

ANNUAL REPORT 2016–2017



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West Moreton Hospital and Health Service

The Honourable Cameron Dick MP
Minister for Health and Minister for Ambulance Services
GPO Box 48
BRISBANE QLD 4001

Dear Minister,

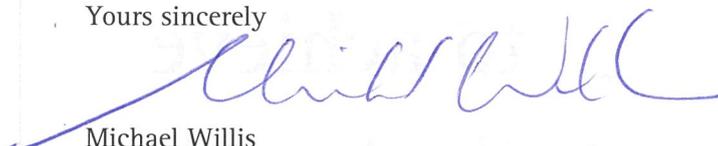
I am pleased to submit for presentation to the Parliament the Annual Report 2016-17 and financial statements for the West Moreton Hospital and Health Service.

I certify that this report complies with:

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

A checklist outlining the annual reporting requirements can be found at page 60 of this Annual Report.

Yours sincerely



Michael Willis

Chair, West Moreton Hospital and Health Board

25 August 2017

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Message from the Board Chair and Chief Executive

As demands on our services continue to grow, West Moreton Hospital and Health Service is determined to continue to provide safe, patient-centred care for the people of this community. We have worked hard in the 2016-17 financial year to help this community maximise its health outcomes, to use our skills for the broader benefit of the community, and to do this while living within our means.

We are doing more, not just with our health partners but across the social sector generally, to give West Moreton residents the best chance possible to be healthy and well. We want to help people in this community to achieve the health and wellbeing outcomes that they want for themselves. This focus on people has driven our efforts in 2016-17, and is reflected in our revised strategic plan, our infrastructure master planning, and a redesign of the medical models of care at Ipswich Hospital. We were at our best in the financial year when this approach informed our choices, whether in more fully exploiting new health management tools such as McCare, or reviewing our systems to make sure they reflect the things that are important to the community we serve.

This was the year in which we stepped up our response to the growth challenges we face in the coming decade. We substantially revised our strategic plan to focus on improving health to better manage future demand, delivering more services in the communities close to where people live, and maintaining or building the partnerships necessary to innovate.

“We want to help people in this community to achieve the health and wellbeing outcomes that they want for themselves”

“our achievements in 2016-17 were won by the hard work and generosity of our people”

Our challenges have not just been in how we respond to the big themes such as growth. Our focus this year has also been on the very human challenges of how we treat each other as colleagues. During the year a number of West Moreton staff raised concerns about workplace culture. In the coming year we will keep working to support these staff, and to make sure that our culture is one where every single staff member is treated with respect.

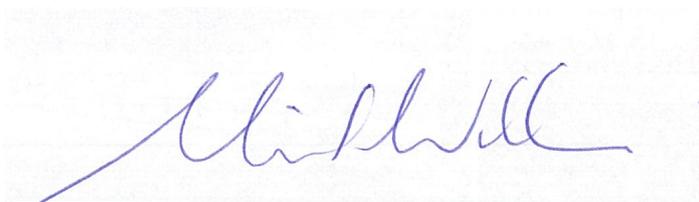
We also focused this financial year on getting a better understanding of what is important to people in this community, and on what they want from us as a service provider. This was especially important when it came to understanding the different needs of the locations, and the distinct communities, that we serve. Through formal mechanisms such as our community reference groups, and targeted community engagement exercises we learned valuable information about how specific communities want to use our services. That has significantly improved the relevance of the major planning work we delivered through the year.

Our partnerships both broadened and deepened this year, with these closer relationships significantly improving how we delivered services, whether in the emergency department through reviews of how patients can be seen faster or in shared discussion of the service

challenges that we face. Our achievements in 2016-17 were won by the hard work and generosity of our people.

A key focus for the year has been on operational and financial sustainability. Strong stewardship, a focus on cost control and the efforts of our staff brought a \$10.69M turnaround and a \$1.63M surplus in the financial year. The creation of a new organisational structure that takes effect in the new financial year, and results in a stronger focus on rural and community service delivery and clearer lines of responsibility for staff, was similarly achieved with no loss of permanent positions and in close consultation with union colleagues.

Just as our achievements in 2016-17 came from a focus on people, they were won by the hard work and generosity of our people as well. West Moreton staff are truly this organisation’s greatest asset. We want to thank you for your care, your concern and your diligence, and for your care of each other. These are your achievements, and families celebrate their achievements. We hope that the 2016-17 annual report captures the shared journey of the West Moreton family, and we look forward to continuing that journey with you.



Michael Willis
Board Chair



Dr Kerrie Freeman
Chief Executive

1. About us

West Moreton Hospital and Health Service (West Moreton) exists to provide, and to help others provide, health and wellbeing services to the Somerset, Scenic Rim, Lockyer Valley and Ipswich communities.

We serve a population of 323,000 people, spread across 9,521 square kilometres from Esk in the north, Gatton to the west, Ipswich in the east and Boonah to the south.

The West Moreton area is culturally, economically and geographically diverse, taking in both metropolitan and rural settings. It is a community that is growing in total population – set to increase by 136 per cent to 595,000 people by 2036, which is larger than the current population of Tasmania – and in key demographics such as young people, older residents, multicultural communities and those with lifestyle-related chronic conditions such as obesity. As a community, it has many of the social and economic indicators that are known to be linked to poor health. It is also a proud community with a strong sense of identity, and clear expectations of its Hospital and Health Service.

In response to these challenges we seek to understand the health needs of this community, now and into the future, and to focus our efforts on meeting those needs, working with our partners to do so.

We are also part of the community we seek to serve. With a budget of \$512.29M in 2016-17, and 3,079 full time equivalent (FTE) staff members, West Moreton is one of the largest employers in this region. Many of those staff live in this community, and so have a personal interest in making sure we achieve our goals. We recognise and welcome the role we play in not only health care but in the economic development, sustainability and prosperity of the West Moreton region.



West Moreton: Main St, Rosewood; St Paul's Cathedral, Ipswich; Woodlands, Marburg

1.1 Our services

We provide preventative and primary health care services, ambulatory services, acute care, sub-acute care, oral health and mental health and other specialised services (including prison health services, and alcohol, tobacco and other drugs services) to our region. Our facilities include:

- Boonah Health Service
- Esk Health Service
- Gailes Community Care Unit
- Gatton Health Service
- Goodna Community Health
- Ipswich Community Health Plaza
- Ipswich Hospital
- Ipswich Oral Health Clinic
- Laidley Health Service
- The Park – Centre for Mental Health (The Park).

We have strong community reference groups who ensure the community has a voice through planning, design, delivery and evaluation of healthcare services.

We also work alongside the Queensland Department of Corrective Services to provide health services to the Brisbane Womens', Wolston, Woodford, Southern Queensland and Arthur Gorrie Correctional Centres.

West Moreton Fast Facts 2016-17

In 2016–17 there were **639,629** episodes of care.

Our community is growing



There were **37,680 admissions** last year, up from **33,769** in 2015–16.

Our population is set to grow by **▲ 51%** over the next **9 years**.

Community engagement



There were **961 face-to-face conversations** last

year with our community about our new strategic plan.

Emergency services



Emergency department presentations requiring urgent care increased **19.4%** in 2016–17.

Despite growing demand, there has been a **10% improvement in Patient Off Stretcher Times** since the opening of the Clinical Decision Unit in March.

West Moreton is one of the state leaders in telehealth



Use of telehealth increased **▲ 148%** in 2016, which is the second highest growth rate in Queensland.

Financial highlights

Income
\$534.85M



Expenses
\$533.22M



We ended 2015–16 with a **\$9.06M operating deficit**.

We ended 2016–17 with a **\$1.63M operating surplus**.

Waiting lists



Zero long waits for elective surgery and oral health procedures. Waiting times for **endoscopy, specialist outpatients,**

elective surgery and **oral health** all met targets.

Paediatric presentations



Paediatric presentations of children up to 14 years account for **20%** of total

emergency department presentations.

1.2 Annual Highlights

September 2016



Yarning Circle – partnering with our community

West Moreton welcomed Traditional Owners, Indigenous Elders and Aboriginal and Torres Strait Islander Community members to ceremonially bless the soil on which a Yarning Circle will be created. The Yarning Circle will have an important cultural significance to the Aboriginal and Torres Strait Islander Traditional Owners, Indigenous Elders and Community in the region as a space where Aboriginal and Torres Strait Islander people can meet to talk, share stories and receive information in a way that is culturally safe and appropriate. The space will also be a way for staff to communicate and share stories with patients, consumers and their families.

October 2016



MeCare – innovation and excellence

In an Australian first, West Moreton and Philips Healthcare officially launched the MeCare program in 2016. MeCare uses the latest health data technologies to improve the health and quality of life for people with chronically poor health. Donna Inglis was the first to sign up to the program, which allows participants at risk of frequent hospitalisation to use in-home technology to monitor their daily health progress with the support of MeCare staff. (See article, page 20). The MeCare partnership is a response to both increasing hospital admissions rates and increasing public expectations to self-manage health care and be treated closer to home. It is an example of how technology can revolutionise health care management by allowing existing health care partners to work in new ways for the benefit of their patients.



1.2 Annual Highlights

May 2017



Paediatric emergency model of care – responding to need

The volume of paediatric presentations to the Ipswich Hospital Emergency Department continues to steadily increase. In 2016-17 children up to 14 years made up 20 per cent of all emergency department presentations. To support this demand West Moreton, in consultation with Children’s Health Queensland, worked to develop a paediatric emergency model of care that will improve the quality of care provided to paediatric patients. The four-bed Paediatric Emergency Unit (PEU) opened in August 2017 and operates on a 24 hour, seven day a week basis. This investment demonstrates our commitment to understanding the services our community needs, and then working with our community and clinical partners to deliver those services. It is also an important step along the path to becoming a tertiary hospital.

June 2017



Independent oncology unit – patient and family-centred care

West Moreton has created a fully independent oncology unit to expand the available oncology services for community members undergoing chemotherapy and radiotherapy.

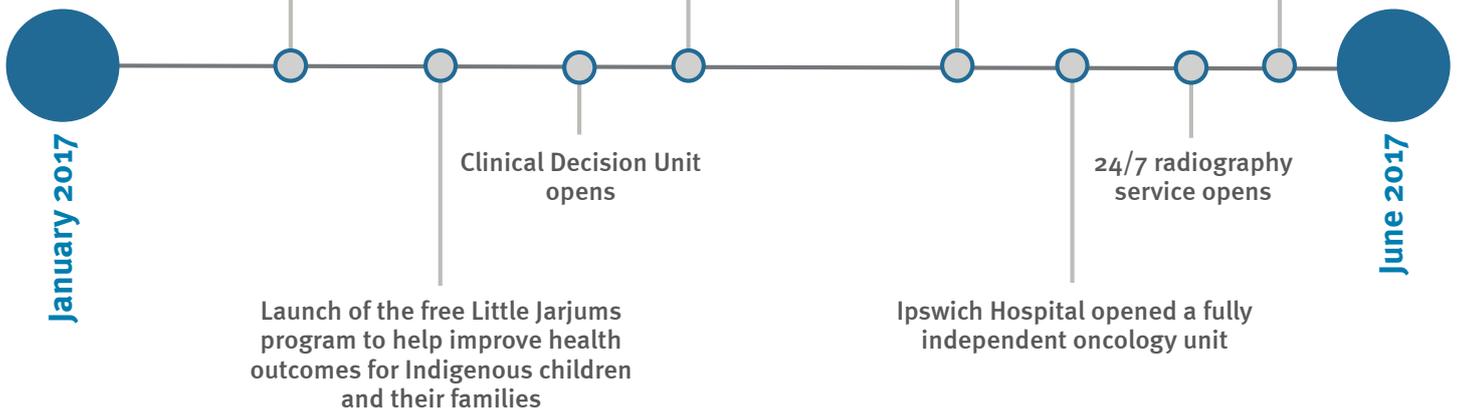
The service previously operated as a Mater Hospital Brisbane-supported unit and, before its opening, a number of oncology patients had to travel to receive treatment. This reflected a wider trend in 2016-17, in which a third of community members had to travel outside of West Moreton to receive treatment. The transition to an independent oncology unit allows West Moreton patients to access care closer to home, which is an important step in improving their overall treatment journey.

West Moreton staff recognised with Australia Day achievement awards

West Moreton staff won three of seven eHealth awards

Appointment of new Health Service Chief Executive

Four year accreditation for BreastScreen Ipswich



1.2 Annual Highlights



BreastScreen Ipswich: In May, BreastScreen Ipswich was awarded four year accreditation.

The Australian Council on Healthcare Standards. In November 2016, West Moreton was awarded four year accreditation against the National Safety and Quality Health Service Standards.

The accreditation report from the Australian Council on Healthcare Standards commended the high quality general and maternity services provided to the local community, noting that patients receive expert clinical care from well trained staff in an organisation governed by a new, enthusiastic Board and an energetic leadership team.

BreastScreen Australia. In May 2017, BreastScreen Ipswich was awarded four year accreditation against the BreastScreen Australian National Accreditation Standards. The surveyors from BreastScreen Australia

congratulated staff on providing quality services to the women of Ipswich, noting that the team are motivated, dedicated and work very well together.

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Patients receive expert clinical care from well-trained staff

- Australian Council on Healthcare Standards

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1.3 Operating Environment

West Moreton Hospital and Health Service 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, we are governed by the West Moreton Hospital and Health Board and are accountable to the community and to the Minister for Health and Minister for Ambulance Services. Hospital and health services and the Department of Health together make up Queensland Health. West Moreton operates in line with the annually agreed Service Agreement with the Department of Health. The agreement can be viewed here: <https://publications.qld.gov.au/dataset/west-moreton-hhs-service-agreements>.

Changes to our Legislative Framework

The *Mental Health Act 2016* commenced on 5 March 2017, replacing the *Mental Health Act 2000*. The new Act is a positive step forward for people with mental illness, strengthening their rights and supporting their recovery. In response to the Act's introduction, West Moreton has reviewed its procedures and information management processes. Relevant staff have been supported through the changes via on-line and face-to-face training. Two Independent Patients' Rights Advisers have been recruited to advise consumers on their rights under the Act and to communicate on their behalf with clinical staff where required.

Refresh of the Strategic Plan

Under its Charter, the Board is responsible for setting the strategic direction for West Moreton, including developing (in conjunction with the Executive), approving and periodically reviewing the strategic plan for the health service.

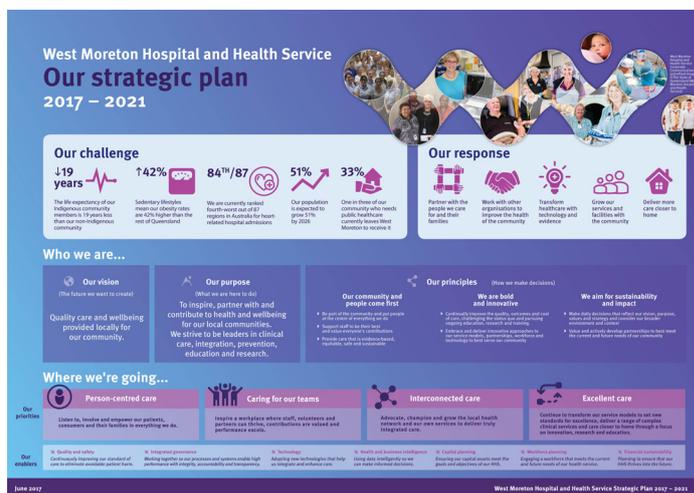
In 2016-17, the Board and Executive carried out a significant review of West Moreton's strategic direction. The resultant *Strategic Plan 2017-21*, developed with staff and the community, describes how we will serve the community over the next four years.

During the financial year, West Moreton was guided by its existing strategic plan. The plan's priorities included:

- Excellence in patient and family centred care
- Enable our staff to be their best and give their best
- Provide an agile, resilient health service that

anticipates and responds to need

- Excellence in service delivery through innovation, research and lifelong learning
- Be commercially astute
- Implement integrated governance and systems that transform the delivery of health care excellence now and in the future.



Workforce

West Moreton's workforce in 2016-17 had 3,079 FTE staff, in comparison to a budgeted 3,037 FTE. This increase was primarily due to extra funding received for implementation of an expanded Mental Health Acute Care Team, growth in the prisoner population requiring extra staff, addition of the Clinical Decision Unit and recruitment to the McCare hospital avoidance program.

Finance and funding

Through sound fiscal management West Moreton posted an operating surplus of \$1.63M recovering from the 2015-16 operating deficit of \$9.06M. This financial sustainability better places us to deliver safe, timely care to the community and to meet the growth challenges ahead.

Looking forward, West Moreton will receive a \$42.26M funding boost from the 2017-18 State Budget. This money will be used for continuation of the Clinical Decision Unit, support for the Mental Health Acute Care Team, and to meet projected activity increases in emergency department outpatient presentations and elective surgery.

1.4 Strategic and Operational Challenges and Risks

The 2016-17 financial year challenged West Moreton both strategically and operationally. The strategic challenges, such as the growing and diversifying population, and the rise of chronic conditions, are well-known and were identified in the 2015-16 annual report. However in 2016-17, West Moreton not only increased the range of ways in which it sought to respond to these challenges but also worked to address emerging operational issues.

The West Moreton region has a number of unique characteristics that are challenging the capabilities of the health service. These are in addition to general challenges of an ageing population, ageing workforce and funding constraints and include:

1. The life expectancy of the indigenous community members is 19 years less than our non-indigenous community. Approximately four per cent of people in West Moreton identify as being of Aboriginal or Torres Strait Islander descent.
2. Obesity rates in West Moreton are 42 per cent higher than the rest of Queensland.
3. West Moreton is currently ranked fourth worst out of 87 regions in Australia for heart-related hospital admissions.
4. The population is expected to grow by 51 per cent by 2026.
5. One in three members of the community who need public health care currently leave West Moreton to receive it.
6. Almost half of the population is considered to have a low socioeconomic status.

West Moreton's response involved finding new partnerships with the community and the people that we care for; identifying technologies that were the right response for West Moreton and transformed the way we provided care; and working to deliver care closer to home. Examples of our responses to these challenges can be found in Chapter 2, Our Performance.

In 2016-17 West Moreton took strong steps to bolster its financial performance. This was achieved through improvements to coding and counting processes to ensure West Moreton was paid for the services it

provided; prudent cost control and financial discipline by staff; and a six per cent increase in activity beyond what was determined in West Moreton's Service Agreement with the Department of Health, which led to extra funding from the Commonwealth.

Ipswich Hospital faced a significant increase in the demand, urgency and complexity of presentations to its Emergency Department in the 2016-17 financial year. Despite this, overall performance was trending positively by June following clinically led redesign of services in partnership with key stakeholders (for more information see Changes to our clinical services in Chapter 2).

West Moreton tackled both bullying and occupational violence during 2016-17. Following complaints raised by staff in the service's Acute Mental Health Unit, West Moreton worked with staff and union partners to address allegations of bullying.

The response included full investigation of all complaints, a service-wide review to identify other areas of potential concern at an early stage, and intensive support work with the Acute Mental Health Unit team.

Instances of occupational violence (violence against staff by patients, consumers, their carers or community members) decreased slightly year on year from 486 incidents in 2015-16 to 446 incidents in 2016-17. Strategies in place to reduce occupational violence include mandatory training, monitoring and governance of strategies through the West Moreton Occupational Violence taskforce, and the use of closed circuit television cameras and duress alarms.

The West Moreton Board and Executive will not tolerate bullying, harassment or occupational violence, and ongoing work is needed in 2017-18 to ensure sustainable solutions are in place. Proactive responses by West Moreton staff to the above challenges demonstrates our commitment to serving the community and ensuring all staff can operate in a safe environment.

Opportunities

West Moreton's staff are problem-solvers – care providers do this naturally and well. Despite the diverse challenges West Moreton faces, our ability to manage them is significantly supported by the skill and commitment of staff, who remain our single greatest asset.

Our ability to deliver services is bolstered by our key partnerships. We rely on and work closely with the region's Traditional Owners, other hospital and health services, non-government organisations, education providers, community groups and other State Government departments – we cannot tackle the challenges we face alone. (For a list of our stakeholders, see page 16).

In 2016-17, West Moreton drew on its relationships with the Darling Downs and West Moreton Primary Health Network, and with the Queensland Ambulance Service, to improve patient wait times in Ipswich Hospital's Emergency Department. This work will continue in 2017-18, and will involve forming new partnerships that seek to take the same approach to wellness and to illness prevention.

In 2016-17, the Board approved the exploration of alternative service delivery models and master planning to increase capacity across all of the service's facilities. This work was in response to the predicted increase in population and the pressure this is expected to bring on existing infrastructure, physical capacity and resources. This work will continue in 2017-18.

West Moreton will continue to work with Mater Private Hospital and partner with St Andrew's Ipswich Private Hospital, and other providers, to meet demand.

1.5 Organisational Changes

Vote of confidence in Board

The composition of the West Moreton Board has remained the same as last financial year, with Michael Willis, Gary Edwards, Patricia Evatt, Professor Sonj Hall, Professor Gerald Holtmann, Susan Johnson, Melinda Parcell and Sue Scheinpflug all remaining committed to West Moreton. Four members were reappointed for further terms in May – Mr Willis, Professor Holtmann, Ms Scheinpflug and Ms Evatt – in what Minister for Health and Minister for Ambulance Services Cameron Dick called a “show of confidence in the West Moreton Hospital and Health Board”. The Board is excited to work with the wider health service to achieve West Moreton's strategic objectives.



Funding: Minister Cameron Dick visited the Ipswich Hospital to discuss the additional \$42.3M allocated to West Moreton in the State Budget.

Executive

West Moreton has recently been through a transition period with changeover of eight executive members. The Board greatly appreciates the services of Sue McKee, Nik Fokas, Brian Howell, Dr Mary Seddon, Hajo Duken and Cheryl Burns for their positive contributions to the health service in 2016-17.

Seven new executive members have been welcomed, including Dr Kerrie Freeman, the new Health Service Chief Executive; Dr Robyn Henderson, Executive Director, Nursing and Midwifery Services; John Burns, Acting Chief Operating Officer; Dr Leanne Geppert, Executive Director, Mental Health and Specialised Services; Dr Pieter Pike, Executive Director, Medical Services; Jacqueline Keller, Executive Director, Legal and Corporate Governance; and Taresa Rosten, Executive Director, People and Culture.

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Our ability to deliver services is bolstered by our key partnerships

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1.6 Vision and Principles

From February to June 2017, the West Moreton Board and Executive engaged staff, external partners, stakeholders, consumers and the community to assist in developing a new strategic direction for West Moreton. The *Strategic Plan 2017-21* was informed by more than 600 individual and group consultations. While the *Strategic Plan 2017-21* came into effect on 1 July 2017, its development was a major achievement for the financial year. It sets out:

Our vision

Quality care and wellbeing provided locally for our community.

Our purpose

To inspire, partner with and contribute to health and wellbeing for our local communities. We strive to be leaders in clinical care, integration, prevention, education and research.

Our enablers

The *Strategic Plan 2017-21* identifies the following enablers to deliver on its objectives:

- Quality and safety
- Integrated governance
- Technology
- Health and business intelligence
- Capital planning
- Workforce planning
- Financial sustainability.

We pride ourselves on ensuring our values are reflected in our attitude, and the way we behave and interact with staff, patients, consumers and their families, the community and our partners. These values guide the way we act and conduct business, and they are in alignment with the Queensland Public Service Values of:

- Customers first
- Ideas into action
- Unleash potential
- Be courageous
- Empower people.

Our principles



Community and people come first. Be part of the community and put people at the centre of everything we do. Support staff to be their best and value everyone's contribution. Provide care that is safe, evidence-based, equitable and sustainable.



We are bold and innovative. Continually improve the quality, outcomes and cost of care, challenging the status quo and pursuing ongoing education, research and training. Embrace and deliver innovative approaches to service models, partnerships, workforce and technology to best serve the community.



We aim for sustainability and impact. Make daily decisions that reflect our vision, purpose, values and strategy and consider the broader environment and context, as well as value and actively develop partnerships to best meet the current and future needs of the community.

Our priorities

To achieve our vision, we have identified key priority areas and success indicators. These include:



Listen to, involve and empower patients, consumers and their families in everything we do.



Inspire a workplace where staff, volunteers and partners can thrive, contributions are valued and performance excels.



Advocate, champion and grow the local health network and our own services to deliver truly integrated care.



Continue to transform our service models to set new standards for excellence, deliver a range of complex clinical services and care closer to home, through a focus on innovation, research and education.

1.7 Government's Objectives for the Community

The Queensland Government has developed four objectives for the community, which are:

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

West Moreton is committed to actioning the Queensland Government objectives, and actively works with the community to achieve them.

Creating jobs and a diverse economy

West Moreton plays an integral role in the economic landscape, employing 3,079 FTE with 3,692 employees. Our health service is one of the largest employers in the region. 2016–17 saw increased hiring across the health service to respond to extra funding received for implementation of new and expanded services. The growing impact of our economic foot print is symbolised in the following comparison of employment from 2015 to now:



Delivering quality frontline services

West Moreton exists to provide quality frontline health and wellbeing services for the people of this community. Of our 3,079 FTE staff, 2,515 (82 per cent) are frontline staff. In the 2016–17 financial year, there were 579,125 attendances at West Moreton emergency departments, outpatient and community health services, and 60,504 inpatients in our hospitals.



Community support: Wendy Fry, Director of Nursing, Esk Hospital. Esk saw 4,337 emergency department, outpatient and community health attendances and 720 inpatients in the 2016–17 financial year.

Protecting the environment

West Moreton is enthusiastically looking at ways in which to reduce our environmental footprint. Community care teams, extended treatment and acute inpatient units went paper lean in 2016–17. Consumer medical records are now completed in Consumer Integrated Mental Health Application (CIMHA) enabling state-wide access to records in a timely manner, multiple clinician use and improved clinical documentation. In 2017–18 West Moreton will continue its journey to becoming a digital hospital.

Building safe, caring and connected communities

The overarching mission of West Moreton is to inspire, partner with and contribute to health and wellbeing for the local communities we serve. We actively engage with our community across all levels to ensure our services align with and exceed expectations. In 2016–17 we ran dental education workshops at schools and conducted community forums.

2.0 Our Performance

West Moreton can only help this community achieve its health and wellness goals because of strong partnerships. We acknowledge the work of those groups listed here, and of countless other individuals, in helping deliver a well West Moreton.

Community partners: Traditional Owners and Indigenous Elders; Pasiifika Elders and leaders; mental health consumers; past patients; Ipswich Hospital chaplains; Fassifern, Ipswich, Lockyer Valley and Somerset Community Reference Groups; Community Advisory Council; community support groups

Peak health bodies: Australian Council on HealthCare Standards; Australian Health Practitioner Regulation Agency; Alzheimer Australia – Queensland; Arthritis Queensland; Arthritis Australia; Australian Pain Management Association; Bowel Cancer Australia; Breast Cancer Network Australia; Cancer Council Australia; Carers Queensland; Deaf Services Queensland; Diabetes Australia; Diabetes Queensland; Heart Foundation Australia; Heart Support Australia; Huntington's Queensland; Kidney Health Australia; Kidney Support Network Queensland; Lung Foundation Australia; Pain Australia; Prostate Cancer Foundation; Family Drug Support Australia; Obesity Australia; Health Consumers Queensland

Local Government mayors and councillors: Ipswich City Council; Somerset Regional Council; Lockyer Valley Regional Council; Scenic Rim Regional Council

State and Federal Government MPs: Minister for Health and Minister for Ambulance Services; Member for Ipswich; Member for Ipswich West; Member for Lockyer; Member for Bundamba; Member for Blair; Member for Oxley

State and Federal Government stakeholders: Department of Communities, Child Safety and Disability Services; TAFE Qld; Department of Education; Queensland Ambulance Service; Queensland Hospital and Health Services; Queensland Police Service; Office of the Health Ombudsman; Department of Health; National Disability Insurance Agency; Department of Human Services; Immigration Services; Centrelink

Private sector partners: St Andrew's Ipswich Private Hospital; Mater Private Hospital Springfield; Mater Brisbane; University of Southern Queensland; The University of Queensland; Ipswich Hospice; National Disability Services

Health network: West Moreton Hospital and Health Service Board; Ipswich Hospital Nurses Association; Ipswich Hospital Foundation; Darling Downs and West Moreton Primary Health Network; West Moreton Hospital and Health Services staff; Rural Hospitals Auxiliary; Emergency Medicine Foundation;

Community network: Lockyer Information and Neighbourhood Centre; Ipswich Community Youth Service; Able Australia; Our Community Centre – Laidley; Leichhardt One Mile Community Centre; Parkinson Support Group; Prostate Support Group; Heart Support Group; Fassifern Community Centre; Carinity Community Services; Move Play Learn; Better Start

Service providers: Kambu Aboriginal and Torres Strait Islander Corporation for Health; AEIOU Foundation; Aftercare; ALARA QLD Limited; Anglicare Southern Queensland; Artius Health Pty Ltd; Australian Hearing – Community Centre Rosewood; Australian Hearing – Esk, Fernvale, Ipswich, Goodna; BigDog Support Services; Blue Care – Uniting Care; Cares Link; CATS Inc; CPL – Ipswich and Springfield; CODI; ComLink; Compass Institute Inc; Dementia Advisory Services; Domestic Violence Action Centre; Endeavour Foundation; Family and Child Connect; Focal Extended Incorporated; FSG Australia – Ipswich; Headspace – Ipswich; Healthy Lifestyles Australia; House with No Steps; Ipswich Home Assist; Karinya Family Support Program; Mercy Community Services; Mercy Family Services; The Advocacy and Support Centre; The Floresco Centre; UQ Health Care Limited; Blue Care – Uniting Care; Aged Care Plus – The Salvation Army; Commonwealth Respite and Carelink Centre; Churches of Christ Care; Star Community; Ipswich Community Youth Service; Able Australia – West Moreton; Access Community Services; St Vincent de Paul; Ethnic Communities Council of Qld; QPASTT – Qld Program of Assistance of Survivors of Trauma; Somerset Community Services; Aftercare; FSG

Support groups: ArtISability; Australian Breastfeeding Association; Carers Queensland; Diabetes Support Group and Sugar Shakers; Disability Community Awareness; Gatton Carers Support Group; Heart Support Australia – Ipswich and West Moreton Branch; Ipswich ASD Parent/Carer Support Group; Ipswich Carer Support Group; Ipswich Diabetes Support Group; Ipswich District Veterans Support Group; Ipswich Men's Shed Inc; Ipswich Stroke Support Group; Laidley Diabetes Support Group; Lowood Dementia Friendship Club; Lowood Slimmers Club; Multiple Births Association; Parkinson Support Group Ipswich and Lockyer Valley; Pink Divas Breast Cancer Support Group; Toogoolawah Carer Support Group; Vision Impairment Support Group Ipswich; Team Cupcake; Parkinson Support Group; Dementia Support Group

Community centres: Our House; Somerset Community Services; Elorac Place Community Centre; Gales Community House; Lowood Hub; Riverview Community Centre; Rosewood Community Centre; Camira Springfield Community Centre; Lockyer Information and Neighbourhood Centre; Our Community Centre; Leichhardt One Mile Community Centre; Fassifern Community Care

2.1 Clinical Excellence in Caring for our Patients

West Moreton is responsible for delivering health services across the continuum of care: preventative and primary health care services, ambulatory services, acute care, sub-acute care, oral health and mental health and specialised services (including offender health, prison health and alcohol tobacco and other drugs services). In delivering the above services, we were guided by our *Strategic Plan 2016-20*, which has six inter-related strategic objectives that focus on delivering excellent health, excellent care and excellent value.

West Moreton's staff are passionate about delivering safe, timely health care. They know that clinically appropriate performance times improve patient outcomes. Ipswich Hospital faced a significant increase in the demand, urgency and complexity of presentations to its emergency department in the 2016-17 financial year. As an example, the number of patients who presented and required resuscitation, critical or urgent care increased by 19.4 per cent over the previous financial year.

Patient Off Stretcher Time (POST) – the time it takes to get patients from an ambulance to an emergency department – was 76.5 per cent in the 2016-17 financial year, and 79.1 per cent in the previous year, representing a 2.6 per cent decrease year on year. Several redesign initiatives (see Changes to our clinical services, page 18) led to an improvement in POST times to 80 per cent towards the end of the financial year.

Emergency Length of Stay (ELOS) is the percentage of patients to be admitted or discharged within four hours of arrival. ELOS was 74 per cent in 2016-17, a one per cent improvement from 2015-16 despite an extra 991 presentations.

Enhancing patient and family care

Throughout the year, West Moreton has embraced the use of telehealth to improve care for West Moreton patients and their families. The use of telehealth has increased by 192 per cent from 2015-16 to 2016-17. West Moreton has the second highest growth in telehealth across hospital and health services.



Technical health: Our community embraces telehealth to deliver health services closer to home.

Little Jarjums

In April, West Moreton introduced a free program aimed at improving health outcomes of indigenous community members and their families.

Little Jarjums (*little children*) was launched at the Leichhardt and Riverview community centres as a pregnancy and child health clinic for Aboriginal and Torres Strait Islander mums, dads and grandparents.

The program was developed after consultation with seven Indigenous women Elders from the West Moreton community.

Under the program, Aunties join indigenous health workers at the clinics to help ensure mums, dads and grandparents receive information in a way that is culturally safe and appropriate.

Little Jarjums strives to achieve major indigenous health improvement outcomes including increasing birth weights to more than 2500g and decreasing infant mortality rates, childhood obesity and smoking rates in pregnancy.

The program launched at Leichhardt in April and at Riverview in May.

Growth in occasions of service (OOS), and total OOS, 2016-17

Palliative Care



Growth: 198%
OOS: 238

Cardiac Rehab/ Assessment



Growth: 78%
OOS: 296

Psychology



Growth: 400%
OOS: 40

Rheumatology



Growth: 92%
OOS: 46

2.1 Clinical Excellence in Caring for our Patients

In 2016-17 West Moreton met all its elective surgery targets for treating patients within clinically recommended timeframes.

We achieved a 100 per cent result for Category One cases (surgery within 30 days of being added to the wait list), 99.8 per cent for Category Two (within 90 days) and 99.9 per cent for Category Three (within 365 days).

West Moreton has remained below the target and statewide average of Staphylococcus Aureus Bacteraemia (SAB) rate per 10,000 bed days. West Moreton recorded a SAB rate of 0.72 in 2016-17, compared to a state target of 2 and state average of 0.81. The low rates of infection demonstrate the quality of care delivery across West Moreton.

Changes to our clinical services

Clinical staff, in partnership with the Queensland Ambulance Service, the Darling Downs and West Moreton Primary Health Network, and the Department of Health, implemented a number of improvements through the 2016-17 financial year that are expected to lead to sustained improvements in ELOS and POST in a high-growth environment.

During 2016-17, West Moreton secured \$5.00M in State Government funding for a 10-bed Clinical Decision Unit, which opened in March 2017. The unit is staffed 24 hours a day, seven days a week and is designed to accommodate those Ipswich Hospital Emergency Department attendees whose cases require evaluation, testing, treatment and medical management for up to eight hours. This allows these patients to receive appropriate care while allowing the Emergency Department to be used for patients presenting with less complex cases. This work led to POST being greater than 80 per cent in the busy months of April and May, and to an improvement of almost 10 per cent for POST since the unit opened.

Finalisation of the transfer from the Extended Treatment Program

Since 2006, The Park has been actively engaged in the state-wide mental health reform agenda led by the Department of Health.

This agenda has helped consumers transition from long-term, institutionally based rehabilitation to community-based treatment, which has improved health outcomes.

In December 2016, the final mental health consumers transitioned from the extended treatment and rehabilitation unit at The Park to more appropriate treatment options.

People with mental illness requiring longer-term rehabilitative support can now receive treatment and support in the community from services such as the Gailes Community Care Unit, psychosocial support/interventions through non-government organisations and more mobile, responsive mental health care within the community.

Endoscopy performance

West Moreton's excellent care is typified in our enhanced gastrointestinal endoscopy performance (GIE). Despite a growth of GIE volumes from 2,136 to 2,475 from 2015-16 to 2016-17, West Moreton significantly improved GIE in-time performance from 52.3 per cent to 89.9 per cent.

Zero dental waits

Throughout the year, West Moreton also achieved zero long waits for dental patients, meaning that no patient was waiting longer than clinically recommended to receive dental treatment.



639,629
attendances
across West
Moreton*



ELOS: 74%
POST: 76%



192% growth
in telehealth



Financial
improvement
of over \$10M
to enable
sustainable
health service
delivery

*Attendance at ED, inpatients, outpatients and community health.

2.1 Clinical Excellence in Caring for our Patients

High Dependency Unit refit

In June 2017, Minister for Health and Minister for Ambulance Services, Cameron Dick, opened the newly renovated High Dependency Unit (HDU) and nurses' station, a significant milestone for our Acute Mental Health Unit (AMHU) team.

The \$1.82M refurbishment took five months, during which continuity of care continued without falter as patients were supported within the existing open ward environment with the assistance from the adjacent Older Persons Mental Health Unit. Only six patients were transferred to other hospital and health services throughout this period.

The newly refurbished AMHU nurses station and HDU have significantly improved the experience for consumers, their families and carers, and staff.

The unit now features internationally benchmarked anti-ligature design, which reduces patient risk, improved clinical visibility, and televisions for consumers. The unit also provides a safe and secure environment designed around the needs of mental health consumers.

Facilities staff, mental health clinical staff and consumers were all actively involved in what was a true co-design process.

A summary of feedback received from consumers and families is included in the following quotes:

- *“The open environment, natural lighting, were nice and more windows in the nurses station makes them feel safe.”*
- *“It makes consumers feel valued to have a safe comfortable environment and improved consumer care.”*

Nurse navigators

West Moreton welcomed four nurse navigators, who assist with the management of patients to improve communication between health care teams such as general practitioners, community care and West Moreton staff. They were the first of a planned 21 positions to be introduced over the next three years.

The Nurse Navigators educate and help patients and their families to better understand their health conditions and choices. They also work with other health service providers such as cancer care coordinators and social workers, to ensure patients receive the appropriate and timely care they need.



Tailored treatment: Nurse Navigator Stephen Walker supports men during their prostate cancer treatment.

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These nurses will look at a patient's needs as a whole rather than focussing on just a single health condition

- Acting Coordinated Care Nursing Director Monica Murphy

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2.1 Clinical Excellence in Caring for our Patients

Clinical Decision Unit

In March 2017, West Moreton opened the Clinical Decision Unit (CDU), which is a 10-bed unit located within the footprint of Ipswich Hospital's Emergency Department.

The unit is intended for patients awaiting imaging, further investigation or inpatient review to determine final diagnosis.

The unit will admit patients whose diagnosis is dependent on further investigation and imaging. It is anticipated that there will be a probable admission rate to an inpatient bed of approximately 50 per cent.



Cake time: Emergency Department staff marked the opening of the CDU with cake.

MeCare – Mobile Enabled Care

In 2016, West Moreton launched “MeCare” in partnership with Philips Healthcare, providing specialised support for people with chronic disease. The name stands for ‘Mobile Enabled’ Care - this means care that is available not just in a hospital or health centre but wherever the user needs it.

In the case of Donna Inglis, MeCare stands for a life-changing improvement in the quality of her health. In July 2016, Ms Inglis was the first person to sign up to the MeCare program. MeCare uses in-home technology to allow chronically ill patients to track their daily health targets, including blood pressure and weight. The MeCare clinical team is able to talk with program participants via daily video conference to track their health status and respond quickly to any changes without the need for a trip to hospital.

Ms Inglis said in-home support from the MeCare team had kept her out of hospital almost all year, and cut her specialist visits from once a fortnight to once every four months.

“Considering I was (previously) in hospital for more than six months of the year, every year... it (MeCare) has been a godsend,” Ms Inglis said. “It’s been so beneficial to my physical wellbeing but also my mental wellbeing.”



Connected care: MeCare participant Donna Inglis (second from right) with Board Chair Michael Willis and members of the MeCare team.

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This innovative model of care has seen a significant improvement to patient flow, freeing up emergency beds for patients presenting to the department

**- Acting Chief Operating Officer
John Burns**

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2.1 Clinical Excellence in Caring for our Patients

Opening of the Transition Care Centre

The Transition Care Centre (TCC), which opened at Ipswich Hospital in July 2016, allows patients who are awaiting admission, transfer or discharge to receive timely, appropriate and safe care in a dedicated area. The centre was redeveloped to help cater for a surge in patients during flu season as well as meeting the demand of the growing West Moreton population. Having a dedicated space for patients preparing to leave the hospital ensures there are more beds available for acutely unwell patients. This equips West Moreton to meet the Emergency Length of Stay (ELOS) and improves patient outcomes.

Collective Impact Project

The Collective Impact Project (CIP) aims to support mental health services, community managed mental health and the community to better work together to improve the health outcomes of people, their families and carers living with mental illness. The project is premised on developing a common agenda, agreed goals, strategies and outcomes collectively across these three areas. Collaboration aims to strengthen and build the capacity within the community and collectively address current and emerging issues that impact on the mental health of the West Moreton community. This project will be formally evaluated by the Australia Centre for Health Services Innovation (AusHSI). CIP is funded for 18 months and commenced in February 2017 with the employment of a Principal Project Officer. Early project actions have included:

- Participation in an AusHSI Evaluation Workshop
- The project launch with the Minister for Health and Minister for Ambulance Services Cameron Dick in attendance and formally announcing CIP funding
- Establishment of the West Moreton Mental Health Collaborative Leadership Group to advise and provide expert advice to CIP
- Organisation of a Collective Impact Workshop for 40 key stakeholders of CIP
- Attendance/participation at eight community forums.

The project is being delivered in partnership with the Queensland Community Alliance and the Darling Downs and West Moreton Primary Health Network.

Youth Mental Health Forum

Understanding the difference between mental health and mental illness was one of the key messages at the Youth Mental Health Forum: Talking it Up held at Esk in August 2016. The annual event was a joint collaboration between West Moreton along with other community organisations who facilitated workshops and hosted information stalls.

More than 130 young people from about 12 local high schools and youth organisations attended the event which was designed to increase the understanding of mental health and the support networks available to young people. Students had the chance to take part in interactive workshops and listen to a special message recorded by footballer Darius Boyd.



Life long learning: Students attending the Talking it Up mental health workshops held in Esk.

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We are working hard to remove the stigma around seeking help for mental health distress and struggles. This is a platform for young people to come together and discuss mental health and develop awareness of mental illness, warning signs to look out for and where to go for help.

**- Child and Youth Mental Health Service
Ed LinQ Co-ordinator Caron Cahill**

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2.1 Clinical Excellence in Caring for our Patients



Child friendly: Staff dress up to celebrate the opening of the new four-bed Paediatric Emergency Unit at Ipswich Hospital.

Ipswich Hospital Paediatric Emergency Unit

The volume of paediatric presentations to the Ipswich Hospital Emergency Department continues to steadily increase, with monthly paediatric presentations ranging from between 19 to 26 per cent of total presentations.

To support this demand West Moreton, in consultation with Children's Health Queensland Hospital and Health Service, has developed a paediatric emergency model of care which will improve the quality of care provided to paediatric patients. A four-bed Paediatric Emergency Unit commenced within the Ipswich Hospital Emergency Department in August 2017.

The unit operates on a 24 hour, seven day a week basis. This investment demonstrates our commitment to delivering excellence in patient and family care, and builds on our pathway to becoming a tertiary hospital.

West Moreton is committed to expanding services for children and young people to respond to increased need.

Ed-LinQ achievements

In February 2017, the Ed-LinQ role delivered the Cross Sectoral Ed-LinQ Workshop "Assessment and Management of Anxiety in Children and Young People". This workshop was presented in collaboration with the Ipswich City Council, who provided the venue and catering. Forty participants attended including non-governmental organisations across the West Moreton area, Child and Youth Mental Health Service clinicians and private practitioners.

2.1 Clinical Excellence in Caring for our Patients

West Moreton has continued to pursue excellence in service delivery through innovation, research and lifelong learning

West Moreton knows that research and education are key enablers to innovative service models that enhance healthcare. Throughout the year, we have pursued education and research missions across a range of specialities. Research is integrated into West Moreton's strategic plan. Research provides us with the tools to innovate and create long term and sustained change, that focus on unique challenges associated with this dynamic region.

Throughout 2016-17 West Moreton continued to implement the goals outlined in its Research and Innovation Strategy developed and published in 2015. An important element of the strategy has been the establishment and annual funding of The Centre for Research and Innovation (based at Ipswich Hospital) and the Service Evaluation and Research Unit (SERU), based at The Park.

These units, consisting of a Director, research assistants and administrative staff, sustain the goals of the Research and Innovation Strategy.

A key appointment to the Centre, in February 2017, was of the Director, Professor Justin Kenardy, who brings a wealth of research experience, particularly expertise in translating research into clinical practice, and established partnerships with Queensland based universities.

Dr Tom Meehan has continued in his role as Director of SERU and Health Research Ethics Committee chair throughout 2016-17. The Centre has been ably supported by the West Moreton Research Committee, consisting of West Moreton executives, experienced West Moreton staff with research interests, university representatives and research funding organisations. SERU published 10 papers in refereed journals, most notably the "Impact of NEAT: Mental Health Presentations to Queensland Hospital Emergency Departments" and "Improving mental health response to individuals at risk of suicide".

The following section details additional innovations, research and excellence completed at West Moreton.



Research success: Lung ultrasound technology is improving diagnosis and treatment of elderly patients.

Transforming elderly patient diagnosis

Emergency Medicine Foundation (EMF) awarded a \$195,542 project grant to Ipswich Hospital Emergency Department Senior Medical Officer Dr Kylie Baker for the lung ultrasound clinical trial and a \$46,000 Staff Specialist grant for the pilot study. Dr Baker is leading research into the use of lung ultrasounds to diagnose heart failure. She hopes the results will inform standard procedure across Queensland in the future.

This project is a multicentre study expanding upon a successful pilot study. The multicentre trial occurred at Ipswich Hospital, Prince Charles Hospital, Royal Brisbane and Women's Hospital and Princess Alexandra Hospital, but Ipswich Hospital was the location of the pilot and larger studies. Since the trial West Moreton has integrated the lung ultrasound procedure into its structured teaching program for clinicians. This is enabling elderly patients to access the right treatment straight away and ensuring they are not at risk of adverse events because of incorrect diagnosis.

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The results are proving that this research is as much a benefit for rural, remote and pre-hospital services as it is for metro, remote and tertiary hospitals

- Minister for Health and Minister for Ambulance Services Cameron Dick

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2.1 Clinical Excellence in Caring for our Patients

Acute Care Team Co-Responder Program

As a component of the Mental Health and Specialised Services strategy for Emergency Department avoidance and increased community care options, a co-responder program has been piloted. The program provides a highly skilled mental health clinician to accompany the Queensland Police Service (QPS) on call outs for mental health related issues. Within the first four months of the program the co-responder was engaged in 227 QPS call outs. Of these 205 emergency department presentations were avoided as a result of the on-the-spot involvement of the nurse co-responder. The nurse can divert community members to the most appropriate support services including general practitioners, mental health provider Headspace and alcohol and drug services.



Partnership: Constable Andrew Treacy with West Moreton Hospital and Health Service mental health nurse co-responder Janet Brack.

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We're able to provide a really timely response to a person in distress. It's important we connect people with the most appropriate care – we don't want people to be sent to the emergency department if it is not necessary

- Mental health nurse co-responder Janet Brack

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MHCALL

MHCALL is a centralised triage and intake service that provides a specialist call centre with dedicated clinical staff to field queries about mental health, and offer advice on the best way to access services. The service is available 24 hours, seven days a week, it enables consumers and family members to call for help when they are unsure about where to go, or what to do in a crisis.

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It means advice, information and support is available on the other end of the phone line for anyone who might have concerns about their mental health, or the mental health of someone they know

- Director of Operations Community and Acute Mental Health Services Michelle Giles

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2.1 Clinical Excellence in Caring for our Patients

Breathe Easy Earlier Study

Patients presenting to the Ipswich Hospital Emergency Department with breathing difficulties will now have the chance to take part in the Breathe Easy Earlier Study (BEES).

The innovative study, which is funded by the Emergency Medicine Foundation, will assess the benefits of a “high-flow” breathing device in adults who present with breathing difficulties.

The device is currently effective in trials with babies but Ipswich Hospital Emergency Department researchers are now considering its effectiveness in adults who present with breathing difficulties. Each year, almost 3000 patients present to Ipswich Hospital Emergency Department with breathlessness; more than 220 patients are expected to be involved in the BEES.

Ipswich Hospital Emergency Department Senior Medical Officer Dr Kylie Baker said there was the potential that early intervention with the device, which is less constricting than the standard facemasks, may relieve patients’ symptoms of breathlessness sooner and avoid a worsening of breathing difficulties.

Dr Baker said use of the device had the potential to speed patient recovery and reduce their length of stay in the Emergency Department. The trial is expected to run for one year and is the result of a collaborative effort between nursing and medical staff.

Transdisciplinary Allied Health Model of Care

In June 2016 physiotherapist Amanda Backer and occupational therapist Leah Ireland were successful in acquiring a grant to the value of \$109,470 for a project to improve the way in which allied health professionals provide their services. The project aims to improve the value-add of allied health interventions in the management of acute stroke and rehabilitation by focusing delivery of allied health tasks at the right time by the right allied health professional.

The project focuses on minimising overlap in assessment and treatment recommendations made by allied health professionals for stroke and rehabilitation clients by developing skill-sharing models, creating a more positive client journey and releasing more time for allied health practitioners to dedicate to high-value activities.

West Moreton leading the way in Mental Health Research

The Queensland Centre for Mental Health Research (QCMHR), in partnership with West Moreton, had a range of noteworthy achievements during 2016-17. The Policy and Epidemiology Group, led by Professor Harvey Whiteford, received international media coverage when their report ‘The Economic Value of Informal Mental Health Caring in Australia’ was published in April 2017.

This report is noteworthy because it is the first time an economic value has been placed on informal mental health care in Australia. Dr Whiteford was also appointed a National Mental Health Commissioner, with the role taking effect from August 2017.

The Developmental Neurobiology stream’s ground-breaking developmental Vitamin D research conducted at QCMHR received widespread news coverage in December 2016 and was awarded two National Health and Medical Research Council project grants totalling over \$1.20M in 2017.

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Policy and Epidemiology Group team leader Dr Alize Ferrari received a prestigious 2016 Australian Women in Research Citation Award presented by Thomson Reuters, recognising her as one of the most highly cited researchers in her field over the past decade.

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2.1 Clinical Excellence in Caring for our Patients

Multi-disciplinary after hours education program

In February 2017, a new multi-disciplinary hospital after hours education program began at Ipswich Hospital. This exciting program is aimed at preparing new interns and nursing staff to work confidently after hours while ensuring a high level of patient care is delivered. We are extremely proud to be the first hospital in Queensland to establish such a program.

After hours simulation program

West Moreton's after hours team conducted hands-on simulation training sessions on the latest port techniques for patients who require specialised infusions or blood tests. The Nursing and Midwifery Education team have created a unique approach that will allow the Nurse Educator to interact with staff while using the training simulator. This type of training allows nurses the chance to explore common troubleshooting techniques and in turn provide safe, holistic person-centred care.

Hepatitis C program

Prison Health Services launched a telehealth chronic Hepatitis C virus treatment program within prisons serviced by West Moreton. This program alleviates the need for prisoners to attend the Princess Alexandra Hospital (PAH) Secure Unit, by allowing treatment to be commenced within the prison, following videoconference linkage with the PAH Hepatology team. This program has improved access and timeliness to treatment for prisoners.



Research hub: The Park – Centre for Mental Health

Forensic psychiatric research

Forensic and Secure Services were awarded the West Moreton Health Practitioner Research Grant (\$30,000) in October 2016 to facilitate their research project into insight in the forensic psychiatric population.

It is widely accepted that impaired insight is common amongst individuals with a major mental illness, particularly psychotic disorders, and that this has significant implications for treatment outcomes. Individuals with poor insight are at greater risk of treatment non-adherence, relapse, hospitalisation, and poorer quality of life. The current study aims to investigate the relationship between both clinical and cognitive insight and key treatment outcomes.

Partnerships lead to better patient outcomes

In a collaboration between The University of Queensland, Royal Brisbane and Women's Hospital and Ipswich Hospital, this research project reviewed the suitability of using telehealth for the initial advanced-practice physiotherapy assessment of patients with chronic knee conditions referred to the Orthopaedic Department.

The research showed that when compared to conventional face-to-face assessment, telehealth could be relied on to provide a clinical diagnosis and to determine the appropriate care pathway for the patient. This research has implications for the use of telehealth in physiotherapy assessment of patients with chronic musculoskeletal conditions and may open the way, in the future, for some patients to access their initial assessment via this delivery medium.

Mental health treatment and suicide risk research

The Service Evaluation and Research Unit at The Park are positively contributing to research and evaluation studies across West Moreton. This year, they have published 10 papers in refereed journals and conducted a state-wide project looking at the treatment of people with mental illness in emergency departments in Queensland. They have also recently completed an evaluation of staff capacity to meet the needs of those at risk of suicide.

2.1 Clinical Excellence in Caring for our Patients

West Moreton has implemented integrated governance and systems that are transforming the delivery of health care

West Moreton has integrated analytics into patient care to enable the right information to be in the right place at the right time. These projects have significantly improved patient care.

Prison Health Services ICT connectivity project

Completed in August 2016, the ICT Connectivity Project provides Prison Health Services staff with simultaneous access to state-wide Queensland Health clinical and non-clinical information systems and applications. Previously these staff had limited access to Queensland Health networks in their workplace.

The ICT Connectivity Project also introduced video conferencing capabilities to the Prison Health Services. This has caused a significant reduction in wait-times with patients now able to quickly access health professionals via the service.

Stroke Information Management System

The Stroke Information Management System (SIMS) is improving outcomes for stroke patients. This streamlined, real-time data entry program has removed the need for manual data entry into national databases and has led to an improvement in data accuracy, efficiencies and reporting in clinical stroke units.

From its initial use in West Moreton, SIMS is now driving sustainable change across Queensland and is enabling clinicians to review and make improved clinical decisions to deliver better patient care.

Capacity planner

The implementation of the capacity planner is designed to provide comprehensive and active demand and capacity planning for Ipswich Hospital.

The planner is based on understanding patient demand - how many patients are predicted in and out of the hospital, the types of patients in the hospital and, importantly, what can be expected so the health service can better match demand with capacity for our inpatient areas.

West Moreton fast facts 2016–17: Clinical activity



61,898
ED presentations

7,155
elective surgeries



21,888
outpatient appointments

1,641
telehealth service events



88,385
x-ray exams

11,057
women screened by
BreastScreen



Free guest wi-fi

From December 2016 patients and visitors at Ipswich Hospital can access free guest wi-fi via any enabled device. This increased connectivity between patients and their families and friends while they are in hospital has gone a long way in improving patients' journeys.

2.1.1 Performance Statement

EMERGENCY DEPARTMENT

61,898 ED
presentations in 2016–17

↑ **1.63%** growth

19.4% increase
in patients requiring
resuscitation, critical or
urgent care

10% improvement in
POST since opening of CDU

West Moreton service standards	2016-17 Target	2016-17 Actual	Variance
Percentage of patients attending Emergency Departments seen within recommended timeframes:			
Category 1 (within 2 minutes)	100%	99.7%	-0.03%
Category 2 (within 10 minutes)	80%	76.5%	-3.5%
Category 3 (within 30 minutes)	75%	35.2%	-34.8%
Category 4 (within 60 minutes)	70%	51.7%	-18.3%
Category 5 (within 120 minutes)	70%	78.9%	+8.9%
Percentage of Emergency Department attendances who depart within four hours of their arrival in the department	>80%	74%	-6%
Median wait time for treatment in Emergency Departments (minutes)	20	35	-15

ELECTIVE SURGERY

Category 1:
100.0% of 2,848

Category 2:
99.8% of 1,910

Category 3:
99.9% of 2,397

elective surgeries
treated in time



Percentage of elective surgery patients treated within clinically recommended timeframes:			
Category 1 (30 days)	>98%	100%	+2%
Category 2 (90 days)	>95%	99.8%	+3.8%
Category 3 (365 days)	>95%	99.9%	+4.9%
Median wait time for elective surgery (days)	25	28	3

OUTPATIENTS

87.9% of 21,888
outpatients treated
within time

↑ **3.3%** improvement

Percentage of specialist outpatients waiting within clinically recommended timeframes:			
Category 1 (30 days)	98%	98.1%	+0.01%
Category 2 (90 days)	85%	80.4%	-4.6%
Category 3 (365 days)	95%	91.5%	-3.5%
Percentage of specialist outpatients seen within clinically recommended timeframes:			
Category 1 (30 days)	-	98.1%	+3.1%
Category 2 (90 days)	-	80.4%	+0.4%
Category 3 (365 days)	-	91.5%	+11.5%

2.1.1 Performance Statement

ACTIVITY AND EFFICIENCY

17% increase in outpatient WAUs

36% increase in mental health WAUs

639,629 attendances across West Moreton



follow up within 1–7 days following discharge from acute mental health unit

West Moreton service standards	Notes	2016-17 Target	2016-17 Actual	Variance
Total weighted activity units	1	75,598	81,316	5,719
Acute Inpatients weighted activity units (WAU)	1	42,152	44,803	2,651
Outpatients WAU	1	9,370	9,036	-334
Sub and Non-acute WAU	1	4,489	3,968	-521
Emergency department WAU	1	9,810	10,745	935
Mental health WAU	1	7,204	9,959	2,755
Prevention and Primary Care WAU	1	2,573	2,804	231
Average cost per weighted activity unit for activity based funding facilities	2	\$4,711	\$4,844	+\$133
Rate of health care associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days	3	<2.00	0.72	-1.17
Rate of community follow-up within 1–7 days following discharge from an acute mental health inpatient unit up to May 2017		>65%	60.60%	-4.40%
Proportion of readmissions to an acute mental health inpatient unit within 28 days of discharge up to April 2017		<12%	9.70%	2.30%
Ambulatory mental health service contact duration (hours)		>52,691	42,062	-10,629

1. All weighted activity unit actuals reported under the funding model (phase 19). The number of WAUs will not be finalised until September 2017, however is not expected to be materially different from the numbers reported.
2. The cost per WAU may vary when the activity level for West Moreton is finalised in September 2017, however the final result is not expected to be materially different from the cost per WAU reported.
3. Staphylococcus aureus are bacteria commonly found on around 30 per cent of people's skin and noses and often cause no adverse effects. Infections with this organism can be serious, particularly when they infect the bloodstream. The data reported for this service standard are for bloodstream infections with Staphylococcus aureus (including MRSA) and are reported as a rate of infection per 10,000 patient days aggregated to the Hospital and Health Service level.

2.1.2 Patient Safety and Quality

West Moreton is determined to provide the highest level of care and wellbeing for the community. To help do that, it provides safe, quality healthcare by putting structures, systems, processes, behaviours and accountabilities in place to ensure the best possible outcomes for people.

Governance for safety and quality (“clinical governance”) is one component of the West Moreton Integrated Governance Framework, and is as important as financial and other business governance.

West Moreton developed a comprehensive *Clinical Governance Implementation Framework* in 2016-17. The framework is built on four foundational requirements:

- **Leadership and accountability** – clearly defined roles and accountabilities, where everyone knows and is able to act on their responsibilities.
- **Reporting and monitoring structures** – a robust reporting structure ensures that monitoring of clinical governance programs are consistent throughout West Moreton, from ‘the Ward to the Board’.
- **Openness and transparency** – West Moreton is committed to transparency that will be fostered across many levels from clinicians to patients and the community.
- **Safety culture** – safety culture is the attitude, beliefs, perceptions and values that employees share in relation to safety. Important features of a safety culture are: “just culture” – recognising that despite the best efforts of staff adverse outcomes may occur and staff should feel safe to report incidents of patient harm without fear of reprisal; and a culture of learning – providing learning and development opportunities for all staff in clinical safety and quality.

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West Moreton exists to take care of people – it provides safe care by putting structures in place to ensure the best possible outcomes for people

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West Moreton has implemented four programs to ensure patient safety and quality:

- ✓ — **The Clinical Risk Program** is designed to ensure that West Moreton uses a systematic pro-active approach to the improvement of clinical practice. It includes the identification of clinical risks, clinical incident management, consumer feedback management, systematic review of all deaths and disseminating information relating to patient safety at all levels of the organisation.
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The Clinical Effectiveness and Reliability Program is designed to ensure that West Moreton provides care based on evidence and continually strives to reduce variation in care to improve patient safety and quality of care. Clinical effectiveness is about reliably doing the right thing (practice based on the best available, current, valid and reliable evidence), in the right way (skilled and competent), at the right time (when patients need the service), in the right place (adequate facilities), and with the right outcome (maximising health gain).



The Clinical Information and Audit Program is designed to ensure West Moreton uses information wisely to drive improvement in clinical safety and quality. This includes measuring, evaluating and benchmarking clinical safety and quality data to identify opportunities for clinical practice improvement.



The Patient Experience and Engagement Program is designed to ensure that West Moreton maintains a consumer focus. It will enhance the clinical safety and quality of health services provided by West Moreton through actively engaging with patients, sharing information with patients to ensure they are informed and supported to effectively participate in care and decision-making, and measuring and acting on patient experience.

2.2 Integrated Care

Our partners have their say

West Moreton exists to provide, and help others provide, health and wellbeing services in this community. We could not achieve that goal without strong support from our community partners. These come at every level, from individual relationships built between a staff member and a patient, through to the organisational relationships at a whole-of-community, and whole-of-state level.

Queensland Ambulance Service

West Moreton and the Queensland Ambulance Service worked together in the financial year to jointly address performance issues relating to POST and ELOS, and as part of a core group co-designing changes to West Moreton's clinical processes to ensure they are appropriate.



Healthcare partner: Queensland Ambulance Service Commissioner Russell Bowles.

both corporately with QAS and at the West Moreton Local Ambulance Service Network (LASN).

QAS staff are closely involved in the day-to-day logistical life of West Moreton, taking part in the morning daily safety briefings attended by staff from across hospital divisions and designed for rapid communication and quick decision-making around patient and staff safety. West Moreton has a strong working relationship

Darling Downs and West Moreton Primary Health Network



Healthcare partner: Chief Executive Darling Downs and West Moreton Primary Health Network Simone Finch.

The Darling Downs and West Moreton Primary Health Network (PHN) and West Moreton have a shared commitment to improving healthcare and medical service delivery to the West Moreton community, and to improving the coordination of these services.

In the 2016–17 financial year, West Moreton actively engaged the PHN as

a major stakeholder in its key planning processes, including the service delivery and master planning processes and our redesign of patient flow processes. West Moreton, along with the PHN, Ipswich City Council and the University of Southern Queensland, is looking to focus on opportunities to co-commission projects and manage spending across providers rather than within existing silos.

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With a focus on the patient, their family and friends and the broader community, the Darling Downs and West Moreton Primary Health Network and West Moreton partnership goes from strength to strength as we continue to navigate ways of working together to ensure that health systems are truly, and seamlessly, integrated

- Simone Finch, Chief Executive, Darling Downs and West Moreton Primary Health Network

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The commitment being shown by the HHS in working with the local LASN to resolve (ramping at Ipswich Hospital) is already bearing fruit ... We are under pressure, but I suppose the good news is that the working relationship has never been better

- Queensland Ambulance Service Commissioner Russell Bowles

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2.2 Integrated Care

Ipswich Hospital Foundation



Thanks Tom: Ipswich Hospital Foundation Chief Executive Tom Yates with West Moreton Chief Executive Dr Kerrie Freeman. Tom retired from the Foundation at Easter 2017.

Queensland Corrective Services

West Moreton provides primary healthcare and other services to six Queensland Government-operated correctional facilities (with Public Health Unit services also provided to the privately operated Southern Queensland Correctional Centre).

We provide health care services to approximately 1700 male and 400 female prisoners at any given time. The health of prisoners is considerably poorer than that of the general community, and the health needs of prisoners have been identified as a priority by both West Moreton and Queensland Corrective Services (QCS).

The two agencies work side-by-side to deliver safe, appropriate clinical care.

This year that collaboration included a project to develop telehealth access to Princess Alexandra Hospital's secure unit. The initiative had significant health benefits as well as cost and safety benefits for both QCS and West Moreton staff.

West Moreton values the continued support of the Ipswich Hospital Foundation (IHF), which works to support the work and mission of the health service through grants and fundraising initiatives.

The organisations have a shared interest in helping create a healthy community within West Moreton.

The annual Park2Park fun run in Ipswich, which promotes an active lifestyle, is also a major fundraising opportunity on IHF's annual events calendar.

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One of the most positive features of the relationship between QCS and West Moreton is that it extends to every level – from nursing staff attending daily briefings with QCS colleagues through to co-operation on ICT governance that has brought significant improvements to the services West Moreton staff can provide. The relationship is strong and growing stronger

**- Department of Justice and Attorney-General Acting Deputy Commissioner State-wide Operations
Peter Shaddock**

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2.2 Integrated Care

Partnership with the Aboriginal and Torres Strait Islander community

We are proud of the strong connections we have with Aboriginal and Torres Strait Islander people living in the West Moreton area. We are committed to meeting the needs of this population group, which is susceptible to poor health outcomes and quality of life.

The life expectancy of Indigenous community members is 19 years less than our non-indigenous community – this is unacceptable, and we are actively working with Aboriginal and Torres Strait Islander community members to identify ways to close this gap.

Elders from our Aboriginal and Torres Strait Islander community meet regularly with our Executive team. The input, ideas and feedback raised by this group of community leaders helps shape our health service now and into the future. In the coming year we will look for further opportunities to formalise the way in which the community can inform how we deliver care and support community wellness. We will also seek to partner to address the needs of West Moreton's multicultural and refugee communities.



Community engagement: Former Chief Executive Sue McKee (centre) with Aunty Davina Daylight (left) and Indigenous Hospital Liaison Coordinator Cassandra Tratt in July 2016.

In September 2016 we welcomed Traditional Owners and Indigenous Elders and members of the Aboriginal and Torres Strait Islander community to West Moreton Hospital and Health Service to ceremonially bless the soil on which a Yarning Circle will be established. The Yarning Circle will create a culturally safe, respectful and appropriate space for Aboriginal and Torres Strait Islander people. The Yarning Circle will be used to work with patients and community to discuss barriers facing Indigenous peoples when trying to access health services, discharge against medical advice and connection to community for patients during their admission.



New beginnings: Traditional Owners and Indigenous Elders bless the soil on which a Yarning Circle will be constructed at Ipswich Hospital.

2.2 Integrated Care

The Queensland Centre for Mental Health Learning

The Queensland Centre for Mental Health Learning collaborated with the Aboriginal and Torres Strait Islander Health Branch of the Department of Health to design and develop an eLearning module for non-Indigenous mental health clinicians. The eLearning package assists clinicians to better understand cultural needs, values and social and emotional wellbeing. The program will provide the basis for clinicians to work on their own life-long cultural learning journey.

West Moreton is committed to providing agile services that anticipate and respond to need.

Free Laidley child clinics

West Moreton is proud to offer free Child Health Clinics every Thursday to the Laidley community. Child Health Nurses are available to assist patients with their concerns and questions about their child's development, feeding, sleeping or other concerns. Free child health services are also conducted at the Ipswich Health Plaza.



Health checks: Expert staff are on hand each Thursday in Laidley to assist families with their concerns and questions about their children.

Ipswich State High School visit the oncology ward

In August 2016 students from Ipswich State High School visited Ipswich Hospital's oncology ward and decorated the unit to raise money and awareness for Daffodil Day.

The Year 11 students stopped by for a chat and presented patients with their daffodils to show their support for those affected by cancer.



Big hearts: High school students brighten the day of our patients in the oncology ward.

2.2 Integrated Care

Words for Wellbeing

A new chapter in health care was launched in November 2016 with the unveiling of the Words for Wellbeing initiative. The self-help program provides accurate health resources prescribed by general practitioners and health professionals via the region's libraries.

The initiative involves a cohesive partnership between Ipswich City Council, Lockyer Valley Regional Council, Scenic Rim Regional Council, Somerset Regional Council and the University of Southern Queensland.

The program is designed to support patients to understand and manage common conditions with relevant and accurate information. This self-help approach to health care has been found to work best when it is supported by health professionals and aims to reduce inaccurate self-diagnosing of patients.

Under the program a general practitioner, nurse or health professional will suggest a range of books available for borrowing which directly relate to the patient's current mental or physical health concern.

Although books can sometimes work on their own, research has shown that self-help approaches work best when there is support from a health professional.

Health professionals recommend books on a Words for Wellbeing prescription flyer, talking to the patient about reading to improve their understanding of their health condition. The initiative is the first in West Moreton to incorporate resources dedicated to both physical and mental health concerns. The books will allow patients to read and think about ways of improving their health with professional support.

Community Reference Groups

West Moreton is part of the community we serve. In order to provide an agile, resilient health service that anticipates and responds to community need, we seek to bring the voice of the community into our health service planning activities through Community Reference Groups (CRGs). There are four CRGs across West Moreton, located in Ipswich, Fassifern, Lockyer Valley and Somerset.

Meetings are held quarterly in areas of Ipswich, Boonah, Laidley, Gatton, Esk and Lowood.

Gailes Community Care Unit

The Queensland Centre for Mental Health Research (QCMHR) and the Community Care Unit (CCU) at Gailes is a collaboration between West Moreton Mental Health and Specialised Services and Mind Australia, a community managed mental health provider.

This distinctive partnership provides safe, supportive and recovery focussed services for people living with a mental illness while they pursue their goals and move towards independent living.

The CCU opened in April 2016 and now offers a range of evidence based treatment, rehabilitation and psycho-social recovery support for consumers. Psycho-social group support is facilitated by Mind Australia including groups such as Health and Physical Wellbeing, Emotional Wellbeing, Vocational Support, as well as peer led groups and family and carer support.

Mental health service delivery to the people of West Moreton was showcased to the Chinese Government when officials received a tour of the Gailes Community Care Unit.

The delegates from the Province of Sichuan were in Brisbane to sign a Memorandum of Understanding which will see a collaboration with Queensland Health on health service design and training for health care professionals. The group also gained insight into the mental health division and community services provided.



Site tour: Chinese leaders visit the newly opened CCU at Gailes.

2.2 Integrated Care

West Moreton partnership with Children's Health Queensland Hospital and Health Service

Following the *South East Queensland Paediatric Planning Report (2009-19)*, the West Moreton region was identified as one of the highest priorities for increased paediatric clinical services, given the demographic of the local population and predictions of its strong growth. One of the priorities for West Moreton was the development of a dedicated paediatric assessment space in Ipswich Hospital's Emergency Department.

For most of the financial year, Ipswich Hospital assessed children and adults presenting to its Emergency Department within the same space. This practice was no longer seen to be contemporary, or in keeping with the fact that almost 20 per cent of Emergency Department presentations were children.

West Moreton worked with Lady Cilento Children's Hospital and the Department of Health's Health Improvement Unit on the best design and location for a paediatric unit in Ipswich Hospital's Emergency Department. As a result of this work, a space was identified next to the existing Emergency Department waiting room that could be turned into a dedicated paediatric assessment space with a waiting room, four beds, a procedures room and separate toilet facilities.

In May 2017 the Minister for Health and Minister for Ambulance Services Cameron Dick announced the decision to open a Paediatric Emergency Department for West Moreton. The unit commenced operations in August 2017.

West Moreton fast facts 2016-17: Paediatric activity June 2017

1,125 ED attendances for children under 14

17% growth in total child attendances compared to June 2016

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From the moment we arrived I was extremely impressed with the management, expertise and engagement by all clinical staff. To be honest it was the best ED experience we have had. In particular, I would like to thank the Paediatric Clinical Nurse Consultant. I have never been so impressed with any nurse at any level as I was with her. I was extremely concerned about the state of my son, but was able to step back seeing her provision of care. My son has been admitted to hospital 16 times in his short 20 months, had five PICU admissions and presented in emergency many times. I have never been as impressed with any staff member

- Patient feedback

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2.2 Integrated Care

West Moreton partnerships

In addition to providing safe and reliable services, one of West Moreton's strategic priorities has been to develop healthcare options closer to home for the growing community. Working closely with other local healthcare providers such as Mater Private Hospital Springfield and St Andrew's Ipswich Private Hospital has been an important step to providing streamlined care and services.

Since the launch of the Outpatients Coronary Angiography Service in the financial year, West Moreton residents have been able to access timely catheterisation laboratory services locally at St Andrew's Ipswich Private Hospital. The two hospitals also work closely to manage demand for hospital services in the community, both on a day-to-day basis and when emergent issues arise.

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St Andrew's Ipswich Private Hospital, part of Ramsay Health Care, is proud to partner with West Moreton Hospital and Health Service to ensure that the healthcare needs of our growing community are met. Our shared care cardiac service model has been a highlight for our team and has negated the need for patients to travel to Brisbane for angiograms. We are proud to provide these services locally

- St Andrew's Ipswich Private Hospital Chief Executive Officer Chris Went

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Shared care: St Andrew's Ipswich Private Hospital.

In 2016-2017, 3,085 West Moreton patients received surgical, medical and outpatient services at Mater Private Hospital Springfield as part of the integrated healthcare agreement between West Moreton and Mater Health Services. In the new financial year, all three providers will continue to work closely to further opportunities to deliver a networked approach to care for the West Moreton community.



Integrated healthcare: Mater Private Hospital Springfield.

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Mater has a strong partnership with West Moreton Hospital and Health Service through the recently opened Mater Private Hospital Springfield which was developed to meet unmet community need. In 2016/17, 3,085 public health patients received medical, surgical and outpatient services closer to home as a result of our integrated, networked approach to care

- Mater Misericordiae Group Chief Executive Officer Dr Shane Kelly

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2.3 Caring for Our People

Currently, West Moreton employs 3,079 Full Time Equivalent (FTE) staff, or 3,692 employees. Throughout the year, West Moreton experienced a 9.4% permanent separation rate. The number of full time staff has grown by 7.7% compared to 2015–16 FTE figures. The following tables outline the employee profile by facility and workstream.

Table 1: Employment by facility

HHS Workforce	As at 18 Jun 2017	As at 3 June 2016	Change	% of total
Ipswich	1,689	1,562	8%	55%
Boonah	44	41	7%	1%
Esk	31	29	6%	1%
Gatton	41	38	7%	1%
Laidley	41	43	-4%	1%
Community, Public and Oral Health	229	243	-6%	7%
Mental Health	690	678	2%	22%
Correction	132	137	-4%	4%
Other	182	163	12%	6%
Total	3,079	2,934	5%	100%

Table 2: Employment by workstream

HHS Workforce	As at 18 Jun 2017	As at end June 2016	Change	% of total
Medical including VMOs	370	344	8%	12%
Nursing	1,436	1,366	5%	47%
Professional and Technical	392	373	5%	13%
Managerial and Clerical	467	450	4%	15%
Operational	381	375	2%	12%
Trade and Artisans	33	27	22%	1%
Total	3,079	2,934	5%	100%

We are proud of the contribution that the West Moreton workforce makes to providing high quality care to our patients. We want West Moreton to become an employer of choice for the wider health workforce. Building the workforce profile of West Moreton will help staff to be their best and give their best.

Developing West Moreton into an employer of choice has led to the creation of the *Enable Our Staff strategy*. The strategy outlines our plans to developing our future diverse and inclusive workforce, attracting and selecting the best people, on-boarding, listening to, caring for and supporting our workforce.

In 2016–17, West Moreton’s Workforce Division supported the Service to comply with relevant Queensland Government policies and legislation relating to the management of human resources under the *Hospital and Health Boards Act 2011* and the *Public Sector Ethics Act 1994*.

Workforce health and safety

At West Moreton, we recognise that our people are our most important asset and we all play a part in building a safe, positive environment to work in. The Board and the Chief Executive made a clear statement that they will not tolerate bullying or harassment of our staff or volunteers by anyone. A number of proactive programs and actions were established to support a zero tolerance approach. West Moreton is developing a comprehensive workplace culture strategy to support zero tolerance to bullying and harassment.

In common with other hospital and health services across Queensland, occupational violence is identified as one of West Moreton’s highest occupational health and safety risks. A number of key strategies are in place to reduce the risk associated with occupational violence at West Moreton.

Early retirement, redundancy and retrenchment

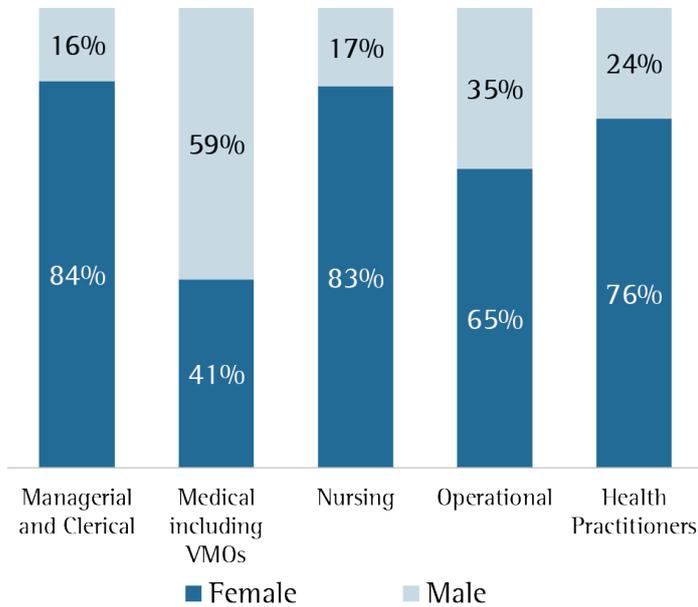
No redundancies, early retirements or retrenchments were paid during 2016–17.

2.3 Caring for Our People

Workforce diversity

West Moreton is committed to providing a supportive and respectful workplace that values diversity. The following chart details gender of staff by workstream.

Chart 1: Workforce gender diversity



As at 18 June 2017, of the 3,692 employees at West Moreton:

- 1.5 per cent identified as Aboriginal and Torres Strait Islander
- 12.3 per cent identified as being from non-English speaking backgrounds
- 2.2 per cent identified as having a disability.

West Moreton is committed to providing a supportive and respectful workplace that values the different backgrounds of our staff and volunteers.

West Moreton fast facts 2016–17: Workforce

395

New starters at West Moreton

42

Average age of West Moreton workforce

Developing our future workforce

Health care is a people and skills based profession. It is a responsibility to our community to support our future care with the education and training of future professionals and our support teams.

Creating healthy futures

The 2016–17 financial year saw our third intake of school-based trainees walking the halls of the Ipswich Hospital campus completing a variety of qualifications in health services assistant, business administration and kitchen operations. The 12 students were from a variety of schools across the West Moreton region. The program allows students to gain firsthand experience across a number of wards and venues leading them towards their future careers within the health industry.

Growing our own

In her final year of a nursing degree with the University of Southern Queensland, Jessica Suffolk is a great example of how West Moreton is growing its own future workforce. Starting with West Moreton in 2013 as a school based trainee completing a Certificate III in Aged Care through the Health Pathways Alliance program, Jessica is notably the first in her family to attend university. She is currently employed as an Assistant in Nursing in the Ipswich Hospital whilst she completes her studies.

Partnership creates the health expo

West Moreton joined forces with the University of Southern Queensland, St Andrew's Private Hospital Ipswich, the Ipswich Hospital Foundation and TAFE Queensland to host the inaugural All Things Healthy – a Health, Wellbeing and Career Expo in June 2016 at the University of Southern Queensland's Ipswich Campus. Officially opened by Ipswich's very own, professional rugby league player Steve Walters, the event was a resounding success with more than 900 attendees, 35 stallholders and captivating presentations and displays from a variety of health and wellbeing experts and professionals.

The innovative event also provided an opportunity for our Ipswich and surrounding communities to learn about the numerous exciting health services, health careers and education that is available right at our 'front door'.

2.3 Caring for Our People

Australian Apprenticeship Ambassador

One of West Moreton's school-based trainee graduates, Naomi Freese, not only became a state finalist in the 2016 Queensland Training Awards for the Trainee or Apprentice of the Year but she was also selected as an Australian Apprenticeship Ambassador with the Australian Government.

In October 2016, Naomi was invited by the Assistant Minister for Vocational Education and Skills Karen Andrews to join fellow ambassadors to participate in an Australian Apprenticeships Roundtable at Parliament House in Canberra to discuss issues affecting apprentices and training.



Cheque mate: Naomi Freese accepts her state finalist prize.

Staff development and improving performance

West Moreton is committed to developing a high performance culture. This is embodied in the following initiatives. We rolled out the “Leadership Matters” program in 2016-17, following the success of the first program in 2015. 150 applications were received from across West Moreton for 30 places, with all selected employees going on to graduate from the program.

During 2016-17, West Moreton partnered with the Department of Health's Clinical Excellence Division (CED) to engage the Strategic Momentum Group to deliver a structured leadership development program for the West Moreton Executive team, as well as an intensive on-boarding and development program for new divisional leads following implementation of the new organisational structure.

West Moreton recently launched the Manage for Improvement Program (M4I) in partnership with the CED. This six month program is designed to enhance the redesign and business leadership capabilities of senior clinical and non-clinical leaders. West Moreton is continuing to work with CED to expand leadership development frameworks.

West Moreton Learning On-Line

Implementation and embedding of West Moreton's online learning system continued following its launch in January 2016.

West Moreton fast facts 2016–17: Learning On-Line



3,765 active learners

185 live courses



45,998 completed courses

67,000+ staff training records captured



2.3 Caring for Our People

Building a positive performance culture

In January 2017, West Moreton engaged a performance coach to assist in the development of a high performance culture. Key achievements include:

- Delivery of 'Building a positive performance culture' sessions
- Intense performance coaching for line managers
- Delivery of Appropriate Behaviour Awareness sessions.

Anti-bullying initiatives

- In response to concerns raised by staff in 2016–17, West Moreton worked with staff and union partners to address bullying. These included:
- Developing a comprehensive workplace culture strategy to support zero tolerance to bullying and harassment
- Undertaking a service-wide bullying and harassment assessment
- Working with staff in the Acute Mental Health Unit (AMHU), one of the areas where staff had raised concerns, to improve communication, improve the physical environment to make it a more pleasant and functional space for patients and employees, and provide opportunities for employees to further develop occupational violence management strategies.

Social club

West Moreton has an active Social Club to facilitate opportunities for our staff to get together and network in an informal environment. Over 2016-17, a range of events were held including monthly happy hour events and wine and cheese nights, fundraising, Easter, Mother's Day, Father's Day and Christmas raffles, movie nights and promotion of Ipswich Hospital Nursing Association events/activities.

Attraction, recruitment and orientation

During 2016-17, the People and Culture Division continued work to streamline recruitment processes and maximise utilisation of electronic resources where possible.

A key focus was the development and implementation of innovative attraction campaigns, for example the *Make a Visible Difference* Executive recruitment campaign in September 2016 and the *Shape Our Future* Executive and senior leader recruitment campaign in May 2017.

These campaigns, focusing on the unique contribution our senior leaders can make to the future of West Moreton and supported by high quality candidate care, have been extremely successful, resulting in high numbers of quality applicants.

West Moreton places a high priority on ensuring our new recruits feel welcome and understand what is expected of them from their first day with the health service.

The general orientation is run monthly to help new employees with information pertinent to understanding working for our health service and the opportunity to meet the Chief Executive and other members of the senior leadership team.

In 2016-17, the general orientation was held on 11 occasions, with 625 attendees in total. As at 30 June 2017, the compliance rate across the service for attendance at a general orientation was almost 80 per cent.

Additionally, each profession runs a bespoke orientation. Local inductions are facilitated by line managers and supported by internet resources.

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A key focus was the development and implementation of innovative attraction campaigns – the *Make a Visible Difference* Executive recruitment campaign in September 2016 and the *Shape Our Future* senior leader recruitment campaign in May 2017

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2.3 Caring for Our People

Staff recognition

West Moreton celebrated staff success throughout the year.

Australia Day Achievement Awards

The Australia Day Achievement Awards, held in January 2017, recognised staff who demonstrated outstanding performance in furthering the objectives of the Health Service. Recipients were:

- Debra Baker – Team Leader at Gailes Community Care Unit. Debra played a vital role in implementation and planning of the Gailes CCU.
- Irene Francisco – Recovery Coordinator at The Park. Irene has gone above and beyond her role by organising and coordinating fundraising for consumer welfare funds, and continues to support quality service delivery at The Park.
- Melanie McBain – Nurse Unit Manager of Palliative Care and Oncology, Sub and Post-Acute Care, Clinical Services. Melanie regularly goes above and beyond to meet the needs of patients and families, while also mentoring staff and facilitating team events. She actively embraces technology to assist palliative and oncology patients.
- Raquel How – Nurse Practitioner, Prison Health Services, Mental Health and Specialised Services. Raquel played a major role in developing and implementing a triage system for new receptions at Brisbane Women's Correction Centre.
- Nasa Walton – Chief Information Officer, Finance and Business Services. Nasa led the introduction of MeCare to West Moreton.



eHealth eAwards

The Queensland Health eAwards are an annual event celebrating individuals and teams who are advancing healthcare through digital innovation. West Moreton won three of the seven categories in 2016-17.

- Prison Health Services Project. Members include: Matthew Carnio, Karen Nelson and Jackson Wright. The project established a contemporary workspace that provides simultaneous access to statewide clinical and non-clinical information systems.
- Stroke Information Management System: Project Members: Linda Edwards, Nick Lown, Mark Parry and Graham Beacom. The project developed an information management system that improves outcomes for patients and staff.
- Mobile Enabled Care: Project Members: Nasa Walton, Joanne Johnson and David Anderson. The project resulted in MeCare's implementation.
- Recognition also goes to finalists, Nicola Ross, Sara Riggs, Nasa Walton and David Anderson for work on McKesson Capacity Planner.



Winning teams: West Moreton staff accept their awards for outstanding work in their respective fields.

Awards such as loyal service, retirement recognition and monthly performance awards are also regularly presented. For example, Trish Jamieson was recognised for outstanding service at Gatton Hospital on International Nurses Day.

2.3 Caring for Our People

Industrial and employee relations

West Moreton conducts many consultative forums to engage with our workforce. The forums are held at a health service and local level. For example, there have been consultative nursing and midwifery forums at Esk, Gatton, Laidley, Ipswich and Prison Health Services. In addition, consultative forums were held for building engineering, maintenance, administration and operational staff. These forums ensure we keep a close pulse on our workforce. In 2017, the following enterprise bargaining agreements came into effect:

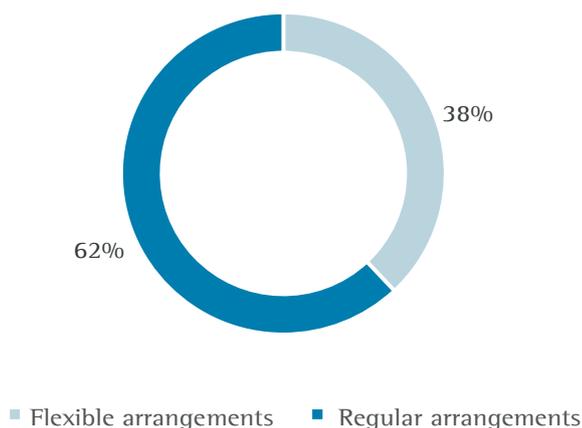
- Queensland Health Building, Engineering and Maintenance Services Certified Agreement (No.6) 2016
- Queensland Public Health Certified Agreement (No.9) 2016
- Health Practitioners and Dental Officers (Qld Health) Certified Agreement (No.2) 2016.

In addition, changes to the Industrial Relations Act 2016 came into effect on 1 March 2017. These changes enhance and strengthen relationships between management and employees.

Supporting our employees

West Moreton supports flexible working arrangements for our staff. We support 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, there are 1,675 part-time/varied hour arrangements in place across West Moreton, representing approximately 38 per cent of the workforce.

Chart 2: Flexible workplace arrangements



Mental and physical wellbeing

West Moreton's health and wellbeing program aims to support holistic health and wellbeing for all our staff, and covers a broad range of health and wellness initiatives to assist staff in making informed healthy lifestyle choices. It brings together current and planned wellness activities and encourages and supports staff to increase their awareness of and participation in a healthy lifestyle.

Staff Health and Wellbeing Days were held at Ipswich Hospital in October 2016 and at The Park in June 2017, involving a range of providers and presenters and attended by over 500 staff. Examples of other key activities and events are:

- Improving the physical wellbeing of our staff through purchase of stand-up desks, provision of ergonomic and exercise advice for specific groups of workers, promotion of the Red25 Campaign and smoking cessation programs
- Improving nutrition and healthy eating through the introduction of improved food choices in the staff dining rooms and public kiosks
- Improving social and emotional wellbeing through the rollout of the HeadsUp program in Mental Health and Specialised Services as a pilot site, Peer Support program at The Park and supporting RUOK days and other mental health activities
- Improving financial wellbeing by providing advice, resources and information through the inclusion of QSuper and Financial Fitness (FinFit) modules on West Moreton Learning On-Line and provision of a range of QSuper seminars for staff.

Workforce performance indicators

As at March 2017 West Moreton had fewer people on WorkCover leave than statewide targets (at 0.21 per cent WorkCover hours lost across the workforce compared with 0.33 per cent benchmark). West Moreton was not meeting its target for the average days before first return to work after injury (at 22.47 days which is 5.49 days above statewide targets).

Employee engagement

The annual Working for Queensland Survey is an opportunity for staff to provide feedback on our culture. In response to the 2016 survey, West Moreton implemented a range of initiatives to improve employee engagement and communication. The next survey will be conducted in August 2017.

2.4 Financial Performance

West Moreton is commercially astute

West Moreton's operating result for 2016-17 was a \$1.63M surplus. This represents a turn-around from the deficit of \$9.06M in the prior year. This has been primarily driven by strong growth in activity (7.6 per cent above target) which has generated additional revenue, alongside appropriate cost controls to ensure efficient delivery of activity.

Income

Revenue from all funding sources in the reporting period 2016-17 was \$534.85M, representing an increase from the \$485.47M recorded in the previous period.

There was an increase in own source revenue, or revenue raised by West Moreton, in the 2016-17 financial year. Revenue in this category rose from \$70,000 in 2015-16 to \$2.20M in 2016-17, due to improvements around West Moreton's right of private practice arrangements and in processes around public patients electing private treatment at West Moreton. When comparing 2016-17 with the previous financial year, income derived in the Grants and Other Contributions category fell by 3.9 per cent (from \$5.09M to \$4.88M).

Income derived from user fees and charges increased year-on-year by 9.9 per cent, from \$480.16M to \$527.73M. Income derived from grants and other contributions fell by 3.9 per cent year-on-year, from \$5.09M to \$4.88M.

Expenditure

West Moreton's total expenditure (funds spent) in 2016-17 was \$533.22M. This was an increase of 7.8 per cent over West Moreton's total expenditure of \$494.53M in the previous financial year.

Assets

Total assets for West Moreton in the reporting period were valued at \$318.29M. This represents a small decrease from the previous reporting period.

Chart 3: How the money was spent

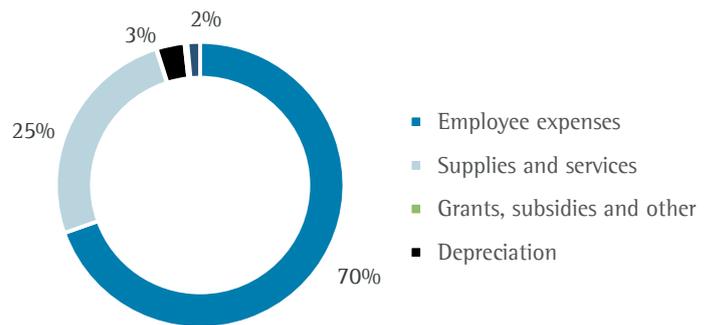
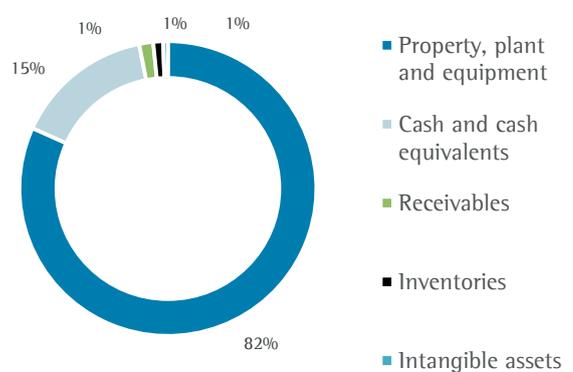


Chart 4: Assets



Future outlook

2016-17 was a year of financial turnaround for West Moreton, driven by strong stewardship and cost control. However, the funding environment in which West Moreton is operating will continue to change, and the 2017-18 financial year will likely bring fewer opportunities to gain access to more funding. In response West Moreton will continue to forecast, plan for and manage demand on its services, while continuing to meet the community's need

2.4.1 Financial Performance Summary

Statement of comprehensive income

	2017 \$'000	2016 \$'000
Income		
User charges and fees	527,729	480,156
Grants and other contributions	4,881	5,086
Other revenue	2,195	70
Gain on sale of property, plant and equipment	42	158
Total income	534,847	485,470
Expenses		
Employee expenses	370,893	341,817
Supplies and services	135,929	124,469
Grants and subsidies	375	412
Depreciation	16,748	16,686
Amortisation	477	147
Impairment losses	1,257	920
Other expenses	7,538	10,082
Total expenses	533,217	494,533
Operating result for the year	1,630	(9,063)
Other comprehensive income		
Items that will not be subsequently reclassified to operating result:		
Increase in asset revaluation surplus	7,715	3,461
Total other comprehensive income	7,715	3,461
Total comprehensive income	9,345	(5,602)

Statement of financial position

	2017 \$'000	2016 \$'000
Assets		
Cash and cash equivalents	48,182	40,761
Receivables	4,851	10,468
Inventories	3,404	2,689
Other assets	682	303
Intangible assets	1,612	2,441
Property, plant and equipment	259,559	263,729
Total assets	318,290	320,391
Liabilities		
Payables	19,225	19,571
Accrued employee benefits	15,555	12,616
Provisions	470	350
Unearned revenue	1,598	3,640
Total liabilities	36,848	36,177
Net assets	281,442	284,214
Equity		
Contributed equity	219,431	231,548
Accumulated surplus	27,978	26,348
Asset revaluation surplus	34,033	26,318
Total equity	281,442	284,214

2.4.2 Building Refurbishments

Building refurbishments

In 2016-17, West Moreton performed strongly to both reduce its backlog maintenance program and to deliver infrastructure upgrades.

West Moreton has successfully delivered all but one of the Backlog Maintenance Remediation Program (BMRP) projects. The four-year BMRP contained approximately 300 separate projects to address a wide range of land and building maintenance and improvements across all West Moreton facilities.

Examples of projects delivered throughout the year under the program include:

- The Park - upgrade of staff duress system and safety exits
- Ipswich Hospital - fire system, refurbishment of Ward 6B and bathroom upgrades.

West Moreton received priority capital funding for, and delivered, the following projects in 2016-17:

- The Park - water supply upgrade - full replacement and resizing of The Park's water supply and fire supply mains.
- Ipswich Hospital - electrical upgrade - upgrade of emergency power supply arrangements and compliance to current electrical standards.
- Ipswich Hospital - hydraulic upgrade - upgrade of the water supply network to address water quality legislative requirements.

West Moreton received priority capital funding for the following projects which will be delivered in 2017-18:

- Ipswich Hospital - lift upgrade - upgrade of lifts to provide modernised controls methodology and replacement of obsolete components.
- Boonah Hospital - air conditioning upgrade - full replacement of the main hospital building air-conditioning system (existing system is at end of life).

West Moreton also received initial funding approvals for the central sterilising department at Ipswich Hospital and a security upgrade at Ipswich Health Plaza.

West Moreton fast facts 2016-17: Capital expenditure



\$11.95M
expenditure
repairs and
maintenance

\$4.81M for
priority capital
funding projects



\$4.52M for
minor capital
funding

66

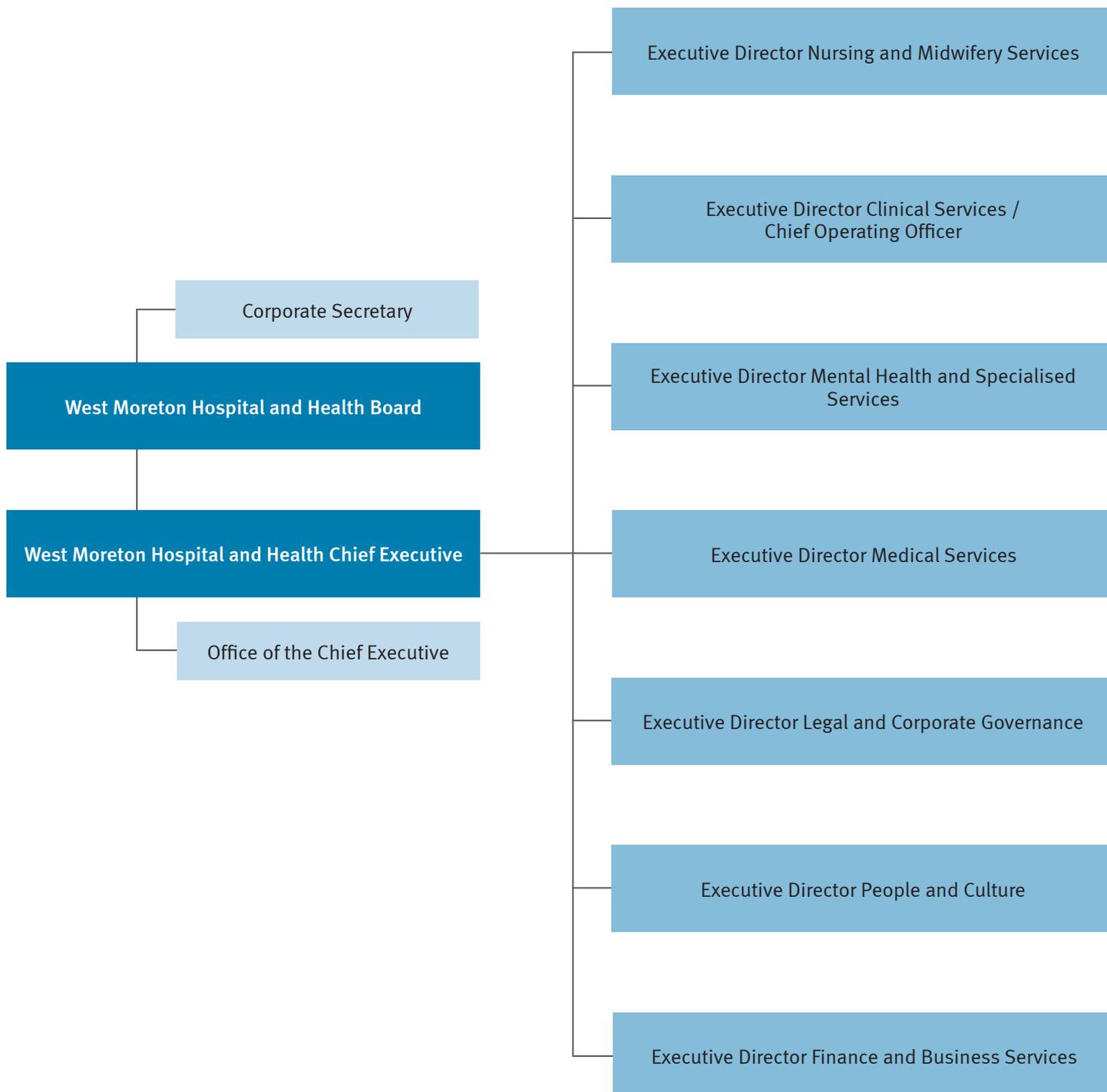
In 2016-17, West Moreton performed strongly to both reduce its backlog maintenance program and to deliver infrastructure upgrades.

99

3. Governance

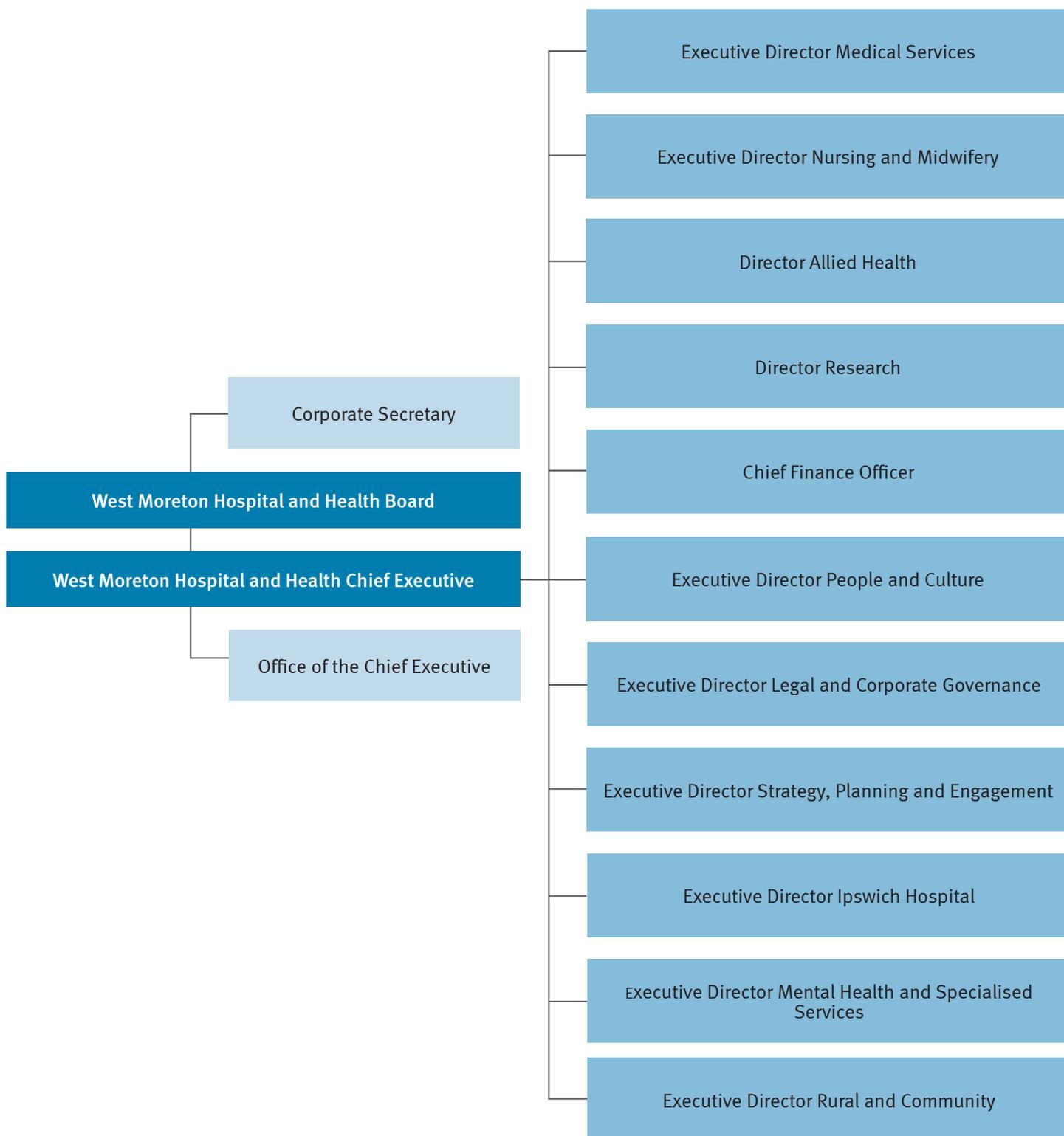
3.1 Organisational structure

30 June 2017



3.1 Organisational structure

1 July 2017



New structure: West Moreton worked with staff and union partners in 2017 to develop a new structure. The new structure, including clearer accountabilities and closer links across organisational business units, came into effect on 1 July 2017.

3.2 Board

Role of the Board

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

The Board is responsible for setting the strategic direction of West Moreton, which includes:

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

The Board also sets the boundaries, or key policies, within which West Moreton must operate.

The Board is accountable for West Moreton's performance. In fulfilling this function, the Board:

- approves the annual financial statements, the annual report and the annual service delivery statement,
- reports to the Minister for Health and Minister for Ambulance Services on West Moreton's performance
- makes summaries of the key issues discussed and decisions made at Board meetings available to health professionals of West Moreton and to consumers and the community, subject to the Board's obligations relating to confidentiality and privacy

The Board is committed to ensuring meaningful engagement with the community and consumers of our

services, and approves policies, strategies and reporting required to deliver on this commitment.

Board monitoring and supervising functions include: oversight of the implementation of the strategic plan, monitoring of financial, strategic, performance, compliance, risk, internal controls, regulatory and legal matters, as well as exercising due diligence to ensure West Moreton meets its work health and safety obligations.

The Board is also responsible for appointment, removal, succession planning and evaluation of performance of the Chief Executive.

The Board delegates certain functions to the Chief Executive pursuant to section 30(1) of the *Hospital and Health Boards Act 2011*.



Michael Willis BEcon, GDAppFin, FAICD, SFFin

Chair

Mr Willis is a company director and corporate governance consultant with over 25 years of governance experience in financial services, health and

education. Mr Willis is the Independent Chairman of Boyce Chartered Accountants and Deputy Chair of the National Injury Insurance Scheme (Queensland). He has previously served as a Board Chair of an ASX listed company, and as CEO in the financial services, health care and educational organisations. He has also served in leadership and board roles in industry peak bodies, across financial, aged care and education sectors.

Mr Willis is a life member of the Financial Services Institute of Australasia and notably led its participation in the development of the ASX Corporate Governance Principles. He is also a Fellow of the Australian Institute of Company Directors.

3.2 Board



Susan Johnson BA/LLB, MBA, MAICD

Deputy Chair

Ms Johnson has a background in law, public policy, research and governance, integrity principles, risk management and effective governance, providing advice to mainly public sector agencies in Queensland. Ms Johnson is a community representative on the Performance and Professional Standards Panels (which deal with allegations of unprofessional conduct by health practitioners) and a Public Panel member to assist with health practitioner matters before the Queensland Civil and Administrative Tribunal. Ms Johnson is a current member of the Queensland Nursing and Midwifery Board of Australia.



Gary Edwards B Com, CPA, FCA, FAICD

Mr Edwards has a chartered accounting background. He is currently also chair of Churches of Christ (Qld) and has been a Board member of numerous organisations in such areas as retail, education, not for profit and community. Mr Edwards spent 21 years as the General Manager of his family business – R.T Edwards. In 2013 he received an Ipswich City Council Australia Day Award for his contribution to the prosperity of Ipswich. Mr Edwards brings experience in strategic planning, knowledge of senior financial management, corporate governance and knowledge and experience in community services.



Patricia Evatt BAppSci (Psych), DipPsych, MOP (Masters Org Psych)

Ms Evatt has a background in psychology and an interest in organisational psychology. Ms Evatt has over 20 years of corporate governance experience in the public and private sector. Ms Evatt is also a member of the Ipswich Hospice Care Inc. management committee and was a former Partner and Director at Livingstones. She has also been a Board member of the former West Moreton-Oxley Medicare Local and a trustee and Deputy Chair of the Ipswich Girls' Grammar School, as well as holding a number of directorships in industry bodies in the aviation and real estate industries.



Professor Sonj Hall PhD, MPH, BA, RN, AFACHSM, GAICD

As a professor, and commentator, Dr Sonj Hall has published internationally on improving health services and the translation of evidence into policy to improve health and wellbeing.

She has worked internationally as a clinician and health services manager and held executive leadership positions across government, health care and higher education. She has advised heads of government and various Commonwealth and State ministers on health care improvement through efficiency, quality, safety, performance and public reporting. She also spent a year with the US Government representing Australia as the Harkness Fellow in Healthcare Policy. Her research expertise is in health economics and policy and she holds an adjunct professorship at QUT. She was appointed to the West Moreton Hospital and Health Board in 2014 and reappointed in 2015, serves on the Brisbane South PHN Clinical Council, Bellberry Research Ethics Committee and Editorial Board of the Australian Health Review.

3.2 Board



Professor Gerald Holtmann MD, PhD, MBA, FRACP, FRCP, FAHMS

Professor Holtmann is a gastroenterology specialist with substantial academic and clinical experience. Professor Holtmann is currently Director of the Department of Gastroenterology

and Hepatology at the Princess Alexandra Hospital in Queensland and serves as the Associate Dean Clinical for the Health Faculties of the University of Queensland. He brings significant leadership experience from his previous national and international roles as chief executive, clinical director and non-executive director of various health care organisations to the West Moreton Hospital and Health Board.



Melinda Parcell MMgt Innovation and Change, BHM, RM, RN, GAICD

Ms Parcell has over twenty years experience working as a registered nurse / midwife, Ms Parcell has very broad nursing experience ranging from mental

health nursing, to community nursing and is currently working as the Director of Operations/ Nursing at West Moreton Hospital and Health Service. In this role she is responsible for the provision of clinical care across women's and children's services and surgical services at Ipswich Hospital and also holds operational responsibility for provision of service at both Gatton and Laidley hospitals.

Ms Parcell has a long and proud association with West Moreton Hospital and Health Service and is an active member of her local community. Ms Parcell is a member of a range of community groups and also Chairs the Ipswich Hospital Museum Inc which is a small not for profit group committed to preserving and showcasing the history of Ipswich Hospital. Ms Parcell also participates in a range of professional activities and works to promote the positive impact that nursing and midwifery has on health outcomes.



Sue Scheinpflug BTeach, BEd, GAICD

Ms Scheinpflug has been a CEO in the human services sector for over 20 years. She has worked in the areas of primary health care, mental health, homelessness, youth and families and education.

Ms Scheinpflug is currently the CEO of Brisbane South PHN, and was previously the CEO of West Moreton-Oxley Medicare Local. Ms Scheinpflug has held numerous advisory and policy development roles and government appointments in the community services and regional development sectors. Ms Scheinpflug holds degrees in teaching and education and is a graduate of the Australian Institute of Company Directors. Ms Scheinpflug has won multiple awards as a business and community leader including the 2009 Queensland Telstra Business Woman of the Year Award.

3.2 Board

Board committees

Audit and Risk Committee

Members: Susan Johnson (Chair), Gary Edwards, Professor Sonj Hall and Melinda Parcell. The Audit and Risk Committee is responsible for assisting the Board in overseeing West Moreton's financial statements, internal control structures, internal audit function, risk management systems, and compliance systems. It also oversees West Moreton's liaison with the Queensland Audit Office (QAO) and assesses external audit reports and any subsequent action taken. In 2016-17 the Committee:

- Reviewed and recommended Board approval of the West Moreton Hospital and Health Service Annual Report 2015-16.
- Recommended Board approval of the 2016-17 Internal Audit Plan and the 2016-20 Internal Audit Strategic Plan
- Recommended the Board's approval of changes to the Audit and Risk Committee Charter.
- Recommended the Board's approval of changes to the Internal Audit Charter.
- 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 various policies and procedures.
- Reviewed and recommended the Board's approval of changes to West Moreton's strategic risks.

Executive Committee

Members: Michael Willis (Chair), Patricia Evatt, Professor Gerald Holtmann 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 which arise.

Finance Committee

Members: Gary Edwards (Chair), Professor Sonj Hall and Susan Johnson. The Finance Committee is responsible for advising the Board about West Moreton'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's assets and infrastructure plans and performance.

Safety and Quality Committee

Members: Sue Scheinpflug (Chair), Patricia Evatt and Professor Gerald Holtmann. The Safety and Quality Committee assists the Board in its oversight of West Moreton'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. The Safety and Quality Committee is delighted to have three consumer representatives attend each of its meetings to bring the perspective of our consumers to the Committee's consideration of safety and quality matters. Their contribution is greatly appreciated and valued by all members of the Committee and the Board.

3.2 Board

Board and committee meeting attendance

Board Member	Board meetings	Extraordinary Board Meetings	Executive Committee meetings	Extraordinary Executive Committee meetings	Finance Committee meetings	Extraordinary Finance Committee meetings	Audit and Risk Committee meetings	Extraordinary Audit and Risk Committee meetings	Safety and Quality Committee meetings	Extraordinary Safety and Quality Committee meetings
Michael Willis	*10/12	*5/6	*2/2	*1/1	**	-	**	**	**	-
Susan Johnson	10/12	4/6	**	**	4/4	-	*5/5	*1/1	**	-
Gary Edwards	11/12	6/6	**	**	*4/4	-	5/5	1/1	**	-
Patricia Evatt	11/12	5/6	1/2	1/1	**	-	-	**	4/5	-
Sonj Hall	11/12	4/6	**	**	3/4	-	5/5	1/1	**	-
Gerald Holtmann	12/12	5/6	2/2	1/1	**	-	-	**	4/5	-
Melinda Parcell	11/12	6/6	**	**	**	-	5/5	1/1	**	-
Sue Scheinpflug	10/12	6/6	2/2	1/1	**	-	-	**	*5/5	-

In 2016-17 out of pocket expenses for the Board were \$9,550.29.

3.3 Executive Team

The role of the Chief Executive

The Board appoints the Chief Executive and delegates its power and authority to manage and supervise the management of the day to day operations of West Moreton to the Chief Executive.

The Board also delegates other powers and functions, such as in relation to certain financial and human resources matters, to the Chief Executive by way of an Instrument of Delegation.

The Chief Executive may, with the permission of the Board, sub-delegate certain powers and functions to staff. The Chief Executive may also delegate the Chief Executive's functions under the *Hospital and Health Boards Act 2011* to an appropriately qualified health executive or employee.

The Chief Executive carries the single point of responsibility for ensuring patient safety through effective executive leadership and management of all services within West Moreton.

The Chief Executive is accountable to the Board for ensuring West Moreton achieves a balance between efficient service delivery and high quality health outcomes.

The key accountabilities of West Moreton's Chief Executive are:

- strategy development
- ensuring delivery of effective, efficient, safe and economical healthcare
- ensuring development of improved, sustainable healthcare outcomes
- risk and compliance management
- providing expert strategic advice to the Board
- ensuring resources are planned, allocated and evaluated efficiently
- leading the implementation of West Moreton's vision, strategy and management plan for the workforce
- ensuring West Moreton engages as well as possible with the community, traditional owners, practitioner groups, other health services and relevant stakeholders within the region and Queensland Health.

The West Moreton Hospital and Health Service Executive as at 30 June 2017 was as follows:

Dr Kerrie Freeman PhD

Health Service Chief Executive



Dr Freeman is an experienced executive with over 15 years' experience leading the delivery of healthcare and supporting transformative change management. Dr Freeman holds a

Doctorate of Philosophy in Community Health (PhD). Prior to joining West Moreton Hospital and Health Service, Dr Freeman held the position of Director Service Agreement Management within the Department of Health and Executive Director Hospital Services within Children's Health Queensland Hospital and Health Service. Dr Freeman came to West Moreton as Interim Chief Executive in January 2017 and was appointed as Health Service Chief Executive for West Moreton in May 2017 following a recruitment process.

John Burns BCom, FCPA

Executive Director Clinical Services/Chief Operating Officer



Mr Burns has over 40 years' experience in the healthcare industry having worked extensively in Western Australia, Queensland and The United

Arab Emirates. Mr Burns has held a range of senior positions including Chief Executive East Metropolitan Health Service, Special Advisor to the Director General Department of Health Western Australia and Chief Operating Officer Townsville Hospital and Health Service.

Dr Leanne Geppert PhD

Executive Director Mental Health and Specialised Services



Dr Geppert's 20 years of experience has centred on the strategic planning, delivery and performance improvement of mental health and drug

and alcohol services. Dr Geppert holds a Doctorate of Philosophy in Psychology and has worked in government and non-government roles. Dr Geppert has held numerous positions, including: clinician, team leader, clinical supervisor, researcher and State-wide director. Dr Geppert has strong links with the tertiary education sector as a member of the Griffith University School of Applied Psychology Advisory Board.



Dr Robyn Henderson PhD

Executive Director Nursing and Midwifery Services

Dr Robyn Henderson carries on a proud family tradition within nursing, being a third generation nurse. Dr Henderson worked as a practice nurse, nurse unit manager

and in education. Dr Henderson holds a Doctorate of Health Science. She brings extensive experience to West Moreton. Her appointment as Executive Director of Nursing and Midwifery Services marks the sixth time she has held an executive director's role, having worked in similar positions in New Zealand, Ireland and Australia. Dr Henderson's research interest is in preventable admission to aged care. She has a keen interest in the integration of primary health and hospital healthcare for the benefit of patients and also strategies for reducing the burden of chronic disease within the population.



Jacqueline Keller LLB(Hons), BCom, GradDipLegalPrac, GradDipAppCorpGov, GAICD

Executive Director Legal and Corporate Governance/Corporate Secretary

Ms Keller is a solicitor with more than 15 years' experience across the private and public sectors in the finance, aviation, mining, information technology and health fields. Prior to joining West Moreton, Ms Keller held in-house legal roles with Virgin Blue Airlines, Lihir Gold Limited and NEXTDC Limited, specialising in contract negotiation and advice, major financing transactions, competition

and consumer law, dispute resolution and general commercial law. She also worked for a number of years in private practice with Clayton Utz Lawyers. Ms Keller has a keen interest in corporate governance and in ensuring that all staff have access to the tools, systems and resources that they need to make legal, risk-informed and commercially-sound decisions in a high-performing, transparent and accountable environment. Ms Keller commenced with West Moreton in 2013 and was appointed to her current role in January 2017.



Dr Pieter Pike MBChB, MBS, CertEMS, CertSportMed, FRACMA, FRNZCUCP, FCHSE, DipMgt, DipComEmmed

Executive Director Medical Services

Dr Pike has 33 years' experience in healthcare having worked internationally in both the private and public sectors clinically and in management roles. Dr Pike held the position of Deputy Chief Executive, Executive Director Clinical Governance, Education, Training and Research within Wide Bay Hospital and Health Service before joining West Moreton in January 2017.



Taresa Rosten Bcom(Hons) LLB

Executive Director People and Culture

Ms Rosten has over 15 years' experience in human resources, workplace relations and strategy having held a number of leadership positions within the public sector. She holds a Bachelor of Commerce with honours and a Bachelor of Law. Ms Rosten held the position of Executive Director Strategy Management within Children's Health Queensland before joining West Moreton as Executive Director People and Culture in January 2017.

3.4 Risk management

Risk management

Our risk management system is designed to meet relevant legislation and accreditation requirements, policies and community expectations. It reflects best practice as outlined in *AS/NZS ISO 31000:2009 Risk Management and the Queensland Government: A Guide to Risk Management 2011*.

The risk system is applied in accordance with the 'three lines of defence' assurance model, where all staff are expected to identify and manage risks according to defined accountabilities and responsibilities and are provided with practical tools and enablers in order to do so. This, combined with regular independent evaluations of our risk management practices and ongoing continuous improvement, is key to understanding and managing uncertainties on the way to efficiently and effectively achieving our strategic and operational objectives.

A key improvement activity has been the optimisation of information technology to best capture and report risk information. A customised risk information system was made fully available to staff over the previous year, providing significant improvements to the reporting of targeted risk information across the organisation.

Risk management awareness is provided to all new staff as part of their induction. Further education and training sessions are provided as requested to work divisions and units, as well as ongoing training in the use of the risk information system.

The Chief Executive is accountable for all risk management activities, with the Board monitoring the effectiveness of the risk system through the Board's Audit and Risk Committee. The Chief Executive is supported by the Executive Leadership Committee in providing oversight and effective management of identified risks, regularly reviewing risks for currency and relevance, and identifying new areas of risk through a regular horizon scanning activity.

Internal audit

The 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 West Moreton's operations. Internal Audit reports to the Chief Executive, with Board level support from the Audit and Risk Committee which oversees Internal Audit's planning, monitoring and reporting processes. This forms part of the governance processes that ensure the internal audit function operates effectively, efficiently and economically.

The Internal Audit Charter, the four year strategic and annual plans, endorsed by the Audit and Risk Committee and approved by the Board, directs the unit's activities and provides a framework for its effective operation. The plans are developed using a risk-based approach that considers 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 and progress reported to the Audit and Risk Committee. Key achievements of Internal Audit during the 2016–17 year include:

- Development of a dashboard to enhance reporting to Executive and the Audit and Risk Committee
- Streamlining the follow-up process of audit recommendations yet to be implemented
- Successful delivery of the approved audit plan, targeting high risk areas and improving systems, processes and risk management.

External scrutiny

BreastScreen Australia

In May 2017, BreastScreen Ipswich was awarded four year accreditation against the BreastScreen Australia National Accreditation Standards. The surveyors from BreastScreen Australia congratulated staff on providing quality services to the women of Ipswich, noting that the team were motivated, dedicated and work in a highly collaborative manner.

3.4 Risk management

The Australian and New Zealand College of Anaesthetists

The Australian and New Zealand College of Anaesthetists conducted their accreditation of the Anaesthetics Department, continuing its accreditation for vocational training in the specialty of anaesthesia. This accreditation is critical to our service as it allows us to employ and train Registrars. Successful accreditation status until 2021 was officially received in November 2016.

The Australian Council on Healthcare Standards

In November 2016, West Moreton was awarded four year accreditation against the National Safety and Quality Health Service Standards. The accreditation report from the Australian Council on Healthcare Standards commended the high quality of general and maternity services provided to the local community, noting that patients receive expert clinical care from well trained staff in an organisation governed by a new, enthusiastic board and an energetic leadership team.

The Coroner

From time to time West Moreton participates in investigations and inquests conducted by the Coroner that examine the health care provided by West Moreton. As a provider of primary health care and mental health services into a number of correctional facilities, West Moreton participated in three inquests during 2016-2017 that examined the health care provided to prisoners who had died in custody. Findings were handed down in two of these inquests. The findings reported that the care provided to the relevant prisoner was, in general terms, adequate and reasonable.

The third inquest commenced in April 2017 and is scheduled to resume in August 2017. Findings for this inquest will be handed down at the conclusion of this matter.

3.5 Public Sector Ethics Act

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 (the “Code of Conduct”), reflecting the ethical principles and values set out in the Act, was adopted in 2011.

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

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

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

West Moreton’s values of *You Matter, We Care, Be the Best* and *We Deliver* complement the Code of Conduct and reinforce the ethics, principles and values outlined within the Code of Conduct.

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

The Code of Conduct is also available to all staff on the West Moreton intranet site along with an online learning program. The option to complete the course as a face-to-face course is also available to staff.

3.6 Information and Record Keeping

Queensland State Archives (QSA) is the lead agency for record keeping and is responsible for the development and implementation of a whole-of-government recordkeeping policy framework. QSA was established under section 21 the *Public Records Act 2002* as the state’s archives and records management authority. West Moreton has a number of corporate recordkeeping systems across various functions of the health service including financial, payroll, legal and contract management. The Chief Information Officer within the Finance and Business Services Division is the responsible officer for corporate records of the organisation. West Moreton’s policies and procedures and ongoing improvement program support compliance with the *Public Records Act 2002*:

- *The Corporate Records Management Procedure and Information Security Procedure* and Protocol guide staff on record keeping within the health service
- *The Strategic Corporate Recordkeeping Implementation Plan* (under development), outlines the current state of recordkeeping, risk assessment, proposed governance framework and implementation plan.

The Corporate Records Management Project has included a follow up assessment against Information Standard 40: Record Keeping with substantial progress achieved since the 2014 self-assessment.

Education and awareness of record keeping systems is a priority and there are a number of resources available to staff:

- The West Moreton Corporate Records Management intranet page has been established to support staff with accessing the resources they need.
- The QSA internet page provides a comprehensive range of resources including information standards for staff to access in regards to defining corporate records, file management, confidentiality, and retention, storage and disposal requirements.

- Staff are currently able to access the Department of Health and Queensland State Archives online training regarding records management with the development of a localised training program underway.

West Moreton complies with both the *Health Sector (Clinical Records) Retention and Disposal Schedule (QDAN 683 v.1)* and with the *General Retention and Disposal Schedule (QDAN 249 v.7)*. This compliance ensure that public records are kept for as long as they are required.

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. There was a release of confidential information by West Moreton Hospital and Health Service under this provision in 2016-17:

- Release of information to progress the Queensland Government reconciliation process for children wrongfully placed in the Wolston Park adult mental health facility at Wacol from the 1950s to 1980s.

There have not been any ministerial directions regarding disclosure of information in 2016-17.

Appendix 1: Compliance checklist

Annual report requirements for Queensland Government agencies

Summary of requirements		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	3
Accessibility	Table of contents	ARRs - section 9.1	2
	Glossary		62
	Public availability	ARRs - section 9.2	2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i>	2
		ARRs - section 9.3	
	Copyright notice	<i>Copyright Act 1968</i>	2
		ARRs - section 9.4	
	Information Licensing	QGEA - Information Licensing	2
		ARRs - section 9.5	
General information	Introductory information	ARRs - section 10.1	6
	Agency role and main functions	ARRs - section 10.2	6
	Operating environment	ARRs - section 10.3	11-13
Non-financial performance	Government's objectives for the community	ARRs - section 11.1	15
	Other whole-of-government plans/specific initiatives	ARRs - section 11.2	11-15
	Agency objectives and performance indicators	ARRs - section 11.3	21-46
	Agency service areas, and service standards	ARRs - section 11.4	28-29
Financial performance	Summary of financial performance	ARRs - section 12.1	44-45
Governance - management and structure	Organisational structure	ARRs - section 13.1	47-48
	Executive management	ARRs - section 13.2	49-55
	Government bodies (statutory bodies and other entities)	ARRs - section 13.3	Not applicable
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i>	58
		ARRs - section 13.4	
	Queensland public service values	AARs - section 13.5	14

Summary of requirements		Basis for requirements	Annual report reference
Governance - risk management and accountability	Risk management	ARRs - section 14.1	56
	Audit committee	ARRs - section 14.2	52
	Internal audit	ARRs - section 14.3	56
	External scrutiny	ARRs - section 14.4	56-57
	Information systems and record keeping	ARRs - section 14.5	58-59
Governance - human resources	Workforce planning and performance	ARRs - section 15.1	11, 12, 14, 38-43
	Early retirement, redundancy and retrenchment	<i>Directive No.11/12 Early Retirement, Redundancy and Retrenchment</i> <i>Directive No.16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016)</i> ARRs - section 15.2	38
Open data	Statement advising publication of information	ARRs - section 16	2
	Consultancies	ARRs - section 33.1	2
	Overseas travel	ARRs - section 33.2	2
	Queensland Language Services Policy	ARRs - section 33.3	2
Financial statements	Certification of financial statements	FAA - section 62	97
		FPMS - sections 42, 43 and 50	
	Independent Auditor's Report	ARRs - section 17.1	98-99
	FAA - section 62		
	FPMS - section 50		
		ARRs - section 17.2	

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

Appendix 2: Glossary

Term	Meaning
ABF	Activity Based Funding
AICD	Australian Institute of Company Directors
AMHU	Acute Mental Health Unit
AMYOS	Assertive Mobile Youth Outreach Services
ASX	Australian Stock Exchange
AusHSI	Australia Centre for Health Services Innovation
BEES	Breathe Easy Earlier Study
BMRP	Backlog Maintenance Remediation Program
CDU	Clinical Decision Unit
CED	Clinical Excellence Division
CEO	Chief Executive Officer
CIMHA	Consumer Integrated Mental Health Application
CYMHS	Child and Youth Mental Health Service
DD	Darling Downs
DDWMPHN	Darling Downs, West Moreton Public Health Network
Dr	Doctor
ED	Emergency Department
ELOS	Emergency Length of Stay
EMF	Emergency Medicine Foundation
CHSE	Fellow of the Australasian College of Health Service Executives
ACMA	Fellow of the Australasian College of Medical Administrators
NZCUCP	Fellow of the Royal New Zealand College of Urgent Care Physicians
FTE	Full Time Equivalent
FY	Financial Year
GIE	Gastrointestinal Endoscopy Performance
GP	General Practitioner
HDU	High Dependency Unit
HIU	Healthcare Improvement Unit
ICC	Ipswich City Council

Term	Meaning
ICT	Information, Communication and Technology
IT	Information Technology
LASN	Local Ambulance Service Networks
LCCH	Lady Cilento Children's Hospital
M4I	Manage for Improvement Program
MBS	Master of Business Studies
MHSS	Mental Health Specialist Services
MOHRI	Minimum Obligatory Human Resource Information
MP	Member of Parliament
MPHS	Mater Private Hospital Springfield
NGO	Non Government Organisation
OHO	Office of the Health Ombudsman
PAH	Princess Alexandra Hospital
PHN	Primary Health Network
POST	Patient off Stretcher Time
QAS	Queensland Ambulance Service
QPS	Queensland Police Service
QSA	Queensland State Archives
RBWH	Royal Brisbane Womens Hospital
SAB	Staphylococcus Aureus Bacteraemia
SERU	Service Evaluation and Research Unit
SMG	Strategic Momentum Group
UQ	The University of Queensland
WAU	Weighted Activity Unit
WM	West Moreton Hospital and Health Service

Appendix 3. Financial Statements

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

The System Manager of West Moreton is the Department of Health. The ultimate parent entity is the State of Queensland. Its principal place of business is:

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

PO Box 73
Ipswich QLD 4305

ABN: 64 468 984 022

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

Email: WMCommunications@health.qld.gov.au

Visit the West Moreton website at:
www.westmoreton.health.qld.gov.au

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Statement of Comprehensive Income

For the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Income			
User charges and fees	A1(a)	527,729	480,156
Grants and other contributions	A1(b)	4,881	5,086
Other revenue	A1(b)	2,195	70
Gain on sale of property, plant and equipment		42	158
Total income		534,847	485,470
Expenses			
Employee expenses	A2(a)	370,893	341,817
Supplies and services	A2(b)	135,929	124,469
Grants and subsidies		375	412
Depreciation	B3	16,748	16,686
Amortisation	B4	477	147
Impairment losses		1,257	920
Other expenses	A2(c)	7,538	10,082
Total expenses		533,217	494,533
Operating result for the year		1,630	(9,063)
Other comprehensive income			
Items that will not be subsequently reclassified to operating result:			
Increase in asset revaluation surplus	C2	7,715	3,461
Total other comprehensive income		7,715	3,461
Total comprehensive income		9,345	(5,602)

The accompanying notes form part of these statements.

Statement of Financial Position

As at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	B1	48,182	40,761
Receivables	B2	4,851	10,468
Inventories	B6	3,404	2,689
Other assets	B7	682	303
Total current assets		57,119	54,221
Non-current assets			
Intangible assets	B4	1,612	2,441
Property, plant and equipment	B3	259,559	263,729
Total non-current assets		261,171	266,170
Total assets		318,290	320,391
Current liabilities			
Payables	B8	19,225	19,571
Accrued employee benefits	B9	15,555	12,616
Provisions	B10	470	350
Unearned revenue		1,598	3,640
Total current liabilities		36,848	36,177
Total liabilities		36,848	36,177
Net assets		281,442	284,214
Equity			
Contributed equity	C1	219,431	231,548
Accumulated surplus		27,978	26,348
Asset revaluation surplus	C2	34,033	26,318
Total equity		281,442	284,214

The accompanying notes form part of these statements.

Statement of Changes in Equity

For the year ended 30 June 2017

	Accumulated surplus/ (deficit) \$'000	Asset revaluation surplus (Note C2) \$'000	Contributed equity (Note C1) \$'000	Total Equity \$'000
Balance at 1 July 2015	35,411	22,857	248,595	306,863
Operating result for the year	(9,063)	-	-	(9,063)
<i>Total other comprehensive income</i>				
Increase in asset revaluation surplus	-	3,461	-	3,461
<i>Transactions with owners</i>				
Non-appropriated equity injections	-	-	11,242	11,242
Non-appropriated equity withdrawals	-	-	(16,833)	(16,833)
Non-appropriated equity asset transfers	-	-	(11,456)	(11,456)
Balance as at 30 June 2016	26,348	26,318	231,548	284,214

	Accumulated surplus/ (deficit) \$'000	Asset revaluation surplus (Note C2) \$'000	Contributed equity (Note C1) \$'000	Total Equity \$'000
Balance at 1 July 2016	26,348	26,318	231,548	284,214
Operating result for the year	1,630	-	-	1,630
<i>Total other comprehensive income</i>				
Increase in asset revaluation surplus	-	7,715	-	7,715
<i>Transactions with owners</i>				
Non-appropriated equity injections	-	-	6,966	6,966
Non-appropriated equity withdrawals	-	-	(17,225)	(17,225)
Non-appropriated equity asset transfers	-	-	(1,858)	(1,858)
Balance as at 30 June 2017	27,978	34,033	219,431	281,442

The accompanying notes form part of these statements.

Statement of Cash Flows

For the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and fees		514,905	462,345
Grants and other contributions		3,196	8,201
Interest received		36	27
GST collected from patients/consumers		253	242
GST input tax credits		8,540	8,020
Other		2,140	47
<i>Outflows:</i>			
Employee expenses		(367,955)	(329,678)
Supplies and services		(134,487)	(134,206)
Grants and subsidies		(374)	(412)
Insurance		(5,676)	(5,879)
GST paid to suppliers		(8,783)	(7,730)
GST remitted		(207)	(340)
Other		1,104	(3,838)
Net cash provided by/(used in) operating activities	E3	12,692	(3,201)
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		-	158
<i>Outflows:</i>			
Payments for property, plant and equipment		(12,237)	(12,078)
Net cash used in investing activities		(12,237)	(11,920)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		6,966	11,242
Net cash provided by financing activities		6,966	11,242
Net increase/(decrease) in cash and cash equivalents		7,421	(3,879)
Cash and cash equivalents at beginning of the financial year		40,761	44,640
Cash and cash equivalents at end of financial year	B1	48,182	40,761

The accompanying notes form part of these statements.

Notes to the Financial Statements

Overview

In preparing the 2016-17 financial statements, West Moreton Hospital and Health Service (West Moreton) has made a number of changes in structure, layout and wording compared to prior periods in order to make the financial statements less complex and more relevant for stakeholders and other users.

Notes have been grouped into the following sections:

- A Income and expenses
- B Operating assets and liabilities
- C Equity and risk management
- D Key management personnel
- E Other information
- F Budgetary reporting disclosures

Each section sets out the accounting policies applied, along with details of any key judgements and estimates made, or information required to understand the note.

West Moreton is a not-for-profit statutory body established under the *Hospital and Health Boards Act 2011*, and is domiciled in Australia. West Moreton does not have any controlled entities. Its principal place of business is Level 8 Tower Block, Ipswich Hospital, Chelmsford Avenue, Ipswich QLD 4305.

The System Manager of West Moreton is the Department of Health. 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.

The financial statements:

- have been prepared in compliance with section 62(1) of the *Financial Accountability Act 2009* and section 43 of the *Financial and Performance Management Standard 2009*;
- have been prepared on a historical cost basis, except where stated otherwise;
- are presented in Australian dollars;
- unless the disclosure of the full amount is specifically required, amounts have been rounded to the nearest \$1,000, unless the amount is \$500 or less; in which case the rounding is zero.
- present reclassified comparative information where required for consistency with the current year's presentation;
- have been prepared in accordance with all applicable new and amended Australian Accounting Standards and Interpretations, as well as the *Queensland Treasury's Minimum Reporting Requirements for the year ended 30 June 2017*, and other authoritative pronouncements;
- have not adopted any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective (with the exception of AASB 2015-7 *Amendments to Australian Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* which has resulted in the reduction in required disclosures for property, plant and equipment, and AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* which has resulted in changes to the structure, layout and wording of the financial statements described above).

Key judgements and estimates

In the process of applying West Moreton's accounting policies, a number of judgements and estimates have been made. Judgements and estimates which are material to the financial statements are found in the following notes:

- Income
- Trade and other receivables
- Property, plant and equipment
- Intangible assets
- Provisions
- Financial risk management

A Income and Expenses

This section considers the income and expenses of West Moreton.

A1 Income

(a) User charges and fees

	2017 \$'000	2016 \$'000
Contracted health services – Activity based funding		
Commonwealth	122,765	119,185
State	181,766	177,070
Contracted health services – Block funding		
Commonwealth	40,569	36,456
State	70,385	65,836
System manager funding		
State	63,612	38,230
Depreciation funding	17,225	16,833
Teacher training funding	10,447	10,755
Hospital fees	13,393	11,943
Sale of goods and services	7,248	3,497
Rental income	319	351
Total user charges and fees	527,729	480,156

West Moreton receives funding in accordance with a service agreement with the Department of Health. The Department of Health receives its revenue from the Queensland Government (majority of funding) and the Commonwealth. West Moreton is funded for eligible services through block funding, activity based funding, or a combination of both. Activity based funding is based on an agreed number of activities per the service agreement and a state-wide price by which relevant activities are funded. Block funding is not based on levels of public care activity. The service agreement is reviewed periodically, and updated for changes in activities and prices of services delivered by West Moreton. The funding from the Department is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of service provided is above or below the agreed level.

The service agreement between the Department of Health and West Moreton specifies that the Department funds West Moreton'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.

Revenue recognition for hospital fees and sales of goods and services is based on either invoicing for related services or goods provided; and/or the recognition of accrued revenue based on estimated volumes of goods or services delivered.

(b) Grants contributions and other revenue

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which West Moreton obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

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

Revenue recognition for revenue is based on either invoicing for related goods or services and/or the recognition of accrued revenue based on estimated volumes of goods or services delivered.

West Moreton receives corporate services from the Department of Health at no cost. Corporate services received include payroll services, accounts payable, some taxation services, some supply services and some information technology services. Where the fair value of these services is unable to be estimated reliably, no associated revenue or expense is recognised in the statement of comprehensive income.

A2 Expenses

(a) Employee expenses

	2017 \$'000	2016 \$'000
Wages and salaries	298,566	273,940
Employer superannuation contributions	31,021	29,018
Annual leave levy/expense	34,454	32,628
Long service leave levy/expense	6,268	5,828
Termination expense	547	374
Other employee related expenses	37	29
Total employee expenses	370,893	341,817

	30 June 2017	30 June 2016
Number of MOHRI* Full Time Equivalent Employees (FTE)		
Total FTE	3,079	2,934

* Minimum Obligatory Human Resource Information.

(b) Supplies and services

	2017 \$'000	2016 \$'000
Contractors and consultants	26,539	27,175
Electricity and other energy	3,124	2,868
Patient travel	799	869
Other travel	281	308
Water	822	741
Building services	705	699
Computer services	3,402	3,341
Motor vehicles	226	394
Communications	4,768	4,601
Repairs and maintenance	11,950	9,549
Operating lease rentals	1,839	2,075
Drugs	13,349	9,093
Clinical supplies and services	40,644	36,731
Pathology	9,556	7,814
Catering and domestic supplies	7,841	8,956
Other	10,084	9,255
Total supplies and services	135,929	124,469

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. In such instances, an equal amount is recognised as revenue and as an expense.

(c) Other expenses

	2017 \$'000	2016 \$'000
External audit fees	170	170
Bank fees	8	6
Insurance	5,676	5,879
Loss on sale of property, plant and equipment	153	218
Inventory written-off	46	37
Ex-gratia payments	101	29
Other legal costs	374	2,852
Journals and subscriptions	309	402
Advertising	309	107
Interpreter fees	320	318
Other	72	64
Total other expenses	7,538	10,082

Total audit fees paid or payable to Queensland Audit Office relating to the 2016-17 financial year was \$170,000 (2016: \$170,000). There are no non-audit services included in this amount.

Occasionally West Moreton makes a special (ex-gratia) payment even though it is not contractually or legally obligated to make such payments to other parties. West Moreton maintains a register of all special payments greater than \$5,000, as required by legislation. Total special payments made during 2016-17 were \$100,517 (2016: \$29,000).

The significant decrease in other legal costs during 2016-17 reflects the finalisation of the Commission of Inquiry into matters surrounding the closure of the Barrett Adolescent Centre in the 2015-16 year.

B Operating Assets and Liabilities

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

B1 Cash and Cash Equivalents

	2017 \$'000	2016 \$'000
Cash on hand	5	6
Cash at bank	47,763	40,351
Cash on deposit	414	404
	48,182	40,761

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

West Moreton's bank accounts are grouped with the whole of government's arrangement with Queensland Treasury Corporation. As a result, West Moreton 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 is 2.58% (2016: 2.89%).

Cash at bank (except operating and revenue accounts) is at call and is subject to floating interest rates. The weighted average effective interest rate is 2.36% (2016: 3.11%).

B2 Trade and Other Receivables

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Gross Receivables \$'000	Allowance for Impairments \$'000	Total \$'000
2016					
Less than 30 days (not yet due)	8,557	-	8,557	(10)	8,547
30-60 days	-	452	452	-	452
61-90 days	-	674	674	-	674
More than 90 days	-	2,399	2,399	(1,604)	795
Total Trade and Other Receivables	8,557	3,525	12,082	(1,614)	10,468

	Neither past due nor impaired \$'000	Past due but not impaired \$'000	Gross Receivables \$'000	Allowance for Impairments \$'000	Total \$'000
2017					
Less than 30 days (not yet due)	3,589	-	3,589	(28)	3,561
30-60 days	-	796	796	(33)	763
61-90 days	-	261	261	(10)	251
More than 90 days	-	2,059	2,059	(1,783)	276
Total Trade and Other Receivables	3,589	3,116	6,705	(1,854)	4,851

Trade and other 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. If receivables are subsequently recovered, the amounts 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 twelve 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. All credit and recovery risk associated with trade receivables has been provided for in the statement of financial position.

Key judgements and estimates

Recoverability of trade receivables: Judgement is required in determining the level of provisioning for customer debts. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, default or delinquency in payments, past experience, and management judgement are considered indicators that the trade receivable is impaired. West Moreton adopts a range of cutoff dates for delinquency reflective of the risk for the underlying transactions.

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

	2017 \$'000	2016 \$'000
Balance at the beginning of the financial year	1,614	1,787
Amounts written-off during the year	(874)	(910)
Amounts recovered during the year	(1,830)	(3,123)
Increase in allowance recognised in operating result	2,944	3,860
Balance at the end of the financial year	1,854	1,614

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 2015					
At cost/fair value	34,028	413,967	52,726	5,870	506,591
Accumulated depreciation	-	(199,973)	(27,194)	-	(227,167)
	34,028	213,994	25,532	5,870	279,424
Year ended 30 June 2016					
Opening net book value	34,028	213,994	25,532	5,870	279,424
Acquisitions	-	-	4,369	7,640	12,009
Disposals	-	(32)	(347)	(170)	(549)
Transfers between asset classes ⁽¹⁾	-	2,945	12	(5,432)	(2,475)
Transfers in/out from QLD Government	(10,448)	(810)	(197)	-	(11,455)
Revaluation increments/(decrements)	(9)	3,470	-	-	3,461
Depreciation charge for the year	-	(11,220)	(5,466)	-	(16,686)
Carrying amount at 30 June 2016	23,571	208,347	23,903	7,908	263,729
At 30 June 2016					
At cost/fair value	23,571	415,094	54,440	7,908	501,013
Accumulated depreciation	-	(206,747)	(30,537)	-	(237,284)
	23,571	208,347	23,903	7,908	263,729
Year ended 30 June 2017					
Opening net book value	23,571	208,347	23,903	7,908	263,729
Acquisitions	500	464	3,205	8,001	12,170
Disposals	-	(2,838)	(154)	(2,457)	(5,449)
Transfers between asset classes	-	2,680	2,383	(5,063)	-
Transfers in/out from QLD Government	-	61	(1,919)	-	(1,858)
Revaluation increments/(decrements)	243	7,472	-	-	7,715
Depreciation charge for the year	-	(11,430)	(5,318)	-	(16,748)
Carrying amount at 30 June 2017	24,314	204,756	22,100	8,389	259,559
At 30 June 2017					
At cost/fair value	24,314	422,847	56,389	8,389	511,939
Accumulated depreciation	-	(218,091)	(34,289)	-	(252,380)
	24,314	204,756	22,100	8,389	259,559

NB: adjustments have been made to accumulated depreciation to recognise assets transferred in and out of West Moreton.

(1) Transfer of capital works in progress (\$2.48M) to intangible assets (refer note B4 Intangible Assets).

Property, plant and equipment are initially recorded at consideration; plus any other costs directly incurred in bringing the asset ready for use. Items or components that form an integral part of an asset are recognised as a single (functional) asset.

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 date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

Land and buildings are subsequently 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*.

Plant and equipment is 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.

Items of a capital nature, with a cost or other value equal to more than the following thresholds; and with a useful life of more than one year, are recognised at acquisition. Items below these values are expensed.

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

Property, plant and equipment are depreciated on a straight-line basis. Land is not depreciated. Assets under construction (work-in-progress) are not depreciated until they are ready for use.

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

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

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.

The fair value of land and buildings are assessed on an annual basis by an independent professional valuer; or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by the Financial Compliance branch who determines the specific revaluation practices and procedures. Financial Compliance coordinates the process directly with the professional valuer. Annual reviews of the revaluation practices and procedures are carried out (post revaluation) by the Financial Compliance branch, in consultation with the Infrastructure and Assets branch.

Revaluations using an independent professional valuer are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, the asset class where practical is subject to specific appraisal in the reporting period, regardless of the timing of the last specific appraisal. The last full independent valuation was carried out on 30 June 2014.

Where assets have not been specifically appraised in the reporting period, their previous valuations are updated subject to materiality via the application of relevant indices. West Moreton uses indices to provide a valid estimation of the assets' fair values at reporting date.

The valuer supplies the indices used for the various types of assets. Such indices are either publically available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity, and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to assets and comparing the results to other similar asset valuations in other Hospital and Health Services

and the broader market. Through this annual process, management assesses and confirms the relevance and suitability of indices provided by the valuer based on the entity's own particular circumstances.

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

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

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

Key judgements and estimates

Fair value - The fair value of an asset is measured as the expected exit price of a transaction, which is based on the assumption that transactions take place in the principal market for the asset; or in the absence of a principal market; the most advantageous market for the asset. This statement leads to the requirement to determine the highest and best use of the asset. The determination is the best economic use through the perspective of market participants where physically possible, legally permissible, and financially feasible. For the majority of West Moreton's assets, the current use will be the 'highest and best use'.

Plant and equipment - The cost of items acquired during the financial year, has been judged by management to materially represent the fair value at the end of the reporting period.

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

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

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

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

Depreciation - Management estimates the useful lives and residual values of property, plant and equipment. The estimate is based on the expected period of time over which economic benefits from use of the asset will be derived. Management reviews useful life assumptions on an annual basis, having given consideration to variables; including historical and forecast usage rates, technological advancements and changes in legal and economic conditions. All depreciable assets have a nil residual value.

Fair value measurement

(a) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of land and buildings, that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, West Moreton has classified land and buildings into the three levels prescribed under the accounting standards.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2016				
Land	-	23,571	-	23,571
Buildings	-	205	208,142	208,347
Fair value at 30 June 2016	-	23,776	208,142	231,918
2017				
Land	-	24,314	-	24,314
Buildings	-	608	204,148	204,756
Fair value at 30 June 2017	-	24,922	204,148	229,070

Level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

Level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and

Level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

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

(b) Valuation techniques used to determine for level 2 and 3 fair values

West Moreton utilised indexation factors for 2016-17; prepared by an independent valuer. Land indices are based on actual market movements for the relevant locations and asset category; and are applied to the fair value of land assets on hand. Building indices are based on a review of cost escalation across the industry, subject to any regional variances due to specific market conditions such as impact due to local resource projects. Indexation has been applied on 30 June 2015, 30 June 2016 & 30 June 2017.

Land (level 2) - The fair value of land is based on publicly available data on recent sales of similar land in nearby localities. In determining the values, adjustments were made to the sales data to take into account the location of the land, its size, street/road frontage and access, and any significant restrictions. The last full valuation of West Moreton's land assets was completed 30 June 2014 by State Valuation Services. The values were indexed to current fair value as at 30 June 2017 through indices supplied by State Valuation Services, a registered valuer.

Buildings – Non-health service delivery (level 2) - 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.

Buildings – Health service delivery (level 3) - Health service delivery buildings are typically special purpose facilities. Due to their specialised nature, health service delivery buildings are valued based on a depreciated replacement cost method to simulate a 'market or income approach'. The method reflects the likely exit price in the principal market for an asset of this type.

A replacement cost is estimated by creating a cost plan (estimate) of the asset through measurement of key data such as; gross floor area, number of floors, girth of building, height of building and number of lifts, staircases and location.

The model developed by the valuer creates an elemental cost plan using these quantities. It can be applied to multiple building types and relies on the valuer's experience with construction costs.

The cost model is updated each year and tests are done to compare the model outputs on actual recent projects, to ensure it produces a true representation of the cost of replacement. The costs are based on Brisbane prices, and published located indices are used to adjust the pricing to suit local market conditions. Live project costs from across the state are also assessed to inform current market changes that may influence the published factors.

The key assumption on the replacement cost is that the estimate is based on replacing the current function of the building with a building of the same form (size and shape). This assumption has a significant impact if an asset's function changes. The cost to being to current standards is the estimated cost of refurbishing the asset to bring it to current standard.

The cost to bring to current standards, or as new condition, is a component for establishing the likely exit price of any transactions in the principal market for an asset of this type. For each of the five condition ratings, the estimate is based on professional opinion as well as having regard to historical project costs. The condition rating is applied based upon the following information:

- Visual inspection of the asset
- Asset condition data provided by West Moreton
- Verbal guidance from the asset manager or the officer in charge
- Previous reports and inspection photographs if available (to show the change in condition over time)

The following condition ratings (from the International Infrastructure Management Manual) are linked to the cost to bring to current standards, or to 'as new' condition:

- 1 Very good condition – only normal maintenance required
- 2 Minor defects only – minor maintenance required
- 3 Maintenance required to return to accepted level of service – significant maintenance required (up to 50% of capital replacement cost)
- 4 Requires renewal – complete renewal of the internal fit out and engineering services required (up to 70% of capital replacement cost)
- 5 Asset unserviceable – complete asset replacement required

Estimates of remaining life are based on the assumption that the asset remains in its current function and will be maintained. No allowance has been provided for significant refurbishment works in the estimate of remaining life as any refurbishment, should extend the life of the asset.

The last full valuation of West Moreton's building assets was completed 30 June 2014 by Davis Langdon (an AECOM company). The values were indexed to current fair value as at 30 June 2017 through indices supplied by the same AECOM registered valuers.

(c) Change in valuation technique

During the 2016-17 fiscal year West Moreton considered the impact of changing its valuation methodology for determining the fair value property, plant and equipment. The change to the methodology for calculating fair value for this asset category included increasing the componentisation of assets and changing the calculation for the impact of wear and tear. West Moreton assessed the impact of this change in asset valuation methodology for property, plant and equipment through a high level desktop valuation completed by our registered valuer. The impact of this high level valuation assessment on West Moreton's asset values resulted in a proposed net uplift on the building's category which was not material. West Moreton will undertake a detailed asset valuation in 2017-18 under this revised asset valuation methodology and record the appropriate valuation adjustments as required.

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

The following table details a reconciliation of level 3 movements:

	Buildings \$'000	Total \$'000
Fair value at 1 July 2015	213,544	213,544
Disposals	(32)	(32)
Transfers out (Department of Health)	(620)	(620)
Transfers in (work-in-progress)	2,944	2,944
Depreciation	(11,162)	(11,162)
<i>Gains recognised in other comprehensive income:</i>		
Increase in asset revaluation reserve	3,468	3,468
Fair value at 30 June 2015	208,142	208,142

	Buildings \$'000	Total \$'000
Fair value at 1 July 2016	208,142	208,142
Disposals	(2,838)	(2,838)
Transfers out (Department of Health)	61	61
Transfers in (work-in-progress)	2,667	2,667
Depreciation	(11,350)	(11,350)
<i>Gains recognised in other comprehensive income:</i>		
Increase in asset revaluation reserve	7,466	7,466
Fair value at 30 June 2017	204,148	204,148

(e) Highest and best use

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

B4 Intangible Assets

<i>Software purchased</i>	\$'000
At 30 June 2015	
At cost	238
Accumulated amortisation	(125)
	113
Year ended 30 June 2016	
Opening net book amount	113
Transfers in	2,475
Amortisation charge for the year	(147)
Carrying amount at 30 June 2016	2,441
At 30 June 2016	
At cost	2,713
Accumulated amortisation	(272)
	2,441
Year ended 30 June 2017	
Opening net book amount	2,441
Transfers in	32
Disposals	(384)
Amortisation charge for the year	(477)
Carrying amount at 30 June 2017	1,612
At 30 June 2017	
At cost	2,361
Accumulated amortisation	(749)
	1,612

Intangible assets are only recognised if they satisfy recognition criteria in accordance with AASB 138 *Intangible Assets*. Intangible assets are recorded at cost, which is consideration plus costs incidental to the acquisition; less accumulated amortisation and impairment losses.

An intangible asset is recognised only if its cost is equal to or greater than \$100,000. Internally generated software cost includes all direct costs associated with development of that software. All other costs are expensed as incurred.

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

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

B5 Impairment of Assets

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

B6 Inventories

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

B7 Other Assets

	2017 \$'000	2016 \$'000
<i>Current</i>		
Prepayments	682	303
	682	303

B8 Payables

These amounts represent liabilities for goods and services provided to West Moreton prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 35 days of recognition. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

	2017 \$'000	2016 \$'000
Trade creditors	4,806	4,387
Accruals	14,419	15,184
	19,225	19,571

B9 Accrued Employee Benefits

Wages, salaries and sick leave

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

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised

at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

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

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

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 of Health to cover the cost of employees' annual leave (including leave loading and on-costs), and long service leave. No provisions for annual leave and long service leave is recognised in West Moreton's financial statements, 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 QSuper (the superannuation scheme for Queensland Government employees), at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable; and West Moreton's obligation is limited to its contribution to QSuper. The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis, and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

B10 Provisions

	2017 \$'000	2016 \$'000
<i>Current</i>		
Provision for insurance claims	470	350
	470	350
<i>Movement in provision for insurance claims</i>		
Carrying amount at the beginning of the financial year	350	470
Charged to operating result		
- Additional provision recognised	330	190
- Unused amounts reversed	(190)	(200)
- Amounts used during the year	(20)	(110)
Carrying amount at the end of the financial year	470	350

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

C Equity and Risk Management

C1 Contributed Equity

	2017 \$'000	2016 \$'000
Opening balance at beginning of year	231,548	248,595
<i>Non-appropriated equity injections</i>		
Minor capital funding	4,527	4,159
Priority capital program funding	4,816	1,631
Backlog maintenance funding	1,270	3,597
Backlog maintenance funding equity to revenue swap	(4,339)	-
Statewide prisoner medical records funding	92	1,855
Medical packaging system funding	600	-
	6,966	11,242
<i>Non-appropriated equity withdrawals</i>		
Non-cash depreciation and amortisation funding returned to Department of Health as a contribution towards capital works program	(17,225)	(16,833)
<i>Non-appropriated equity asset transfers</i>		
Land	-	(10,448)
Buildings	61	(810)
X-ray	-	127
eHealth	(1,924)	(325)
Other	5	-
	(1,858)	(11,456)
Balance at the end of the financial year	219,431	231,548

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

C2 Asset Revaluation Surplus by Class

	2017 \$'000	2016 \$'000
<i>Land</i>		
Balance at the beginning of the financial year	2,491	2,500
Revaluation increments	243	(9)
	2,734	2,491
<i>Buildings</i>		
Balance at the beginning of the financial year	23,827	20,357
Revaluation increments	7,472	3,470
	31,299	23,827
Balance at the end of the financial year	34,033	26,318

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

C3 Non-Cash Financing and Investing Activities

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

C4 Financial Risk Management

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

	2017 \$'000	2016 \$'000
<i>Financial assets</i>		
Cash and cash equivalents	48,182	40,761
Receivables*	4,851	10,467
	53,033	55,228
<i>Financial liabilities</i>		
Payables	19,225	19,571
	19,225	19,571

* 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 gross carrying amount of the financial asset, inclusive of any allowance for impairment.

The carrying amount of financial assets, which are disclosed in more detail in notes B1 and B2, best represent the maximum exposure to credit risk at the reporting date.

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

There are no significant concentrations of credit risk. An amount of \$342,849 relates to government funding which is expected to be paid in the first window adjustment of the 2017-18 service agreement (2016 \$2,953,000 to be received). The remaining receivables relate to health providers and ineligible patients.

Overall credit risk is considered minimal.

(b) Liquidity risk

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

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

(i) Financing arrangements

Under the whole-of-government banking arrangements, West Moreton has an approved working debt facility of \$4,000,000 (2016: \$4,000,000) to manage any short-term cash shortfalls.

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

	2017 \$'000	2016 \$'000
<i>Floating rate</i>		
Expiring beyond one year	4,000	4,000
	4,000	4,000

(ii) Maturities of financial liabilities

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

(c) Interest rate risk

West Moreton is exposed to interest rate risk on its cash deposited in interest bearing accounts with Commonwealth Bank through whole-of-government bank arrangements and Queensland Treasury Corporation.

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

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

(d) Fair value measurements

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

D Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of West Moreton, directly or indirectly. As from 2016-17, the department's Minister is recognized as part of West Moreton's key management personnel, consistent with additional guidelines included in the revised version of AASB 124 Related Party Disclosures. The Minister is the Minister for Health and Ambulance Services Cameron Dick MP. The following details non-ministerial key management personnel of West Moreton during the current financial year:

Position	Name	Contract classification/appointment authority	Initial appointment date
Non-Executive Board Chair and Deputy Chair	Michael Willis	<i>Hospital and Health Boards Act 2011</i> Tenure: 18/05/17 – 17/05/21	18/05/16
	Susan Johnson (Deputy Chair)	<i>Hospital and Health Boards Act 2011</i> Current tenure: 18/05/16 – 17/05/19 Relieving arrangement: 24/05/17 – 27/06/17	26/06/15
Non-Executive Board Member	Gary Edwards	<i>Hospital and Health Boards Act 2011</i> Current tenure: 11/12/15 – 17/05/18 Relieving arrangement: 18/06/16 – 18/07/16	18/05/14– 17/05/15
	Patricia Evatt	<i>Hospital and Health Boards Act 2011</i> Current tenure: 18/05/17 – 17/05/21	18/05/16
	Professor Sonj Hall	<i>Hospital and Health Boards Act 2011</i> Current tenure: 26/06/15 – 17/05/18	18/05/14
	Professor Gerald Holtmann	<i>Hospital and Health Boards Act 2011</i> Current tenure: 18/05/17 – 17/05/21	18/05/16
	Melinda Parcell	<i>Hospital and Health Boards Act 2011</i> Current tenure: 18/05/14 – 17/05/18	29/06/12
	Sue Scheinpflug	<i>Hospital and Health Boards Act 2011</i> Current tenure: 18/05/17 – 17/05/21	18/05/16
	Chief Executive Responsible for the overall management of West Moreton through major functional areas, to ensure the delivery of key government objectives in improving the health and well-being of Queenslanders.	Sue McKee	Individual contract / <i>Hospital and Health Boards Act 2011</i> Tenure: 01/07/15 – 27/01/17
Dr Kerrie Freeman*		Individual contract / <i>Hospital and Health Boards Act 2011</i> Acting: 31/01/17 – 9/06/17 Tenure: 10/06/17 – 9/06/22	31/01/17
Executive Director Finance and Business Services Responsible for financial management, information and communications technology management, contract management, health information management, infrastructure and assets management and statutory reporting obligations of West Moreton.	Nik Fokas	HES 2H / <i>Hospital and Health Boards Act 2011</i> Tenure: 19/10/15 – 30/04/17	19/10/15
Executive Director Mental Health and Specialised Services Responsible for the operational leadership and management of mental health and specialised services throughout West Moreton.	Dr Leanne Geppert	HES 2H / <i>Hospital and Health Boards Act 2011</i> Tenure: 11/04/16 – 10/04/19	11/04/16

Position	Name	Contract classification/appointment authority	Initial appointment date
Executive Director Clinical Services Responsible for the operational leadership and management of Ipswich Hospital and provides leadership for medical services throughout West Moreton.	Joanne Johnson	Relieving/higher duties arrangement	23/10/15–31/07/16
	Brian Howell	Relieving/higher duties arrangement	01/08/16–9/12/16
	Dr Robyn Henderson	Relieving/higher duties arrangement	12/12/16–27/01/17
	John Burns	Tenure: 28/01/17–29/10/17	19/01/17
Executive Director Medical Services Responsible for developing, implementing, managing and monitoring the clinical governance framework, research and education of West Moreton.	Dr Mary Seddon	MMol2:3 Level 27 Tenure: 28/07/16 – 15/01/17	4/08/14
	Dr Pieter Pike	MM012 Level 27	30/01/17
Executive Director People and Culture Responsible for providing strategic leadership in relation to all human resource functions, including industrial relations, throughout West Moreton.	Susan Beckman	HES 2L / <i>Hospital and Health Boards Act 2011</i> Tenure: 24/04/16 – 29/01/17	24/04/16
	Taresa Rosten	HES 2L / <i>Hospital and Health Boards Act 2011</i> Tenure: 30/01/17 – 29/01/20	30/01/17
Executive Director Legal and Corporate Governance Responsible for the West Moreton's corporate governance architecture and strategy as well as the primary legal advisor to the Board, Chief Executive, Executive Leadership Team and West Moreton.	Hajo Duken	HES 2H / <i>Hospital and Health Boards Act 2011</i> Tenure: 14/01/16 – 20/01/17	14/01/16
	Jacqueline Keller	HES 2H / <i>Hospital and Health Boards Act 2011</i> Tenure: 03/01/17 – 02/01/20	03/01/17
Executive Director Nursing and Midwifery Responsible for the effective leadership and management for the nursing and midwifery profession across West Moreton.	Cheryl Burns	Nurse Grade 12 Tenure: 01/06/15 – 24/08/16	01/06/15
	Dr Robyn Henderson	Nurse Grade 13	22/08/16

*Note – Dr Kerrie Freeman was on secondment from Children's Health Queensland Hospital and Health Service for the period 31 January 2017 to 9 June 2017. From 10 June 2017 Dr Kerrie Freeman is an employee of West Moreton.

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. West Moreton 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 as from 2016-17; which are published as part of Queensland Treasury's Report on State Finances.

Remuneration for KMP other than the Minister comprises the following components:

- Short-term employee benefits which include:
 - *Base* – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the statement of comprehensive income.
 - *Non-monetary benefits* – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include long service leave accrued
- Post-employment benefits include superannuation contributions
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination

- There was no performance bonuses paid in the 2015-16 financial year (2015: \$nil).

Name	Short-term benefits			Post-employment benefits \$'000	Termination benefits \$'000	Total remuneration \$'000
	Base \$'000	Non-Monetary benefits \$'000	Long-term benefits \$'000			
2017 Board Members						
Michael Willis	51	12	-	25	-	88
Gary Edwards	48	-	-	5	-	53
Patricia Evatt	49	-	-	2	-	51
Professor Sonj Hall	48	-	-	4	-	52
Professor Gerald Holtmann	49	-	-	5	-	54
Susan Johnson	50	-	-	5	-	55
Melinda Parcell*	57	5	-	4	-	66
Sue Scheinpflug	50	-	-	2	-	52
2017 Executives						
Sue McKee	236	7	-	20	132	395
Dr Kerrie Freeman	79	10	-	14	-	103
Nik Fokas	200	10	-	25	87	322
Brian Howell	86	-	-	13	-	99
John Burns	50	13	-	31	-	94
Hajo Duken	108	-	-	16	-	124
Jacqueline Keller	71	9	-	12	-	92
Dr Leanne Geppert	171	9	-	30	-	210
Dr Mary Seddon	252	6	-	26	-	284
Dr Pieter Pike	158	4	-	18	-	180
Susan Beckman	81	5	-	12	-	98
Taresa Rosten	67	-	-	11	-	78
Dr Robyn Henderson	151	23	1	33	-	208
2016 Board Members						
Michael Willis	6	-	-	1	-	7
Dr Mary Corbett	76	-	-	7	-	83
Paul Casos	42	-	-	4	-	46
Gary Edwards	23	-	-	2	-	25
Patricia Evatt	2	-	-	-	-	2
Professor Sonj Hall	48	-	-	4	-	52
Professor Gerald Holtmann	2	-	-	-	-	2
Susan Johnson	43	-	-	4	-	47
Dr Robert McGregor*	135	16	-	18	-	169
Melinda Parcell*	165	9	-	28	-	202
Sue Scheinpflug	3	-	-	-	-	3

Name	Short-term benefits			Post-employment benefits \$'000	Termination benefits \$'000	Total remuneration \$'000
	Base \$'000	Non-Monetary benefits \$'000	Long-term benefits \$'000			
2016 Executives						
Sue McKee	242	10	-	29	-	281
Nik Fokas	126	6	-	20	-	152
Lynette Gill	59	-	-	11	-	70
Helen Chalmers	20	4	-	5	-	29
Joanne Johnson	115	7	-	20	-	142
Dr Mary Seddon	408	18	-	58	-	484
Sharon Kelly	140	3	-	23	-	166
Dr Leanne Geppert	74	4	-	13	-	91
Susan Beckman	28	2	-	4	-	34
Alan Millward	117	14	-	36	-	167
Hajo Duken	67	-	-	11	-	78
Jacqueline Keller	69	5	-	12	-	86
Cheryl Burns	43	-	-	4	-	47

* Dr Robert McGregor and Melinda Parcell are part of the general workforce of West Moreton, in addition to their roles as Board members. The remuneration amounts above under the board member's section only include their board fees and remuneration from West Moreton. It does not include remuneration from any other source. Melinda Parcell went on extended unpaid leave from the pay period ending 14 August 2016 and has return to work after the end of the 2016-17 fiscal year.

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

Pursuant to the *Hospital and Health Boards Act 2011*, Board members' fees are determined by the Governor in Council. Board members are paid an annual salary consistent with the government procedure titled *Remuneration procedures for part-time chairs and member of Queensland Government bodies*.

Under the procedure, Hospital and Health Services were assessed as 'Governance' entities and grouped into different levels of a remuneration matrix, based on a range of indicators including: revenue/budget, net and total assets, independence, risk and complexity.

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

Effective 18 May 2014	
Annualised Board fees	Annualised Committee fees (per statutory committee)
Chair: \$75,000	Chair: \$4,000
Member: \$40,000	Member: \$3,000

E Other Information

E1 Contingencies

Litigation

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

E2 Commitments

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

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

	2017 \$'000	2016 \$'000
Within one year	1,926	1,903
Later than one year but not later than five years	2,091	2,355
Later than five years	10	16
	4,027	4,274

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

	2017 \$'000	2016 \$'000
Within one year	1,359	1,656

E3 Notes to the Statement of Cash Flows

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

	2017 \$'000	2016 \$'000
Operating result from continuing operations	1,630	(9,063)
<i>Non-cash items</i>		
Depreciation expense	16,748	16,686
Amortisation expense	477	147
Reclassification of items from capital to expense	5,868	460
Depreciation and amortisation funding	(17,225)	(16,832)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	5,617	136
(Increase)/decrease in inventories	(715)	451
(Increase)/decrease in other assets	(379)	9,201
Increase/(decrease) in payables	(346)	(10,820)
Increase/(decrease) in accrued employee benefits	2,939	2,938
Increase/(decrease) in provisions	120	(120)
Increase/(decrease) in unearned revenue	(2,042)	3,615
Net cash (used in) / provided by operating activities	12,692	(3,201)

E4 Patient Fiduciary Funds

West Moreton 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, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

	2017 \$'000	2016 \$'000
Cash at beginning of financial year	168	218
Patient fund receipts	1,405	1,503
Patient fund related payments	(1,372)	(1,553)
Cash at end of financial year	201	168

E5 Application of New Accounting Standards or Change in Accounting Policy

Changes in Accounting Policy

West Moreton has not changed any of its accounting policies during 2016-17.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2016-17.

Accounting Standards Applied for the First Time

The only Australian Accounting Standard that became effective for the first time in 2016-17, which has an impact in West Moreton Financial Statements, is AASB 124 *Related Party Disclosures*. This standard requires note disclosures

about relationships between a parent entity and its controlled entities; key management personnel (KMP) remuneration expenses; and other related party transactions; and does not impact on financial statement line items. As Queensland Treasury already required disclosure of KMP remuneration expenses, AASB 124 itself had minimal impact on West Moreton's KMP disclosures compared to 2015-16 (refer to section D). However, the standard has resulted in the responsible Minister being identified as part of the KMP as from 2016-17. Material related party transactions for 2016-17 are disclosed in section D. No comparative information about related party transactions is required in respect of 2015-16.

The following standards have effective dates in the 2016-17 fiscal but have no impact on the West Moreton Financial Statements; AASB 14 Regulatory Deferral Accounts, AASB 1056 Superannuation Entities and AASB 2014-1/3/4/6/9/10, AASB 2015-1/5/6. These standards have been reviewed and found to cover transactions / industries outside of the operation of a hospital and health service.

Future Accounting Standards not yet Mandatory

There are a number of accounting standards which are approved and published but not yet mandatory to adopt. West Moreton has chosen not to early adopt any accounting standards, but is aware of the following new standards which will have some impact on future annual reports for West Moreton:

AASB 15 Revenue from Contracts with Customers (effective for year ending 30 June 2018).

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. Allocation transaction price to performance obligations in the contract
- v. Recognise revenue when the performance obligation is complete / satisfied.

The application of this new standard should closely align to how West Moreton currently records revenue for activity based and block funding. The new standard may, however, causes some changes to the timing in recognition of grant based revenue. The impact of this new standard on West Moreton's reported revenue results is not expected to be material.

AASB 16 Leases (effective for year ending 30 June 2019)

This standard requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The lessee must recognise a right-of-use asset and a lease liability, i.e. all leases are recognised on the balance sheet (previously operating leases were off balance sheet). The lessee must also recognise depreciation of the asset and interest on the lease liability and also classify lease payments between principal and interest and disclose accordingly in the statement of cash flows.

When recognising a lease, consideration must also be given to any optional periods in an arrangement. Where it is reasonably certain that the option will be taken up, this must be recognised in the asset and liability. West Moreton has a small number of operating leases which will be impacted by this standard. It is expected that West Moreton will require specialist advice on valuing these leases, and the impact of this new standard is uncertain.

The following future standards not yet effective have been reviewed by West Moreton and are expected not to have any impact:

- i. *AASB 9 Financial Instruments* - West Moreton has no transactions which require the application of this standard as it operates solely in Australian Dollars and has no debt facilities
- ii. *AASB 1058 Income of Not for Profit Entities* - West Moreton does not expect to acquire assets for an amount significantly less than fair value and therefore has not expected transactions under this standard.

E6 Subsequent Events

During the 2016-17 fiscal year West Moreton lodged a claim under its Directors and Officers insurance for a portion of the external legal costs incurred during the Barrett Adolescent Centre inquiry in the amount of \$1.1 million. As at balance date, 30 June 2017, this claim was not acknowledged by the insurer and there was sufficient uncertainty over the amount of the claim that no disclosure or accrual was required.

After balance date West Moreton has received acknowledgement that to the extent the policy responds, the claim has been accepted. Included in this acknowledgement was an agreement by the insurance company to provide West Moreton with \$30,000 as an interim payment, while the claim is being finalised. The total amount to be paid by the insurer under this claim is still not certain, as there is ongoing review of the claim by the insurer.

E7 Taxation

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

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

E8 Related Party Disclosures

Transactions with Queensland Government controlled entities

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

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

The signed service agreements are published on the Queensland Government website and publically available. The 2016-17 service agreement was initially for \$512.29 million, and amendments increased this to \$527.66 million.

In addition, the Department of Health provides a number of services including, procurement, payroll, information technology infrastructure and support as well as accounts payable services. Any expenses paid by Department of Health on behalf of West Moreton in the course of providing these services are recouped by the Department of Health.

Queensland Treasury Corporation

West Moreton has bank accounts with the Queensland Treasury Corporation for general trust monies.

Inter Hospital and Health Service

Payments to and receipts from other Hospital and Health Services occur to facilitate the transfer of patients, drugs, staff and other incidentals.

Transactions with other related parties

All transactions in the year ended 30 June 2017 between West Moreton and key management personnel, including their related parties were on normal commercial terms and conditions and were immaterial in nature.

F Budgetary Reporting Disclosures

(a) Statement of comprehensive income

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Variance \$'000	Variance %
Income					
User charges	(a)	527,729	508,097	19,632	4%
Grants and other contributions		4,881	3,409	1,472	43%
Other revenue		2,237	787	1,450	184%
Total revenue		534,847	512,293	22,554	4%
Expenses					
Employee expenses	(b)	370,893	393,448	(22,555)	(6%)
Other supplies and services	(c)	135,929	99,439	36,490	37%
Grants and subsidies		375	473	(98)	(21%)
Depreciation and amortisation		17,225	15,241	1,984	13%
Impairment losses		1,257	1,786	(529)	(30%)
Other expenses	(d)	7,538	1,906	5,632	296%
Total expenses		533,217	512,293	20,924	4%
Operating result		1,630	-	1,630	100%
Other comprehensive income					
<i>Items that will not be subsequently reclassified to operating result:</i>					
Increase in asset revaluation surplus		7,715	-	7,715	100%
Total other comprehensive income		7,715	-	7,715	100%
Total comprehensive income		9,345	-	9,345	100%

(b) Statement of financial position

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Variance \$'000	Variance %
Current assets					
Cash and cash equivalents	(e)	48,182	52,438	(4,256)	(8%)
Receivables	(f)	4,851	7,866	(3,015)	(38%)
Inventories		3,404	2,534	870	34%
Other assets		682	751	(69)	(9%)
Total current assets		57,119	63,589	(6,470)	(10%)
Non-current assets					
Intangible assets	(g)	1,612	3,674	(2,062)	(56%)
Property, plant and equipment	(h)	259,559	273,763	(14,204)	(5%)
Total non-current assets		261,171	277,437	(16,266)	(6%)
Total assets		318,290	341,026	(22,736)	(7%)
Current liabilities					
Payables	(i)	19,225	33,358	(14,133)	(42%)
Accrued employee benefits	(j)	15,555	10,062	5,493	55%
Provisions		470	2,000	(1,530)	(77%)
Unearned revenue		1,598	41	1,557	3798%
Total current liabilities		36,848	45,461	(8,613)	(19%)
Total liabilities		36,848	45,461	(8,613)	(19%)
Net assets		281,442	295,565	(14,123)	(5%)
Equity					
Contributed equity		219,431	242,899	(23,468)	(10%)
Accumulated surplus		27,978	26,348	1,630	6%
Asset revaluation surplus		34,033	26,318	7,715	29%
Total equity		281,442	295,565	(14,123)	(5%)

(b) Statement of cash flows

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Variance \$'000	Variance %
Cash flows from operating activities					
<i>Inflows:</i>					
User charges	(k)	514,905	504,617	10,288	2%
Grants and other contributions		3,196	3,409	(213)	(6%)
Interest received		36	31	5	18%
GST collected from patients/consumers		253	-	253	100%
GST input tax credits	(l)	8,540	-	8,540	100%
Other	(l)	2,140	10,632	(8,492)	(80%)
<i>Outflows:</i>					
Employee expenses	(m)	(367,955)	(392,583)	24,5628	(6%)
Supplies and services	(n)	(134,487)	(107,445)	(27,042)	25%
Grants and subsidies		(374)	(473)	99	(21%)
Insurance	(o)	(5,676)	-	(5,676)	100%
GST paid to suppliers	(o)	(8,783)	-	(8,783)	100%
GST remitted		(207)	-	(207)	100%
Other		1,104	(826)	1,930	(234%)
Net cash provided by operating activities		12,692	17,362	(4,670)	(27%)
Cash flows from investing activities					
<i>Inflows:</i>					
Sales of property, plant and equipment	(p)	-	3,033	(3,033)	(100%)
<i>Outflows:</i>					
Payments for property, plant and equipment		(12,237)	(11,043)	(1,194)	11%
Net cash used by investing activities		(12,237)	(8,010)	(4,227)	53%
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		6,966	3,690	3,276	89%
<i>Outflows:</i>					
Equity withdrawals		-	(15,241)	15,241	(100%)
Net cash provided by financing activities		6,966	(11,551)	18,517	(160%)
Net increase in cash and cash equivalents held		7,421	(2,199)	9,620	(437%)
Cash and cash equivalents at beginning of the financial year		40,761	54,637	(13,876)	(25%)
Cash and cash equivalents at end of the financial year		48,182	52,438	(4,256)	(8%)

Explanation of major variances:

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

Major variances have been identified and explained:

- (a) The increase relates to additional funding provided through the amendments to the service agreement between West Moreton and the Department of Health. Additional funding was provided for increases in service activity, enterprise bargaining agreements, backlog maintenance and remediation program and depreciation expense.
- (b) The decrease primarily relates to contracted labour full-time equivalents (FTEs) used being costed to supplies and services but budgeted for under employee expenses.
- (c) The increase primarily relates to the cost of increased service activity (\$7.55M), additional projects from retained earnings (\$5.64M), and increased outsourcing to external providers (\$23.08M).
- (d) The separation of insurance costs (\$5.68M) from insurance funding has driven the majority of this increase, as the costs are no longer offset by state funding received which is now shown in other revenue.
- (e) The decrease relates to the net movement in debtors and creditors and the expected timing of receipts and payments.
- (f) The decrease relates to lower debtors which include a significantly lower receivable of funding from our service agreement.
- (g) The decrease relates to lower than expected intangibles due to a number of ICT projects being expensed as they will be replaced with the Integrated Electronic Medical Record (iEMR) in 2017-18.
- (h) The decrease relates to the transfer of \$10.76M land and buildings at "The Park" from West Moreton's balance sheet to other areas in the department at the end of 2015-16. Also included in this variance is the normal depreciation cost.
- (i) The decrease relates to lower expected creditors, due to timing of payments.
- (j) The increase refers to higher expected employee accruals at end of year - due to timing of pay periods.
- (k) The increase relates to additional funding provided through amendments to the Service Agreement between West Moreton and the department. Additional funding was provided for increases in service activity and enterprise bargaining agreements.
- (l) No budget was generated for this item but the 2016-17 actuals do not differ significantly from prior years' levels.
- (m) The decrease primarily relates to the use of external labour full-time equivalents (FTEs) used being costed to supplies and services (\$23.08M).
- (n) The increase primarily relates to the use of external labour FTEs (\$23.08M) used being costed to supplies and services and to the outsourcing to external providers of activity to meet activity demand.
- (o) No budget was generated for this item but the 2016-17 actuals do not differ significantly from prior years' levels.
- (p) The decrease relates to lower than expected sales of assets.

Management Certificate

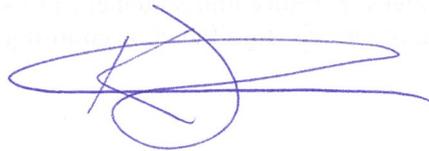
These general purpose financial statements have been prepared pursuant to Section 62(1) of the Financial Accountability Act 2009 (the Act), Section 43 of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with Section 62(1)(b) of the Act, we certify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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) these financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of West Moreton Hospital and Health Service for the financial year ended 30 June 2017 and of the financial position of the Service at the end of the year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Michael Willis BEcon, GDAppFin, FAICD, SFFin
Board Chair

25 August 2017



Dr Kerrie Freeman PhD
Chief Executive

25 August 2017

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 2017, 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 2009* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, 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 of Queensland 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 of Queensland 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. These matters were addressed 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.

Specialised buildings valuation (\$204.8M)

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. West Moreton Hospital and Health Service revalued its assets using indexation in the current year with a full comprehensive revaluation of all buildings to occur in 2018.</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 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), expressed as a rate per unit (e.g. \$/square metre) - 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. - indexing unit rates for subsequent increases in input costs - 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 for calculating annual depreciation expense.</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. - Assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices - For unit rates applied to revalue the identified components: <ul style="list-style-type: none"> - Assessing the competence, capabilities and objectivity of the experts used to develop the models - Reviewing the scope and instructions provided to the valuer, and obtaining an understanding of the methodology used and assessing its appropriateness with reference to common industry practices. - On a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: <ul style="list-style-type: none"> - 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 - Recalculate the application the indices to asset balances. - Evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> - Reviewing management’s annual assessment of useful lives. - Ensuring that no 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.

Refer to Note B3 in the financial report.

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

The Board is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 2009* 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, but not for expressing an opinion on the effectiveness of the entity's internal control.
- 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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- (a) I received all the information and explanations I required.
- (b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



D J OLIVE
as delegate of the Auditor General

Queensland Audit Office
Brisbane

