Management System.

West Moreton Health delivered significant ward and equipment upgrades to support our COVID-19 response. Some examples of equipment sourced and works undertaken include:

- electrical upgrades for an expanded Intensive Care Unit and Emergency Department at Ipswich Hospital

- intubation equipment
- non-invasive ventilators
- monitoring systems
- personal protective equipment.

Anticipated maintenance

Anticipated maintenance is a common building maintenance strategy used in the public and private sectors. All Queensland Health entities comply with the Queensland Government Maintenance Management Framework, which requires the reporting of anticipated maintenance.

Anticipated maintenance is maintenance that is necessary to prevent the deterioration of an asset or its function, but which has not been carried out. Some anticipated maintenance activities can be postponed without immediately having a noticeable effect on the function of the building. All anticipated maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe. Anticipated maintenance items are identified through the completion of triennial condition assessments, and the value and quantum of anticipated maintenance will fluctuate in accordance with the assessment programs and completed maintenance works.

As of 3 June 2020, West Moreton Health had reported a total anticipated maintenance budget of \$22.9 million.

To mitigate any risks associated with anticipated maintenance, West Moreton Health has the following strategies in place:

- an application for funding assistance from the statewide Priority Capital Program
- ongoing risk assessment and condition assessment reviews
- reviews of operational and renewals budgets
- prioritisation based on risk.

Service Standards

Table 3: Service Standards - Performance 2019-20	Target	Actual
Effectiveness measures		
Percentage of patients attending emergency departments seen within recommended timeframes: ^a		
Category 1 (within 2 minutes)	100%	99.9%
Category 2 (within 10 minutes)	80%	68.4%
Category 3 (within 30 minutes)	75%	66.1%
Category 4 (within 60 minutes)	70%	81.2%
Category 5 (within 120 minutes)	70%	93.2%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department ^a	>80%	65.7%
Percentage of elective surgery patients treated within clinically recommended times: ^b		
Category 1 (30 days)	>98%	98.0% ¹
Category 2 (90 days)	>95%	88.2%
Category 3 (365 days)	>95%	90.6%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days ^c	<2	0.8 ²
Rate of community follow-up within 1-7 days following discharge from an acute mental health inpatient unit ^d	>65%	65.0%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge ^d	<12%	14.9% ³
Percentage of specialist outpatients waiting within clinically recommended times: ^e		
Category 1 (30 days)	98%	88.2% ¹
Category 2 (90 days)	95%	50.6%
Category 3 (365 days)	95%	86.1%
Percentage of specialist outpatients seen within clinically recommended times: ^e		
Category 1 (30 days)	98%	90.6% ¹
Category 2 (90 days)	95%	57.4%
Category 3 (365 days)	95%	91.6%
Median wait time for treatment in emergency departments (minutes) ^a	..	12
Median wait time for elective surgery (days) ^b	..	30
Efficiency measures		
Average cost per weighted activity unit for Activity Based Funding facilities ^{f g}	\$ 4,706	\$5,058 ⁴
Other measures		
Number of elective surgery patients treated within clinically recommended times: ^b		
Category 1 (30 days)	1,666	1,791 ¹
Category 2 (90 days)	2,322	1,111
Category 3 (365 days)	2,441	1,114
Number of Telehealth outpatients occasions of service events ^h	2,632	5,029
Total weighted activity units (WAU's) ^g		
Acute Inpatient	55,581	50,012 ⁵
Outpatients	11,200	11,634
Sub-acute	4,115	5,025
Emergency Department	12,552	12,441
Mental Health	13,074	18,281
Prevention and Primary Care	1,842	2,698
Ambulatory mental health service contact duration (hours) ^d	>52,691	60,928
Staffing ⁱ	3,659	3,745

¹ Non urgent elective surgery and specialist outpatient services were temporarily suspended as part of COVID-19 preparation. Seen in time performance and service volumes were impacted as a result. ² The Epidemiology and Research Unit in the Communicable Diseases Branch are unable to provide full year SAB data as resources are redirected to the COVID-19 response. SAB data presented as Mar-20 FYTD and is preliminary. ³ Readmission to acute Mental Health inpatient unit data presented as May-20 FYTD. ⁴ Cost per WAU data presented as Mar-20 FYTD. ⁵ Delivery of activity and weighted activity units was impacted by two significant factors in 2019-20; the introduction of a revised Australian Coding Standard "0002 Additional diagnoses" from 1 July 2019, resulted in lower weighted activity units being calculated for admitted patients relative to the same casemix of 2018-19 year and COVID-19 preparation and the temporary suspension of non urgent planned care services reduced the volume of patient activity. Activity data presented is preliminary. Data presented is full year as at 17 August 2020.

Source: ^a Emergency Data Collection, ^b Elective Surgery Data Collection, ^c Communicable Diseases Unit, ^d Mental Health Branch, ^e Specialist Outpatient Data Collection, ^f DSS Finance, ^g GenWAU, ^h Monthly Activity Collection, ⁱ DSS Employee Analysis.

Note: Targets presented are full year targets as published in 2019-20 Service Delivery Statements.

Financial summary

Operating result

West Moreton Health's operating result for 2019–20 was a deficit of \$10.4 million (2018–19 \$26.89 million deficit). This deficit has been primarily driven by the need to meet community demand for health services while preparing our services for COVID-19, including the treatment of positive and suspected COVID-19 patients. Reasons for the deficit include:

- fixed costs that were unable to be reduced when non-urgent elective surgery was postponed during our pandemic preparedness phase
- additional costs of supporting changes to models of care and practices in the delivery of COVID-19 safe services
- reduced and cancelled annual leave as staff stayed to respond to the pandemic
- impact of the changing environment on own-source revenue
- sustainability programs delayed as resources were redirected to respond to the pandemic, limiting savings potential.

Income

Income from all funding sources in the reporting period 2019–20 was \$691.36 million, representing an increase of \$40.30 million from the \$651.06 million recorded in the previous period. Major variances include a \$28.29 million increase in Departmental funding for additional activity and services, \$3.10 million in additional depreciation funding, additional funds of \$7.20 million for COVID-19 response initiatives, and an increase in patient revenue of \$3.93 million.

Expenditure

West Moreton Health's total expenditure (funds spent) in 2019–20 was \$701.71 million. This was an increase of 3.5 per cent over West Moreton Health's total expenditure of \$677.94 million in the previous financial year. Labour costs increased by \$32.02

million primarily due to increases in; community demand (\$13.10 million), general wage increase (\$11.56 million), specific funded programs (\$7.82 million), COVID-19 pandemic direct employee costs (\$5.09 million) and other enterprise bargaining arrangements cost (\$4.17 million). This increase is offset by integrated electronic medical records project implementation labour cost (\$12.46 million), completed in 2018-19. Non-labour expenses decreased by \$11.35 million, primarily due to cancellation of elective surgery for the COVID-19 pandemic and sustainability measures implemented during the year. There was also an additional \$3.10 million in depreciation expense. Included in the above was \$5.09 million in labour and \$2.11 million in non-labour costs for COVID-19 response initiatives.

Assets

Total assets for West Moreton Health in the reporting period were valued at \$301.56 million, a decrease of \$3.55 million from the previous reporting period. The decrease in cash and cash equivalents of \$4.02 million is due to the operating position. The decrease in property, plant and equipment of \$3.44 million is attributed to depreciation exceeding capital expenditure. In addition, West Moreton Health also experienced an increase in receivables of \$2.99 million.

Future outlook

2019–20 was a year of significant growth for West Moreton Health, underpinned by expansion in demand, the implementation of a new state-wide enterprise resource planning system, S/4HANA, and delivery of a new Magnetic Resonance Imaging Machine for Ipswich Hospital. It is expected that healthcare demands will continue to grow in 2020–21. The environment in which West Moreton Health operates will continue to be dynamic. In response, we will continue to provide safe, quality care, and will look for ways to optimise how we deliver our services, manage demand and meet community needs. 2020–21 will see construction works start on the new Mental Health Unit in the Ipswich Health Precinct.

Financial statements

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West Moreton Hospital and Health Service (West Moreton Health) 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 Health is the Department of Health. The ultimate parent entity is the State of Queensland. West Moreton Health's principal place of business is:

**West Moreton Hospital and Health Service
Level 4, Hayden Centre
South Street Ipswich QLD 4305**

**PO Box 73
Ipswich QLD 4305**

ABN: 64 468 984 022

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

Email:

WMCommunications@health.qld.gov.au

Visit the West Moreton website at:

www.westmoreton.health.qld.gov.au

Statement of Comprehensive Income

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Income			
Funding for provision of public health service	A 1(a)	643,576	604,987
User charges and fees	A 1(b)	35,907	31,982
Grants and other contributions	A 1(c)	9,060	8,824
Other revenue		2,767	5,208
Total Revenue		691,310	651,001
Gains on disposal/revaluation of assets		48	57
Total income		691,358	651,058
Expenses			
Employee expenses	A2(a)	487,441	473,465
Health service employee expenses	A2(b)	18,039	-
Supplies and services	A2(c)	158,851	171,056
Grants and subsidies		389	375
Depreciation and amortisation	A2(d)	26,332	23,228
Impairment losses		2,668	2,003
Other expenses	A2(e)	7,994	7,816
Total expenses		701,714	677,943
Operating result for the year		(10,356)	(26,885)
Other comprehensive income			
Items that will not be subsequently reclassified to operating result:			
Increase in asset revaluation surplus	C2	7,595	7,537
Total other comprehensive income		7,595	7,537
Total comprehensive income		(2,761)	(19,348)

The accompanying notes form part of these statements.

Statement of Financial Position

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	B1	21,484	25,499
Receivables	B2	8,694	5,709
Inventories		3,897	4,108
Other assets		1,111	749
Total current assets		35,186	36,065
Non-current assets			
Property, plant and equipment	B3	264,187	267,623
Intangible assets		988	1,421
Right-of-use assets	B4	1,200	-
Total non-current assets		266,375	269,044
Total assets		301,561	305,109
Current liabilities			
Payables	B5	47,089	21,461
Accrued employee benefits	B6	4,579	21,424
Lease liabilities	B4	610	-
Provisions		199	742
Unearned revenue	B7	877	206
Total current liabilities		53,354	43,833
Non-current liabilities			
Lease liabilities	B4	672	-
Total non-current liabilities		672	-
Total liabilities		54,026	43,833
Net assets		247,535	261,276
Equity			
Contributed equity	C1	187,373	198,353
Accumulated (deficit)/surplus		(7,239)	3,117
Asset revaluation surplus	C2	67,401	59,806
Total equity		247,535	261,276

The accompanying notes form part of these statements.

Statement of Changes in Equity

For the year ended 30 June 2020

	Accumulated surplus/ (deficit)	Asset revaluation surplus (Note C2)	Contributed equity (Note C1)	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	30,002	52,269	210,307	292,578
Operating result for the year	(26,885)	-	-	(26,885)
<i>Total other comprehensive income</i>				
Increase in asset revaluation surplus	-	7,537	-	7,537
<i>Transactions with owners</i>				
Non-appropriated equity injections	-	-	11,256	11,256
Non-appropriated equity withdrawals	-	-	(23,228)	(23,228)
Non-appropriated equity asset transfers	-	-	18	18
Balance as at 30 June 2019	3,117	59,806	198,353	261,276

	Accumulated surplus/ (deficit)	Asset revaluation surplus (Note C2)	Contributed equity (Note C1)	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	3,117	59,806	198,353	261,276
Operating result for the year	(10,356)			(10,356)
<i>Total other comprehensive income</i>				
Increase in asset revaluation surplus	-	7,595	-	7,595
<i>Transactions with owners</i>				
Non-appropriated equity injections	-	-	15,385	15,385
Non-appropriated equity withdrawals	-	-	(26,332)	(26,332)
Non-appropriated equity asset transfers	-	-	(33)	(33)
Balance as at 30 June 2020	(7,239)	67,401	187,373	247,535

The accompanying notes form part of these statements.

Statement of Cash Flows

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Funding for provision of public health services		616,575	577,340
User charges and fees		34,328	29,907
Grants and other contributions		3,055	3,227
Interest received		13	21
GST collected from patients/consumers		277	378
GST input tax credits		9,462	9,815
Other		2,802	5,181
<i>Outflows:</i>			
Employee expenses		(498,523)	(469,932)
Supplies and services		(154,643)	(167,442)
Grants and subsidies		(389)	(375)
Insurance		(6,606)	(6,339)
GST paid to suppliers		(9,248)	(9,946)
GST remitted		(297)	(335)
Other		(1,362)	(1,494)
Net cash used in operating activities	E3	(4,556)	(29,994)
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		82	-
<i>Outflows:</i>			
Payments for property, plant and equipment		(14,480)	(11,374)
Net cash used in investing activities		(14,398)	(11,374)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		15,385	11,256
<i>Outflows:</i>			
Finance lease payments		(446)	-
Net cash provided by financing activities		14,939	11,256
Net decrease in cash and cash equivalents		(4,015)	(30,112)
Cash and cash equivalents at beginning of the financial year		25,499	55,611
Cash and cash equivalents at end of financial year	B1	21,484	25,499

The accompanying notes form part of these statements.

Notes to the Financial Statements

Overview

West Moreton Hospital and Health Service (West Moreton Health) is a not-for-profit statutory body established under the *Hospital and Health Boards Act 2011* and is domiciled in Australia. West Moreton Health does not have any controlled entities. Its principal place of business is Level 4, Hayden Centre, 37 South Street, Ipswich QLD 4305.

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

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

Compliance with prescribed requirements

The financial statements:

- have been prepared in compliance with section 39 of the *Financial and Performance Management Standard 2019* and section 62(1) of the *Financial Accountability Act 2009*
- have been prepared in accordance with all applicable new and amended Australian Accounting Standards and Interpretations, as well as *Queensland Treasury's Minimum Reporting Requirements* for the period beginning 1 July 2019 and other authoritative pronouncements
- have not early adopted any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective
- have been prepared with the consideration of the ongoing impact of COVID-19 and disclosures are made within the relevant sections.

Currency and rounding

The financial statements:

- have been prepared on a historical cost basis, except where stated otherwise
- are presented in Australian dollars
- round amounts to the nearest \$1,000, unless the disclosure of the full amount is specifically required. Where the amount is less than \$500, the rounded amount is zero
- present reclassified comparative information where required for consistency with the current year's presentation.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the financial statements. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date or West Moreton Health does not have an unconditional right to defer settlement beyond 12 months after the reporting date.

All other assets and liabilities are classified as 'non-current'.

A Income and Expenses

This section considers the income and expenses of West Moreton Health.

A1 Income

(a) Funding for provision of public health services

	2020 \$'000	2019 \$'000
Revenue from contracts with customers		
<i>Contracted health services – activity based funding</i>		
Commonwealth	185,314	199,406
State	215,659	179,868
Other funding for provision of public health services		
<i>Contracted health services – block funding</i>		
Commonwealth	46,420	41,770
State	105,578	89,875
<i>System manager funding</i>		
State	48,085	57,296
Depreciation funding	26,332	23,228
Teacher training funding	16,188	13,544
Total funding for provision of public health services	643,576	604,987

West Moreton Health receives funding in accordance with an enforceable contract under a service agreement with the Department which includes both State and Commonwealth funding. West Moreton Health is funded for eligible services through activity based funding, block funding, or a combination of both. Activity based funding is based on an agreed number of activities stipulated within the service agreement and a state wide price by which relevant activities are funded. Block funding is not based on levels of public care activity. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by West Moreton Health. West Moreton Health recognises revenue over time for activity based funding in line with the satisfaction of the relevant performance obligations. Where West Moreton Health has not received funds for performance obligations satisfied under the service agreement, a receivable is raised. Block funding is recognised at a point in time when funding is received.

The adoption of AASB 15 *Revenue from Contracts with Customers* in 2019-20 did not change the timing of revenue recognition, it has however, changed the disclosure note in the current year financial statements.

The contract between the Department and West Moreton Health specifies that the Department funds West Moreton Health's depreciation and amortisation charges via non-cash revenue. The Department retains the cash to fund future major capital replacements. This transaction is shown in the statement of changes in equity as a non-appropriated equity withdrawal (see note C1).

The Commonwealth Government has agreed that due to the COVID-19 pandemic, no financial adjustments are required for under or over delivery against the activity based

funding target for the 2019-20 financial year under the National Health Reform Agreement.

The new funding arrangements for the impact of COVID-19 have impacted revenue by \$7,202K. This change is driven by West Moreton Health being party to the National Partnership on COVID-19 Response Agreement. Under this agreement West Moreton Health receives revenue for COVID-19 items not covered in the Service Agreement. Refer note E9.

(b) User charges and fees

	2020 \$'000	2019 \$'000
Revenue from contracts with customers		
Hospital fees	13,519	13,667
Sale of goods and services	21,954	17,846
Other user charges and fees		
Rental income	434	469
Total user charges and fees	35,907	31,982

Revenue recognition for hospital fees and sales of goods and services is based on volumes of goods or services delivered.

The adoption of AASB 15 *Revenue from Contracts with Customers* in 2019-20 did not change the timing of revenue recognition.

(c) Grants and other contributions

	2020 \$'000	2019 \$'000
Other grants and contributions		
Commonwealth grants	3,029	2,929
Other grants	-	277
Donations	26	22
Services received below fair value	6,005	5,596
Total grants and other contributions	9,060	8,824

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which West Moreton Health obtains control over them. The grants do not contain sufficiently specific performance obligations for West Moreton Health to transfer goods or services to a third party on the grantor's behalf, therefore the transaction is accounted for under AASB 1058 *Income for Not-for-Profit Entities*.

Services received free of charge or for a nominal value are recognised only if the services would have been purchased regardless of receiving a donation and where fair value of the services can be reliably measured.

West Moreton Health receives corporate services from the Department at no cost. Corporate services received include payroll services, accounts payable, some taxation services, some supply services and some information technology services. The fair value of these services has been estimated by the Department and recognised in West

Moreton Health's financial statements. This amount has been recognised in grants and other contributions with an equal amount recognised in supplies and services as required by AASB 1058 *Income of Not-for-Profit Entities*. Refer note A2(c).

A2 Expenses

(a) Employee expenses

	2020 \$'000	2019 \$'000
Wages and salaries*	388,825	380,537
Employer superannuation contributions	42,086	39,605
Annual leave levy/expenses	46,637	44,762
Long service leave levy/expenses	9,562	8,072
Termination expenses	321	460
Other employee related expenses	10	29
Total employee expenses	487,441	473,465

*Wages and salaries include \$2,717K of \$1,250 one-off, pro-rata payments for 2,174 full-time equivalent employees (announced in September 2019).

Employee expenses represent all staff employed by West Moreton Health until 14 June 2020. From 15 June 2020, due to changes in employer arrangements, employee expenses represent the cost of engaging board members, the employment of health service executives, senior medical officers and visiting medical officers who are employed directly by West Moreton Health.

Number of MOHRI* Full Time Equivalent Employees (FTE)	30 June 2020	30 June 2019
West Moreton Health employees	186	3,730
Health service employees provided to West Moreton Health	3,559	-
Total FTE	3,745	3,730

*Minimum Obligatory Human Resource Information

(b) Health service employee expenses

	2020 \$'000	2019 \$'000
Health service employee expenses	18,039	-

From 15 June 2020, changes in the Queensland Health employer arrangements meant that all non-executive health service employees in West Moreton Health were changed to be employed by the Director-General as system manager of Queensland Health.

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

Provision of employee services from Queensland Health

The Queensland Health employer arrangements allow West Moreton Health 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. These functions include:

- The Department providing Queensland Health employees to perform work for West Moreton Health and Queensland Health acknowledging and accepting its obligations as the employer of the Queensland Health employees
- West Moreton Health being responsible for the day-to-day workforce management
- West Moreton Health reimbursing the Department for the salaries and on-costs of these Queensland Health employees.

(c) Supplies and services

	2020 \$'000	2019 \$'000
Clinical supplies and services	49,751	50,574
Contractors and consultants	19,010	25,593
Drugs	26,742	23,488
Pathology	12,432	10,923
Repairs and maintenance	8,217	9,683
Catering and domestic supplies	7,711	9,012
Communications	7,668	6,747
Computer services	4,560	6,654
Services received below fair value*	6,005	5,596
Electricity and other energy	2,845	2,835
Operating lease rentals	1,600	2,023
Patient travel	1,060	944
Water	183	773
Other travel	477	637
Building services	2,616	603
Motor vehicles	390	353
Other	7,584	14,618
Total supplies and services	158,851	171,056

* Refer to Note A1(c)

(d) Depreciation and amortisation

	2020 \$'000	2019 \$'000
Depreciation	25,371	22,918
Software amortisation	433	310
Right-of-use asset amortisation	528	-
Total depreciation and amortisation	26,332	23,228

(e) Other expenses

	2020 \$'000	2019 \$'000
Insurance	6,606	6,338
Journals and subscriptions	473	577
Interpreter fees	319	358
Advertising	90	186
External audit fees	219	179
Loss on sale of property, plant and equipment	1	66
Special payments	2	18
Inventory written-off	50	28
Other legal costs	177	15
Bank fees	12	12
Other	45	39
Total other expenses	7,994	7,816

Total audit fees paid or payable to Queensland Audit Office relating to the 2019-20 financial year were \$218,750 (2019: \$179,375). There are no non-audit services included in this amount.

Occasionally, West Moreton Health makes a special (ex-gratia) payment even though it is not contractually or legally obligated to make such payments. West Moreton Health maintains a register of all special payments greater than \$5,000 as required by legislation. Total special payments made during 2019-20 were \$1,753 (2019: \$17,914).

West Moreton Health has incurred expenditure due to the impact of the COVID-19 pandemic. The impact of COVID-19 has been an increase in expenditure of \$7,773K. This change is driven by establishing fever clinics, testing and diagnosing of COVID-19; and changes to models of care to mitigate COVID-19 risks. Refer note E9.

B Operating Assets and Liabilities

This section provides information on the assets used in the operation of West Moreton Health's service and the liabilities incurred as a result.

B1 Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash at bank	21,038	25,059
Cash on deposit	441	435
Cash on hand	5	5
Total Cash and Cash Equivalents	21,484	25,499

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

West Moreton Health's bank accounts are managed in line with the Queensland Whole-of-Government Transactional Banking and Payment Services Agreement (2014) with the Commonwealth Bank of Australia. As a result, West Moreton Health does not earn interest on funds held within revenue and operating accounts. Interest earned on the aggregate set-off arrangement balance accrues to the consolidated fund.

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 are 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 was 1.59% in 2020 (2019: 2.69%).

Cash at bank (except operating and revenue accounts) is at call and is subject to floating interest rates. The weighted average effective interest rate was 1.43% in 2020 (2019: 2.71%).

B2 Receivables

	2020 \$'000	2019 \$'000
Trade debtors	10,125	6,221
Other debtors	11	1
Less: allowance for impairment	(2,121)	(1,388)
Net debtors	8,015	4,834
GST receivable	739	954
GST payable	(60)	(79)
Net GST receivable	679	875
Total	8,694	5,709

Receivables are initially recognised at the amount invoiced to customers. Trade and other receivables reflect the amount anticipated to be collected. The collectability of these balances is assessed on an ongoing basis. When there is evidence that an amount will not be collected, it is provided for and then written off. Trade receivables subsequently recovered are credited against other revenue in the income statement when collected.

Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate the amount invoiced.

Key judgements and estimates

Recoverability of receivables: Judgement is required in determining the level of provisioning for customer debts. West Moreton Health's current methodology adheres to a conservative and considered approach for the invoicing of patient fees with the patients' ability to pay being assessed at the time of treatment. This assessment includes; the economic and citizenship status of debtors which impacts access to private health cover and eligibility for treatment as a public patient, historical default rates, financial circumstance of the debtor, probability of bankruptcy or financial reorganisation, default or delinquency in payments, past experience and management judgement. West Moreton Health adopts a range of cutoff dates for delinquency that are reflective of the risk for the underlying transactions. The loss allowance for trade and other debtors

therefore reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information.

Disclosure – Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the Department's receivables.

At 30 June, the ageing of impairment in respect of receivables was as follows:

	2020 \$'000	2019 \$'000
Less than 30 days (not yet due)	441	109
30-60 days	171	-
61-90 days	58	-
More than 90 days	1,451	1,279
Balance at the end of the financial year	2,121	1,388

The movement in allowance for impairment in respect of receivables during the year was as follows:

	2020 \$'000	2019 \$'000
Balance at the beginning of the financial year	1,388	1,024
Amounts written-off during the year	(1,895)	(1,576)
Amounts recovered during the year	(1,380)	(1,449)
Increase in allowance recognised in operating result	4,008	3,389
Balance at the end of the financial year	2,121	1,388

At 30 June, the ageing of receivables that were past due but not impaired was as follows:

	2020 \$'000	2019 \$'000
30-60 days	348	475
61-90 days	105	329
More than 90 days	83	112
Balance at the end of the financial year	536	916

B3 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
At 30 June 2018					
At cost/fair value	26,885	612,733	56,122	2,387	698,127
Accumulated depreciation*	-	(392,914)	(33,048)	-	(425,962)
	26,885	219,819	23,074	2,387	272,165
Year ended 30 June 2019					
Opening net book value	26,885	219,819	23,074	2,387	272,165
Acquisitions	180	518	4,961	5,232	10,891
Disposals	-	-	(70)	-	(70)
Transfers between asset classes	-	3,709	122	(3,831)	-
Transfers in/out from QLD Government Entities	-	-	18	-	18
Revaluation increments/(decrements)	272	7,265	-	-	7,537
Depreciation charge for the year	-	(17,903)	(5,015)	-	(22,918)
Carrying amount at 30 June 2019	27,337	213,408	23,090	3,788	267,623
At 30 June 2019					
At cost/fair value	27,337	631,355	57,786	3,788	720,266
Accumulated depreciation*	-	(417,947)	(34,696)	-	(452,643)
	27,337	213,408	23,090	3,788	267,623
Year ended 30 June 2020					
Opening net book value	27,337	213,408	23,090	3,788	267,623
Acquisitions	839	292	7,301	5,970	14,402
Disposals	-	-	(29)	-	(29)
Transfers between asset classes	(245)	5,066	494	(5,315)	-
Transfers in/out from QLD Government	-	-	(33)	-	(33)
Revaluation increments/(decrements)	720	6,875	-	-	7,595
Depreciation charge for the year	-	(20,325)	(5,046)	-	(25,371)
Carrying amount at 30 June 2020	28,651	205,316	25,777	4,443	264,187
At 30 June 2020					
At cost/fair value	28,651	657,662	60,742	4,443	751,498
Accumulated depreciation*	-	(452,346)	(34,965)	-	(487,311)
	28,651	205,316	25,777	4,443	264,187

*Adjustments have been made to accumulated depreciation to recognise assets transferred in and out of West Moreton Health. The comprehensive asset revaluations completed this year have also impacted fair value and accumulated depreciation by recognising the changing condition and remaining useful life of assets.

(a) Recognition threshold

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 amounts are expensed.

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

(b) Acquisition

Property, plant and equipment are initially recorded at the consideration paid, 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 together as a single (functional) asset.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised at 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 recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(c) Measurement

Land and buildings assets 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 amount, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

Plant and equipment are measured at cost net of accumulated depreciation and accumulated impairment losses, in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. The carrying amounts for such plant and equipment at cost are not materially different from their fair value.

(d) Depreciation

Land is not depreciated as it has an unlimited useful life.

Property, plant and equipment are depreciated on a straight-line basis allocating the net cost or revalued amount of each asset, progressively over its estimated useful life to West Moreton Health. Assets under construction (work-in-progress) are not depreciated until they are ready for use.

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

Class	Depreciation rates
Buildings (including land improvements)	2.5 – 3.3%
Plant and equipment	5.0 – 20.0%

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset to West Moreton Health.

The estimated useful lives of the assets are reviewed annually and, where necessary, are adjusted to better reflect the pattern of consumption of the asset. In reviewing the useful life of each asset, factors such as asset usage and the rate of technical obsolescence are considered.

(e) Impairment of assets

All property, plant and equipment assets have been assessed for indicators of impairment on an annual basis. Where the asset is measured at fair value, this assessment is an examination for a change in fair value/service potential since the last valuation was completed. The impairment testing found no material impairments.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income. If the asset is held at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where there is no asset revaluation surplus available for the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

(f) Revaluation of land and buildings at fair value

Fair value

Fair value is the price that would be received by selling an asset 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.

Fair values reported by West Moreton Health are based on valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Observable inputs are publicly available data that are relevant to the characteristics of the assets being valued, including but 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 characteristics of the assets being valued. Significant

unobservable inputs used by West Moreton Health include, however are not limited to, subjective adjustments made to observable data to take account of the specialised nature of health service buildings and on hospital-site residential facilities. This includes historical and current construction contracts (and/or estimates of such costs) and assessments of physical condition and remaining useful life. Unobservable inputs are used where relevant, reliable, observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit 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. The impact of COVID-19 has been considered and does not currently materially affect the fair value estimates and inputs used for asset revaluation.

Over a rolling four-year program, all West Moreton Health land and building assets will be independently assessed and fair valued. Any assets held at fair value that are not selected for assessment in the current year will continue to be revalued on an annual basis using the appropriate and relevant indices provided by independent experts.

Fair value hierarchy

As per AASB 13 *Fair Value Measurement*, all West Moreton Health assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the following fair value hierarchy:

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 for unrestricted land and non-health service delivery buildings, that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and

Level 3 - represents fair value measurements for special purpose health buildings that are substantially derived from unobservable inputs.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019				
Land	-	27,337	-	27,337
Buildings	-	1,274	212,134	213,408
Fair value at 30 June 2019	-	28,611	212,134	240,745
2020				
Land	-	28,651	-	28,651
Buildings	-	192	205,124	205,316
Fair value at 30 June 2020	-	28,843	205,124	233,967

Land

In 2019-20, land at The Park - Centre for Mental Health and proposed Acute Mental Health Unit at Ipswich Hospital were independently valued by McGees. If land was not comprehensively revalued, it will continue to be revalued on an annual basis using the appropriate and relevant indices provided by an external registered valuer. The effective date of the valuation was 30 June 2020. The revaluation of a sub-set of land assets follows the comprehensive and independent valuation of all of West Moreton Health's land and buildings in 2017-18 and is consistent with the comprehensive and independent valuation of the corresponding buildings located on the underlying land parcel.

The revaluation of land for 2019-20 resulted in a net increase of \$720K or 2.63% to the carrying amount of land (2019: \$272K, 1.01% increase). The main driver for this change in valuation is the improved market conditions driven by increased competition and activity for development sites, which resulted in rising prices.

Buildings

A comprehensive independent revaluation was undertaken of a portion of The Park - Centre for Mental Health building assets by using a methodology in the current period consistent with the prior year. The effective date of the valuation was 30 June 2020.

If any assets held at fair value are not selected for comprehensive valuation, they will continue to be revalued on an annual basis using the appropriate and relevant indices provided by independent experts. West Moreton Health uses indices to provide a valid estimation of the assets' fair values at reporting date. Such indices are either publicly available or are derived from market information available to the valuer.

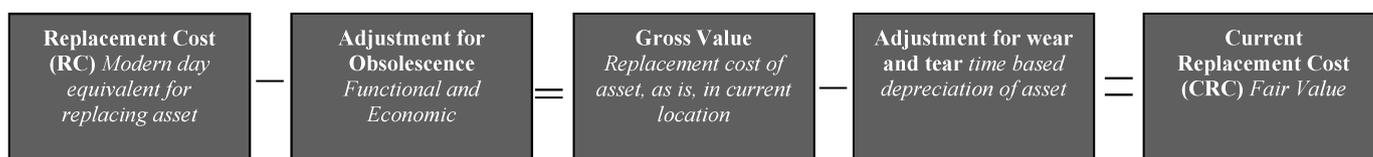
Regardless of the timing of the last specific appraisal, if an asset class experiences significant and volatile changes in fair value, where practical, that asset class is subject to specific appraisal in the reporting period.

Any revaluation increments arising from the revaluation of an asset 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 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 recognised.

Non-health service delivery buildings are measured at the value that reflects the likely exit price in the principal market for an asset of this type.

The fair value of health service buildings and hospital-site residential facilities, for which there is no active market, is determined using the current replacement cost methodology. The key assumption in using the current replacement cost is determining a replacement cost of a modern-day equivalent less an adjustment for obsolescence.



A modern day equivalent asset is one that complies with current legislation (e.g. building code) using current typical building materials and methods that would be expected on similar buildings being constructed today. The modern day equivalent asset has the same building form, i.e. the shape and size, to the current asset.

The valuations have been prepared on an elemental basis with 25 components being adopted for buildings and 25 components adopted for site improvements. To estimate the replacement cost of each component, each element was measured.

These key quantities have been measured from drawings provided and verified on site during the site inspection.

Estimates of remaining life assume that the asset remains in its current function and will be maintained.

The independent revaluation concluded a \$6,875K or 1.09% increase in value (2019 \$7,265K, 1.19% increase) The main drivers for this change in valuation include the movement in market prices for construction and some changes in expected useful life across locations.

The following table details a reconciliation of level 3 movements:

	Buildings \$'000
Fair value at 1 July 2018	218,704
Additions	518
Disposals	-
Transfers in/out from QLD Government	
Transfers between asset classes	3,709
Depreciation	(17,903)
<i>Gains recognised in other comprehensive income:</i>	
Increase in asset revaluation reserve	7,106
Fair value at 30 June 2019	212,134
	Buildings \$'000
Fair value at 1 July 2019	212,134
Additions	56
Disposals	-
Transfers in/out from QLD Government	-
Transfers between asset classes	4,821
Depreciation	(18,758)
<i>Gains recognised in other comprehensive income:</i>	
Increase in asset revaluation reserve	6,871
Fair value at 30 June 2020	205,124

B4 Leases as Lessee**(a) Right-of-use assets**

	Buildings \$'000
Opening balance at 1 July 2019	-
Additions	1,728
Depreciation charges	(528)
Closing balance 30 June 2020	1,200

(b) Lease liabilities

	2020 \$'000	2019 \$'000
Current		
Lease liabilities	610	-
Non-current		
Lease liabilities	672	-
Total	1,282	-

The introduction of AASB 16 *Leases* applicable to West Moreton Health from 1 July 2019 requires recognition of leases on the statement of financial position unless the lease is short term or a lease of a low value asset. Queensland Treasury has advised the following additional clarification where leases will not need to be accounted for on statement of financial position under AASB 16 *Leases*:

- internal-to-government leases from Department of Housing and Public Works (DHPW) for commercial office accommodation under the Queensland Government Accommodation Office (QGAO),
- Queensland Government housing,
- QFleet vehicles.

When measuring the lease liability an incremental borrowing rate is used as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease are used.

B5 Payables

These amounts represent liabilities for goods and services provided to West Moreton Health prior to the end of financial year that are unpaid at balance date. The amounts owing are unsecured.

	2020 \$'000	2019 \$'000
Trade creditors	29,050	21,461
Accrued health service employee benefits	18,039	-
	47,089	21,461

B6 Accrued Employee Benefits

Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the statement of financial position at the current salary rates.

	2020 \$'000	2019 \$'000
Accrued wages and salaries	4,132	15,815
Accrued employer superannuation contributions	222	1,838
Accrued rostered days off	149	2,935
Other accrued employee expenses	76	836
Total accrued employee benefits	4,579	21,424

From 15 June 2020, due to changes in employer arrangements, accrued employee benefits related to board members, health service executives, senior medical officers and visiting medical officers, who are employed directly by West Moreton Health.

Annual and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Central Scheme, levies are payable by the Department to cover the cost of employees' annual leave (including leave loading and on-costs), and long service leave. No provision for annual leave and long service leave is recognised in West Moreton Health's statement of financial position as a liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. 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 the employees' chosen super fund, at rates determined by the Treasurer on the advice of the State Actuary or as advised in employee agreements. Contributions are expensed in the period in which they are paid or payable and West Moreton Health's obligation is limited to its contribution to the super fund.

From 1 July 2017, Queensland Government employees can choose their own super fund, with QSuper remaining the default. The QSuper schemes are classified as either defined benefit or defined contribution. 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*.

B7 Unearned Revenue

	2020 \$'000	2019 \$'000
Unearned revenue	58	206
Contract liabilities	819	-
Total unearned revenue	877	206

Unearned revenue includes funding received in accordance with the service agreement with the Department for activity not yet finalised.

C Equity and Risk Management**C1 Contributed Equity**

	2020 \$'000	2019 \$'000
Opening balance at beginning of year	198,353	210,307
<i>Non-appropriated equity injections</i>		
Minor capital funding	5,607	4,657
Priority capital program funding	1,993	5,699
Ipswich Hospital Stage 1A Redevelopment	7,098	-
Right-of-use lease funding	446	-
Other funding	241	
Breast screen van funding	-	900
	15,385	11,256
<i>Non-appropriated equity withdrawals</i>		
Non-cash depreciation and amortisation funding returned to Department of Health as a contribution towards capital works program	(26,332)	(23,228)
<i>Non-appropriated equity asset transfers</i>		
Plant and equipment	(33)	18
Balance at the end of the financial year	187,373	198,353

C2 Asset Revaluation Surplus by Class

	2020 \$'000	2019 \$'000
<i>Land</i>		
Balance at the beginning of the financial year	5,577	5,305
Revaluation increments	720	272
	6,297	5,577
<i>Buildings</i>		
Balance at the beginning of the financial year	54,229	46,964
Revaluation increments	6,875	7,265
	61,104	54,229
Balance at the end of the financial year	67,401	59,806

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

C3 Financial Risk Management

West Moreton Health is exposed to a variety of financial risks – credit risk, liquidity risk and market risk. West Moreton Health holds the following financial instruments by category:

	2020 \$'000	2019 \$'000
<i>Financial assets</i>		
Cash and cash equivalents	21,484	25,499
Receivables*	8,694	5,709
	30,178	31,208
<i>Financial liabilities</i>		
Payables	47,089	21,461
Lease liabilities	1,282	-
	48,371	21,461

* excludes prepayments

(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 carrying amount of the financial asset, including any allowance for impairment.

No financial assets have had their terms renegotiated; therefore, original terms have been used in the aging and impairment calculations and are stated at the carrying amounts as indicated.

Overall credit risk is considered minimal.

(b) Liquidity risk

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

West Moreton Health is exposed to liquidity risk through its trading in the normal course of business. West Moreton Health aims to reduce the exposure to liquidity risk, by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. West Moreton Health has prepared an eighteen-month cash flow forecast, to provide confidence that sufficient funds are available given current assets are less than current liabilities. This cash forecast is reviewed regularly to provide confidence in our ability to meet obligations.

(i) Financing arrangements

Under the whole-of-government banking arrangements, West Moreton Health has an approved working debt facility of \$9,000K (2019: \$4,000K) to manage any short-term cash shortfalls. The increase in the debt facility represents a re-distribution of the Department's overdraft facility to ensure on time payments to creditors and assist through periods of uneven cash flows.

(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) Interest rate risk

West Moreton Health 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.

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

West Moreton Health does not undertake any hedging in relation to interest rate risk.

(d) Fair value measurements

Cash and cash equivalents and all other financial assets or liabilities are measured at amortised cost.

C4 Climate Risk Disclosure

West Moreton Health addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair values of assets, provisions or contingent liabilities and changes to future expenses and revenue.

West Moreton Health continues to work with the Department to align our planning with the state-wide approach to climate risk, and through this ongoing process, we have not yet identified any significant impacts relevant to the financial report at the reporting date. West Moreton Health constantly monitors the emergence of such risks under the *Queensland Climate Transition Strategy*.

D Key Management Personnel

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of West Moreton Health, directly or indirectly, including Board members, Senior Executives and direct reports to the Chief Executive. The Department's Minister is recognised as part of West Moreton Health's KMP, consistent with additional guidelines included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Deputy Premier, Minister for Health and Minister for Ambulance Services.

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 contribute to West Moreton Health to perform its functions effectively and efficiently.

The following tables detail West Moreton Health's non-ministerial KMP during the current financial year:

West Moreton Health Board	Name	Appointment authority	Initial appointment date
Chair	Mr. Michael Willis	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/17 – 17/05/21	18/05/16
Board Members			
	Ms. Susan Johnson	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/19 – 31/03/22	26/06/15
	Professor Gerald Holtmann	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/17 – 17/05/21	18/05/16
	Ms. Patricia Evatt	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/17 – 17/05/21	18/05/16
	Ms. Sue Scheinpflug	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/17 – 17/05/21	18/05/16
	Mr. Stephen Robertson	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/19 – 31/03/22	18/05/18
	Professor Jeffrey Dunn AO	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/19 – 31/03/22	18/05/18
	Ms. Lyn Birnie	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/19 – 31/03/22	18/05/18
	Dr Cathryn Hester	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/19 – 31/03/22	18/05/19

West Moreton Health Executives

Chief Executive

Responsible for the overall management of West Moreton Health through major functional areas to ensure the delivery of key government objectives in improving the health and well-being of Queenslanders.

Chief Operating Officer

Responsible for the operational leadership and management of clinical areas throughout West Moreton Health.

Chief Finance Officer

Responsible for financial management, information services management, contract management, procurement, health information management, infrastructure and assets management and statutory reporting obligations of West Moreton Health.

Chief Medical Officer

Responsible for the effective leadership and management of the medical profession across West Moreton Health.

Executive Director People and Culture

Responsible for providing strategic leadership in relation to all human resource functions, including industrial relations, throughout West Moreton Health.

Senior Legal Counsel

Responsible for West Moreton Health's legal branch as well as the primary legal advisor to the Board, Chief Executive and Executive Leadership Team.

Chief Strategy Officer

Responsible for leading the strategy, governance and engagement functions throughout West Moreton Health.

Executive Director Nursing and Midwifery

Responsible for the effective leadership and management of the nursing and midwifery profession across West Moreton Health.

Divisional Director Clinical Support

Responsible for leading the Allied Health division within West Moreton Health.

Director Business Improvement

Responsible for service support management and information services management throughout West Moreton Health.

Executive Director Community and Rural Services

Responsible for the effective and efficient delivery of rural and community services within West Moreton Health.

Executive Director Mental Health and Specialised Services

Responsible for the operational leadership and management of mental health and specialised services throughout West Moreton Health.

Executive Director Ipswich Hospital

Responsible for the operational leadership and management of Ipswich Hospital and providing leadership for clinical services throughout West Moreton Health.

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. West Moreton Health does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

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 member of Queensland Government bodies*".

The terms of employment for executives are set by employment contracts and relevant awards.

Remuneration for KMP comprises the following components:

- Short-term employee benefits which include:
 - **Base** – consisting of base salary, allowances and leave entitlements paid 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** – includes provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include long service leave levy paid.
- 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 were no performance bonuses paid in the 2019-20 financial year (2019: \$nil).

The following tables detail the expenses attributable to Non-Ministerial KMP during the respective reporting periods.

Name	Short-term benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Base	Non-Monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020 Board Members						
Mr Michael Willis (Chair)	85	-	-	8	-	93
Ms Susan Johnson	48	-	-	4	-	52
Professor Gerald Holtmann	47	-	-	4	-	51
Ms Patricia Evatt	45	-	-	4	-	49
Ms Sue Scheinpflug	47	-	-	4	-	51
Mr Stephen Robertson	48	-	-	4	-	52
Professor Jeffrey Dunn AO	45	-	-	4	-	49
Ms Lyn Birnie	46	-	-	4	-	50
Dr Cathryn Hester	45	-	-	4	-	49
2020 Executives						
Chief Executive	301	-	6	33	-	340
Chief Operating Officer (from 25/11/2019)	120	-	3	14	-	137
Chief Finance Officer	257	-	5	24	-	286
Chief Medical Officer	414	-	9	25	-	448
Executive Director People & Culture	176	-	4	19	-	199
Senior Legal Counsel	153	-	3	18	-	174
Chief Strategy Officer	191	-	4	21	-	216
Executive Director Nursing and Midwifery	201	-	4	20	-	225
Divisional Director Clinical Support (from 05/08/2019)	141	-	3	16	-	160
Director Business Improvement (from 01/03/2020)	51	-	1	6	-	58
Executive Director Ipswich Hospital & Executive Director Community and Rural Services (to 25/11/2019)	71	-	1	8	-	80
Executive Director Mental Health and Specialised Services (to 25/11/2019)	76	-	2	8	-	86

Name	Short-term benefits		Long-term benefits	Post-employment benefits	Termination benefits	Total remuneration
	Base	Non-Monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019 Board Members						
Mr Michael Willis (Chair)	85	-	-	8	-	93
Ms Susan Johnson	48	-	-	4	-	52
Professor Gerald Holtmann	47	-	-	4	-	51
Ms Patricia Evatt	49	-	-	5	-	54
Ms Sue Scheinpflug	48	-	-	4	-	52
Mr Stephen Robertson	49	-	-	4	-	53
Professor Jeffrey Dunn AO	47	-	-	4	-	51
Ms Lyn Birnie	46	-	-	4	-	50
Dr Cathryn Hester	-	-	-	-	-	-
2019 Executives						
Chief Executive	316	-	7	35	-	358
Chief Finance Officer	209	-	4	23	-	236
Executive Director Ipswich Hospital (to 28/12/2018)	97	-	2	11	-	110
Executive Director Ipswich Hospital (from 24/12/2018) & Executive Director Community and Rural Services	199	-	4	20	-	223
Executive Director Legal and Corporate Governance	147	-	3	17	-	167
Executive Director Mental Health and Specialised Services (to 01/09/2018)	22	-	-	1	-	23
Executive Director Mental Health and Specialised Services (from 07/09/2018 to 28/04/2019)	128	-	3	12	-	143
Executive Director Medical Services	388	-	8	29	-	425
Executive Director People & Culture	179	-	4	19	-	202
Executive Director Strategy, Planning and Engagement	183	-	4	20	-	207
Executive Director Nursing and Midwifery	238	-	5	27	-	270
Director Allied Health	177	-	4	21	-	202

E Other Information

E1 Contingencies

Litigation

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

E2 Commitments

Commitments for capital expenditure at reporting date are:

	2020 \$'000	2019 \$'000
Major plant and equipment		
Not later than one year	1,785	4,671

E3 Notes to the Statement of Cash Flows

The following table reconciles the operating result to net cash provided by operating activities:

	2020 \$'000	2019 \$'000
Operating result from continuing operations	(10,356)	(26,885)
<i>Non-cash items</i>		
Depreciation expense	25,371	22,918
Amortisation expense	961	310
Asset related transactions	24	(16)
Depreciation and amortisation funding	(26,332)	(23,228)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(2,985)	4,075
(Increase)/decrease in inventories	212	(207)
(Increase)/decrease in other assets	(360)	52
Increase/(decrease) in payables	25,628	(3,701)
Increase/(decrease) in accrued employee benefits	(16,845)	3,517
Increase/(decrease) in provisions	(544)	(927)
Increase/(decrease) in unearned revenue	671	(5903)
Net cash (used in) / provided by operating activities	(4,556)	(29,994)

E4 Patient Fiduciary Funds

West Moreton Health acts in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions and balances are not recognised in the financial statements but are disclosed below for information purposes. Although patient funds are not controlled by West Moreton Health, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

	2020 \$'000	2019 \$'000
Cash at beginning of financial year	170	218
Patient fund receipts	1,684	1,745
Patient fund related payments	(1,671)	(1,793)
Cash at end of financial year	183	170

E5 Application of New Accounting Standards or Change in Accounting Policy

Changes in Accounting Policy

West Moreton Health has not changed any of its accounting policies during 2019-20.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2019-20.

Accounting Standards Applied for the First Time

Three new accounting standards with material impact were applied for the first time in 2019-20

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards are detailed below. No other accounting standards or interpretations that apply to West Moreton Health for the first time in 2019-20 have any material impact on the financial statements.

AASB 15 *Revenue from Contracts with Customers*

This standard requires revenue to be recognised according to the delivery of performance obligations under a contract and uses a five-step model. The five-step model is:

- i. Identify customer contracts
- ii. Identify performance obligations in those contracts
- iii. Determine the transaction price, which is revenue from the contract
- iv. Allocate transaction price to performance obligations in the contract
- v. Recognise revenue when the performance obligation is complete / satisfied.

Activity Based Funding

The performance obligation for this revenue category is to provide health service National Weighted Activity Units (NWAU). West Moreton Health recognises revenue in line with the performance criteria within the Service Agreement, which may result in

contract assets and contract liabilities being raised. This treatment is consistent with AASB 15 *Revenue from Contracts with Customers*.

Own Source Revenue

Own Source Revenue has been assessed based on the requirements of AASB 15 *Revenue from Contracts with Customers*. Based on this assessment, user charges and fees (other than rental income which is assessed under AASB 16 *Leases*) will be accounted for under this standard.

West Moreton Health accounts for user charges through the issuing of invoices to patients entering into individual contracts by electing through a form to be treated as a private patient. This election provides authority to West Moreton Health to bill the patient's private health provider. West Moreton Health has achieved the revenue target provided for within the Service Agreement and the recognition of the associated revenue complies with AASB 15 *Revenue from Contracts with Customers*.

AASB 1058 Income of Not-for-Profit Entities

The AASB 1058 *Income of Not-for-Profit Entities* standard applies to transactions where West Moreton Health acquires an asset for significantly less than fair value principally to enable West Moreton Health to further its objectives, and to the receipt of volunteer services. West Moreton Health has determined that there will be no material impact as the current accounting treatment is already consistent with this standard.

Block Funding

Block funding includes activity targets set by the Department; however, the funding is paid to West Moreton Health regardless of the activity level achieved. West Moreton Health should, and does, recognise block funding as revenue upon receipt. No changes are required to the current West Moreton Health process for calculating reported block funding.

Other Department of Health Funding / Depreciation Funding

Other Department of Health funding comprises Depreciation (non-cash), Commonwealth funding and State funding. These are referred to as System Manager Grants. There are no specific performance obligations tied to these grants. This funding is not covered by the National Health Reform Agreement. Accordingly, West Moreton Health's accounting treatment of this revenue is consistent with AASB 1058 *Income of Not-for-Profit Entities*.

Own Source Revenue

Where Own Source Revenue did not meet the criteria of AASB 15 *Revenue from Contracts with Customers*, and has not been recognised under AASB 16 *Leases*, the revenue has been recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*. This will include:

- grants where there is not a specific performance obligation within a contract
- other revenue where a contract containing specific obligations is not in place.

No changes are required to the current West Moreton Health processes for these areas.

AASB 16 Leases

The distinction between operating and finance leases no longer exists for lessee accounting under AASB 16 *Leases*. Under this accounting standard, from 1 July 2019, all leases within the requirements of this standard (and other exemptions applicable to West Moreton Health) are now recognised on statement of financial position as lease liabilities and right-of-use assets.

At commencement date, the right-of-use asset shall be recognised at cost.

Lease liabilities are initially recognised at the present value of lease payments over the remaining lease term. The lease term includes any extension or renewal options that West Moreton Health is reasonably certain to exercise. The discount rate used is the interest rate implicit in the lease, or the Queensland Treasury Corporation incremental borrowing rate, if the implicit rate cannot be readily determined.

Subsequently, the lease liabilities are increased by the unwinding of discounting and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate, or a change in the lease term.

West Moreton Health did not have any leases that met the criteria prior to 1 July 2019 and therefore did not require any opening balance adjustments. In August 2019 West Moreton Health entered into a lease agreement which was assessed as meeting the criteria of AASB 16 *Leases* and has therefore been recognised as such in West Moreton Health financial statements for 2019-20.

Future Accounting Standards not yet Mandatory

There is one accounting standard that is approved and published but not yet mandatory to adopt. West Moreton Health is aware of the following new standard that may have some impact on future reporting:

AASB 1059 Service Concession Arrangements (effective for year ending 30 June 2021)

This standard has been deferred under AASB 2019-02 to periods beginning on or after 1 January 2020. The standard requires the grantor to initially measure a service concession asset provided by the operator at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. West Moreton Health will follow Queensland Treasury advice to restate 2019-20 comparatives and 1 July 2020 balances under this approach. West Moreton Health is currently assessing the impact of this new standard.

All other Australian Accounting Standards and interpretations with future effective dates are either not applicable to the activities of West Moreton Health or have no material impact.

E6 Subsequent Events

West Moreton Health is not aware of any events occurring after the reporting date that warrant disclosure or recording in the financial statements.

E7 Taxation

West Moreton Health 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). GST receivable from and GST payable to the Australian Tax Office, are recognised in the statement of financial position (refer to Note B2).

E8 Related Party Disclosures

Transactions with Queensland Government controlled entities

West Moreton Health is controlled by its ultimate parent entity, the State of Queensland. All State of Queensland controlled entities meet the definition of a related party in AASB 124 *Related Party Disclosures*.

Department of Health

West Moreton Health receives funding from the Department. The Department receives the majority of its revenue from the Queensland Government and the remainder from the Commonwealth Government.

The funding from the Department is provided predominantly for specific public health services purchased by the Department from West Moreton Health in accordance with a service agreement. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by West Moreton Health (refer Note A1(a)).

The signed service agreements are published on the Queensland Government website and publicly available. In addition, the Department provides corporate services as outlined in note A1(c). Any other expenses paid by the Department to third parties on behalf of West Moreton Health are recouped by the Department.

Related transactions for the year are as follows:

	2020 \$'000	2019 \$'000
Revenue received	649,581	604,987
Expenditure incurred	52,632	54,601
Receivables	4,965	534
Payables and other liabilities	26,759	3,162
Contract Liabilities	819	-

Other Hospital and Health Services

Payments to and receipts from other health services occur to facilitate the transfer of patients, drugs, staff and other incidentals, these payments are not material.

Queensland Treasury Corporation

West Moreton Health has an investment account with Queensland Treasury Corporation for general trust monies (refer note B1).

Department of Housing and Public Works

West Moreton Health pays rent to the Department of Housing and Public Works for a number of properties and for vehicle fleet management services (Qfleet).

Transactions with other related parties

All transactions in the year ended 30 June 2020 between West Moreton Health and key management personnel, including their related parties, were on normal commercial terms and conditions and were immaterial in nature.

E9 Significant impacts from COVID-19 pandemic

The following significant transactions were recognised by West Moreton Health during the 2019-20 financial year in response to the COVID-19 pandemic.

	2020
	\$'000
Statement of Comprehensive Income	
Significant expense items arising from COVID-19	
COVID-19 hospital service costs	5,802
COVID-19 state public health costs	1,400
Additional impairment of receivables specifically due to COVID-19 impacts*	571
Total significant expense items arising from COVID-19	7,773
Significant revenue items arising from COVID-19	
Additional revenue recognised to fund COVID-19 initiatives	7,202
Total significant revenue items arising from COVID-19	7,202
Other significant impacts arising from COVID-19	
West Moreton Health has also waived the collection of licence revenue from 1 March 2020 to 30 September 2020. The amounts of revenue forgone from 1 March 2020 to 30 June 2020 is calculated to be approximately \$103K based on the licences renewed during this time. This amount is not reflected in the significant revenue/expense items above.	
Statement of Financial Position	
Significant changes in assets arising from COVID-19	
Additional impairment of receivables specifically due to COVID-19 impacts*	571
Capital equipment purchases specifically for COVID-19 pandemic	38
Total significant changes in assets arising from COVID-19	609

* No additional funding for these items was received in 2019-20.

E10 Other Matters

On 1 August 2019, West Moreton Health was part of the statewide implementation of a new enterprise resource planning system SAP S/4HANA which replaced the 20-year-old Finance and Materials Management Information System (FAMMIS). Extensive reconciliations were completed to ensure accuracy of data from FAMMIS balances to SAP S/4HANA.

F Budgetary Reporting Disclosures

(a) Statement of Comprehensive Income

	Note	Actual 2020 \$'000	Budget 2020 \$'000	Variance \$'000	Variance %
Income					
Funding for provision of public health services	(i)	643,576	610,546	33,030	5%
User charges	(ii)	35,907	23,576	12,331	52%
Grants and other contributions	(iii)	9,060	8,170	890	11%
Other revenue		2,815	549	2,266	413%
Total income		691,358	642,841	48,517	8%
Expenses					
Employee expenses	(iv)	487,441	457,265	30,176	7%
Health service employee expenses	(v)	18,039	-	18,039	
Supplies and services		158,851	152,501	6,350	4%
Grants and subsidies		389	435	(46)	(11%)
Depreciation and amortisation	(vi)	26,332	22,907	3,425	15%
Impairment losses		2,668	1,736	932	54%
Other expenses		7,994	7,997	(3)	-
Total expenses		701,714	642,841	58,873	9%
Operating result		(10,356)	-	(10,356)	
Other comprehensive income					
Increase in asset revaluation surplus	(vii)	7,595	-	7,595	
Total other comprehensive income		7,595	-	7,595	
Total comprehensive income		(2,761)	-	(2,761)	

(b) Statement of Financial Position

	Note	Actual 2020 \$'000	Budget 2020 \$'000	Variance \$'000	Variance %
Current assets					
Cash and cash equivalents	(viii)	21,484	34,480	(12,996)	(38%)
Receivables	(ix)	8,694	9,819	(1,125)	(11%)
Inventories		3,897	4,383	(486)	(11%)
Other assets		1,111	803	308	38%
Total current assets		35,186	49,485	(14,299)	(29%)
Non-current assets					
Property, plant and equipment		264,187	254,978	9,209	4%
Intangible assets		988	1,025	(37)	(4%)
Right-of-use assets		1,200	-	1,200	
Total non-current assets		266,375	256,003	10,372	4%
Total assets		301,561	305,488	(3,926)	(1%)
Current liabilities					
Payables	(x)	47,089	23,638	23,451	99%
Accrued employee benefits	(xi)	4,579	21,419	(16,840)	(79%)
Lease liabilities		610	-	610	
Provisions		199	470	(271)	(58%)
Unearned revenue	(xii)	877	6,124	(5,247)	(86%)
Total current liabilities		53,354	51,651	1,703	3%
Non-current liabilities					
Lease liabilities		672	-	672	
Total noncurrent liabilities		672	-	672	
Total liabilities		54,026	51,651	2,375	5%
Net assets		247,535	253,837	(6,302)	(2%)
Equity					
Total equity		247,535	253,837	(6,302)	(2%)

(c) Statement of Cash Flows

	Note	Actual 2020 \$'000	Budget 2020 \$'000	Variance \$'000	Variance %
Cash flows from operating activities					
<i>Inflows:</i>					
Funding for provision of public health services		616,575	610,546	6,029	1%
User charges	(xiii)	34,328	21,583	12,745	59%
Grants and other contributions		3,055	2,788	267	10%
Interest received		13	14	(1)	(7%)
Other	(xiv)	12,541	9,075	3,466	38%
<i>Outflows:</i>					
Employee expenses	(xv)	(498,523)	(456,065)	(42,458)	9%
Supplies and services	(xvi)	(154,643)	(162,093)	7,450	(5%)
Grants and subsidies		(389)	(435)	46	(11%)
Other	(xvii)	(17,513)	(2,338)	(15,175)	649%
Net cash provided by operating activities		(4,556)	23,075	(27,631)	(120%)
Cash flows from investing activities					
<i>Inflows:</i>					
Sales of property, plant and equipment		82	-	82	
<i>Outflows:</i>					
Payments for property, plant and equipment	(xviii)	(14,480)	(4,908)	(9,572)	195%
Net cash used by investing activities		(14,398)	(4,908)	(9,490)	193%
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections	(xix)	15,385	4,908	10,477	213%
<i>Outflows:</i>					
Finance lease payments		(446)	-	(446)	
Equity withdrawals	(xx)	-	(22,907)	22,907	(100%)
Net cash provided by financing activities		14,939	(17,999)	32,938	(183%)
Net increase/(decrease) in cash and cash equivalents held		(4,015)	168	(4,183)	(2,490%)
Cash and cash equivalents at beginning of the financial year		25,499	34,312	(8,813)	(26%)
Cash and cash equivalents at end of the financial year		21,484	34,480	(12,996)	(38%)

Explanation of major variances:

Major variances are variances that are material within the 'Total' line item that the item falls within. Material variances are measured as a variance of 5% on expenses (employee expense and other supplies and services), payments of property, plant and equipment and 10% for all other material line items.

Major variances have been identified and explained below:

Statement of Comprehensive Income

(i) The increase in funding for provision of public health services primarily relates to amendments to the Service Agreement between West Moreton Health and the Department. The impact of this additional funding primarily relates to COVID-19 pandemic recoveries of \$7,202K, enterprise bargaining allocations of \$4,174K, depreciation funding of \$3,425K, National Partnership Agreement on adult oral health services of \$3,146K, winter bed surge funding of \$3,053K, performance stabilisation funding of \$3,036K, Specialist Mental Health Intellectual Disability Service Assessment and Outreach Team of \$1,632K, Evolve Therapeutic Services of \$1,921K, additional outsourcing activity of \$988K, transition of Arthur Gorrie Correction Centre from private to public of \$911K and opioid substitution treatment in correctional centres of \$698K.

(ii) The increase primarily relates to an increase in Pharmaceutical Benefit Scheme revenue of \$13,978K.

(iii) The increase in grants and other contributions is primarily due to an increase in the services received below fair value provided by the Department of \$623K and additional Commonwealth Grants funding for Specialist Training Program of \$399K offset by a reduction in industry and community grants received.

(iv) The increase in employee expenses is primarily due to additional labour required as a response to increased community demand of \$13,095K, budget assumptions of \$16,409K are no longer valid due to the impact of COVID-19 pandemic, specific funded programs of \$7,819K, the additional direct employee expenses due to impact of the COVID-19 pandemic of \$5,088K and enterprise bargaining wage increases of \$4,174K.

(v) From 15 June 2020, due to changes in employer arrangements, health service employee expenses represent the cost of engaging staff other than board members, health service executives, senior medical officers and visiting medical officers (who are employed directly by West Moreton Health). Refer to note (iv) for additional detail.

(vi) The increase in depreciation and amortisation expense relates to purchases of properties as part of Ipswich Hospital Stage 1A Redevelopment which were subsequently depreciated for \$1,549K, the recognition of a right-of-use asset and subsequent depreciation of \$528K, depreciation relating to the capitalisation of a MRI scanner of \$156K and the integrated electronic Medical Records (ieMR) software of \$114K. Another impacting factor is the comprehensive revaluation in June 2019 of all buildings and the subsequent changes to the remaining useful lives affecting depreciation in the following year.

(vii) No budget is set for asset revaluation. The revaluations conducted during the year showed that the value of Land and Buildings had increased by \$7,595K.

Statement of Financial Position

(viii) The decrease in cash is primarily due to the cash opening balance being \$8,813K lower than the budget.

(ix) The decrease in receivables is primarily driven by an increase in the provision for doubtful debts at year end. This increase of \$1,098K in the provision is assessed based on historical debt recovery outcomes and in consideration of additional risks on debt recovery due to COVID-19.

(x) The increase in payables is primarily due to the change in employer arrangements resulting in accrued employee related benefits of \$18,039K for health service employees (other than board members, health service executives, senior medical officers and visiting medical officers) being recognised as a payable. Another contributing factor is the recognition of funding expense payable for Service Agreement adjustments of \$3,057K.

(xi) The decrease in accrued employee benefits is due to the change in employer arrangements resulting in a change in recognition from accrued employee benefits to payables. Refer note (x).

(xii) The unearned revenue variance is largely due to the increase in budget of \$4,524K which should have been attributed to payables.

Statement of Cash Flows

(xiii) Refer note (ii).

(xiv) The increase in other inflows is primarily due to recoveries not included in the original budget of \$1,263K.

(xv) Refer note (iv).

(xvi) The decrease in cash flows of supplies and services is due to a reduction in usage of external agency of \$6,583K.

(xvii) The increase in other outflows is due to the inclusion of QGIF insurance of \$6,606K and GST payments of \$7,149K which have been classified in other expenses of the cashflow. This differed from the original budget in which both were included in supplies and services.

(xviii) The increase is primarily due to purchases made for the Ipswich Hospital Stage 1A Redevelopment of \$7,530K and the Priority Capital Program (PCP) of \$2,169K.

(xix) The increase reflects the increase in funding for property, plant and equipment. This is primarily due to funding of purchases made for the Ipswich Hospital Stage 1A Redevelopment of \$7,098K, the Priority Capital Program (PCP) of \$1,993K and right-of-use lease funding of \$446K. This funding is received one month in arrears.

(xx) The budgeted equity withdrawal is reported as cash, however this withdrawal relates to depreciation funding that is withdrawn from West Moreton Health as a non-cash transaction by an offset against equity. The depreciation funding concept exists within the Health system to maintain a neutral position within the Hospital and Health Services.

Management Certificate

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009* (the Act), Section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act, we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) 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 2020 and of the financial position of the Service at the end of that year; and
- (c) We, acknowledge responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



**Michael Willis BEcon SFFin FAICD
Chair**

7 August 2020



**Kerrie Freeman PhD
Chief Executive**

7 August 2020



INDEPENDENT AUDITOR'S REPORT

To the Board of West Moreton Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of West Moreton Hospital and Health Service.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Fair value of buildings (\$205.316 million)

Refer to Note B3 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Buildings were material to West Moreton Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method.</p> <p>West Moreton Hospital and Health Service performed a comprehensive revaluation over mental health facilities this year as part of the rolling revaluation program. All other buildings were assessed using relevant indices.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation. <p>West Moreton Hospital and Health Service derived the gross replacement cost of its buildings at the balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> ○ estimating the current cost for a modern substitute (including locality factors and oncosts, ○ identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. • the measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components. <p>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.</p> <p>Using indexation required:</p> <ul style="list-style-type: none"> • significant judgement in determining changes in cost and design factors for each asset type since the previous comprehensive valuation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used. <p>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the adequacy of management's review of the valuation process and results. • reviewing the scope and instructions provided to the valuer. • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices. • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models for unit rates associated with buildings that were comprehensively revaluated this year: <ul style="list-style-type: none"> ○ on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: ○ modern substitute (including locality factors and oncosts) ○ adjustment for excess quality or obsolescence. • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> ○ reviewing management's annual assessment of useful lives ○ at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets ○ ensuring that no building asset still in use has reached or exceeded its useful life ○ enquiring of management about their plans for assets that are nearing the end of their useful life ○ reviewing assets with an inconsistent relationship between condition and remaining useful life. • Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

Implementation of new finance system

Refer to Note E10 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The Department of Health (the department) is the shared service provider to West Moreton HHS for the management of the financial management information system, and processing of accounts payable transactions in the system. The department replaced its primary financial management information system on 1 August 2019.</p> <p>The financial management system is the general ledger and it interfaces with other software that manages revenue, payroll and certain expenditure streams. Its modules are used for inventory and accounts payable management. The replacement of the financial management system increased the risk of error in the control environment of West Moreton HHS.</p> <p>The implementation of the financial management system was a significant business and IT project for the Queensland Health entities. It included:</p> <ul style="list-style-type: none"> • ensuring accuracy and completeness of closing balances transferred between the old and new systems • establishing system interfaces with other key software programs • developing and documenting IT general controls and application controls • establishing and implementing new workflow processes • cleansing and migrating of vendor and open purchase order master data • training of employees 	<p>I have reported issues relating to internal control weaknesses identified during the course of my audit to those charged with governance of the Department of Health.</p> <p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the appropriateness of the IT general and application level controls including system configuration of the financial management system by: <ul style="list-style-type: none"> ○ reviewing the access profiles of users with system wide access ○ reviewing the delegations and segregation of duties ○ reviewing the design, implementation and effectiveness of the key general information technology controls. • validating account balances from the old system to the new system to verify the accuracy and completeness of data migrated • documenting and understanding the change in process and controls for how material transactions are processed, and balances are recorded • assessing and reviewing controls temporarily put in place due to changing system and procedural updates • undertaking significant volume of sample testing to obtain sufficient appropriate audit evidence, including: <ul style="list-style-type: none"> ○ verifying the validity of journals processed pre and post go-live ○ verifying the accuracy and occurrence of changes to bank account details ○ comparing vendor and payroll bank account details ○ verifying the completeness and accuracy of vendor payments, including testing for potential duplicate payments • assessing the reasonableness of: <ul style="list-style-type: none"> ○ the inventory stocktakes for completeness and accuracy ○ the mapping of the general ledger to the financial statement line items

Responsibilities of the entity 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal control, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- I received all the information and explanations I required.
- I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act, and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

11 August 2020

C G Strickland
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

Term	Meaning
ABF	Activity Based Funding
AHBTC	Allied Health Brief Therapy Clinics
AM	Member of the Order
AO	Officer of the Order of Australia
AODS	Alcohol and Other Drug Services
CEO	Chief Executive Officer
CYMHS	Child and Youth Mental Health Service
DAFNE	Dose Adjustment For Normal Eating
Dr	Doctor
ED	Emergency Department
FSR	Financial System Renewal
FTE	Full Time Equivalent
FY	Financial Year
GAICD	Graduate Australian Institute of Company Directors
GEDI	Geriatric Emergency Department Intervention
GP	General Practitioner
HREC	Human Research Ethics Committee
HITH	Hospital in the Home
ieMR	integrated electronic Medical Record
IRCCT	Ipswich and Rural Continuing Care Team
ISMS	Information Security Management System
MeCare	Mobile Enabled Care

Term	Meaning
MH-CORE	Mental Health Co-Responder
MOHRI	Minimum Obligatory Human Resource Information
MRI	Magnetic Resonance Imaging
MRSA	Methicillin-resistant Staphylococcus aureus
NHMRC	National Health and Medical Research Council
OT	Occupational Therapy
P.P.	Percentage Point
PHN	Primary Health Network
PPE	Personal Protective Equipment
QAO	Queensland Audit Office
QAS	Queensland Ambulance Service
QPS	Queensland Police Service
QSA	Queensland State Archives
RACFs	Residential Aged Care Facilities
RACGP	Royal Australian College of General Practitioners
RaSS	Residential Aged Care Acute Support Service
WAU	Weighted Activity Unit
WMLOL	West Moreton Learning Online

Compliance checklist

Summary of requirement	Basis for requirements	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs - section 7 4
Accessibility	Table of contents	ARRs - section 9.1 3
	Glossary	86
	Public availability	ARRs - section 9.2 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs - section 9.3 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs - section 9.4 2
	Information licensing	<i>QGEA - Information Licensing</i> ARRs - section 9.5 2
General information	Introductory information	ARRs - section 10.1 6-7
	Machinery of Government changes	ARRs - section 10.2, 31 and 32 <i>n/a</i>
	Agency role and main functions	ARRs - section 10.2 8
	Operating environment	ARRs - section 10.3 9
Non-financial performance	Government's objectives for the community	ARRs - section 11.1 5
	Other whole-of-government plans/specific initiatives	ARRs - section 11.2 10-11 and 15-17
	Agency objectives and performance indicators	ARRs - section 11.3 11, 36 and 38
	Agency service areas and service standards	ARRs - section 11.4 38
Financial performance	Summary of financial performance	ARRs - section 12.1 39
Governance - management and structure	Organisational structure	ARRs - section 13.1 27
	Executive management	ARRs - section 13.2 25-26
	Government bodies (statutory bodies and other entities)	ARRs - section 13.3 <i>n/a</i>
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs - section 13.4 33
	Human Rights	Human Rights Act 2019 ARRs - section 13.5 34-35
	Queensland public service values	AARs - section 13.6 33

Summary of requirements		Basis for requirements	Annual report reference
Governance - risk management and accountability	Risk management	ARRs - section 14.1	21 and 31
	Audit committee	ARRs - section 14.2	24
	Internal audit	ARRs - section 14.3	31
	External scrutiny	ARRs - section 14.4	31
	Information systems and record keeping	ARRs - section 14.5	32
Governance - human resources	Strategic workforce planning and performance	ARRs - section 15.1	30
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs - section 15.2	30
Open data	Statement advising publication of information	ARRs - section 16	2
	Consultancies	ARRs - section 33.1	data.qld.gov
	Overseas travel	ARRs - section 33.2	data.qld.gov
	Queensland Language Services Policy	ARRs - section 33.3	data.qld.gov
Financial statements	Certification of financial statements	FAA - section 62 FPMS - sections 38, 39 and 46 ARRs - section 17.1	80
	Independent Auditor's Report	FAA - section 62 FPMS - section 46 ARRs - section 17.2	81-85

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

