

Central West Hospital  
and Health Service

# ANNUAL REPORT

2020–2021



**Queensland**  
Government

# ACCESSIBILITY

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Information about consultancies, overseas travel, and the Queensland language services policy is available at the Queensland Government Open Data website ([qld.gov.au/data](http://qld.gov.au/data)). During 2020-2021, Central West Hospital and Health Service has no overseas travel and Queensland language services expenditure to report.

An electronic copy of this report is available at [www.centralwest.health.qld.gov.au](http://www.centralwest.health.qld.gov.au). Hard copies of the annual report are available by phoning Central West Hospital and Health Service on 07 4652 8000. Alternatively, you can request a copy by emailing [CWHHS-Board@health.qld.gov.au](mailto:CWHHS-Board@health.qld.gov.au).

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone 07 4920 7089 or by email [Rockhampton\\_Interpreters@health.qld.gov.au](mailto:Rockhampton_Interpreters@health.qld.gov.au) and we will arrange an interpreter to effectively communicate the report back to you.



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## ACKNOWLEDGEMENT TO TRADITIONAL OWNERS


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Central West Hospital and Health Service wishes to acknowledge the Traditional Owners and Custodians of the land and waterways of the Countries across the Central West area of Queensland.

We wish to pay our respects to Elders past and present and thank them for their wisdom and guidance as we continue to work together to improve health outcomes for all.

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## LETTER OF COMPLIANCE

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8 September 2021

The Honourable Yvette D'Ath MP  
Minister for Health and  
Ambulance Services  
GPO Box 48  
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2020-2021 and financial statements for Central West Hospital and Health Service.

I certify that this annual report complies with:

- *the prescribed requirements of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019; and*
- *the detailed requirements set out in the Annual Report Requirements for Queensland Government agencies*

A checklist outlining the annual reporting requirements can be found on page 88 of this annual report.

Yours sincerely



**Jane Williams**

Chair

*Central West Hospital and Health Board*



# C O N T E N T S

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STATEMENT ON QUEENSLAND  
GOVERNMENT OBJECTIVES  
FOR THE COMMUNITY

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U N I T E   A N D  
R E C O V E R

Central West Hospital and Health Service (Central West HHS) reviewed its strategic plan in early 2021 in alignment with the requirements of the *Financial Accountability Act 2009*. The *Central West HHS Strategic Plan 2021-2025* (Strategic Plan) details its priorities cognisant of the impact of the COVID-19 pandemic and the Hospital and Health Services (HHSs) role in the COVID-19 vaccination program. In the same way that the Queensland Government redefined its objectives for the community in late 2020, the Central West HHS strategic priorities reflect planning which will:

**Safeguarding our health** by keeping our health system accredited and pandemic ready through delivery of priority vaccinations to our vulnerable populations.

The success of the COVID-19 vaccination rollout program across our communities to date is testament to the cohesive, responsive, and mutually respectful way in which we engage with our staff and community. In partnership with Royal Flying Doctor Service and Western Queensland Primary Health Network, Central West HHS is delivering the COVID-19 vaccination program via a place based-approach in line with the Modified Monash Model(MMM)<sup>7</sup> and MMM<sup>6</sup> communities with populations up to 5,000 people. The facilitation of the vaccination program rollout has occurred via the stand up of community outreach clinics commencing in the Barcaldine Regional Council area in March 2021. Results at 30 June 2021 recorded 3,585 first dose vaccinations, delivered across 17 communities equating to 43.55 per cent of the eligible Central West Queensland population (aged 16 years and over).

Our partnership with Royal Flying Doctor Service will support the rollout of the vaccination program to our most remote communities located in the Diamantina and Boulia local government areas as we move into the next period. This result speaks to our organisational resilience and resourcefulness as we work with our partners to make a difference for the lives of the people in our care.

**Growing our regions** by enabling Central West Queensland to have access to appropriate, safe, quality healthcare services. In prioritising this, Central West HHS recognises the role that access to safe, quality, and reliable healthcare services plays in the attraction of people and talent to the region. This in turn directly enables improved economic sustainability and prosperity.

**Supporting jobs** by sustaining an organisational culture which attracts a workforce that supports delivery of safe, quality healthcare services.

**Backing our frontline services** by focusing investment in innovation to strengthen community access to appropriate and sustainable healthcare services.

The Central West HHS received state government funding under the Care in the Right Setting program which has delivered a dedicated palliative care unit at the Longreach Hospital. This unit strengthens the palliative specialist services that best meet the needs of individuals and their carers when at their most vulnerable. During 2020-2021, Central West HHS also received funding under the *Specialised Palliative Aged Care* project for employment of a 0.5 full-time equivalent clinical nurse position to provide palliative care services across each of our inpatient facilities and via community based delivery including in our three multipurpose health services. This additional resourcing complements our existing full-time Palliative Care Clinical Nurse Consultant who is based in the community of Barcaldine.

## FROM THE CHAIR AND THE CHIEF EXECUTIVE

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*Opening this statement last year, we celebrated Central West Queensland recording no COVID-19 cases in our community and, thanks to our staff and communities, this continues to be the case another 12 months down the pandemic track. The significance of this achievement is testament to the continued strength of our planning and coordination between local and district wide disaster management groups. This strength is backed up by the professional way in which our staff respond in an ever changing and challenging healthcare service environment. At the time of writing the situation was again at a critical juncture and our team were ramping up their response activities.*

The economic and health impacts on our communities due to the pandemic and the continuing drought conditions has tested the resilience of Central West Queenslanders. In this context, we thank our communities for their individual and collective commitment to keeping each other safe. The response to the COVID-19 vaccination program across all our communities has been amazing and heralded Central West Queensland as an exemplar in the vaccination program rollout nationally. Thank you all for doing your bit to keep us all safe as we work together towards some sort of return to a normal way of life.

Central West HHS continues to invest its resourcing to respond appropriately to the ever-changing pandemic environment. During 2020-2021 we have maintained our emergency response level to readily meet challenges as they arise. The existing positive relationships we have established with local government, non-government service providers and state and Commonwealth agencies across our Central West Queensland communities supports us to react swiftly as required.

During the period, Central West HHS delivered a new hospital to the Blackall and Tambo communities that was officially opened on the 20 November 2020 by the Minister.

The new Blackall Hospital facility brings together primary and acute care in the one setting by incorporating the Blackall General Practice into its structure. During construction, the Blackall Hospital project provided an enormous economic boost to the region, supporting approximately 58 full-time equivalent (FTE) jobs across its lifespan. The positive flow-on effects through local businesses, including hospitality, civil, mechanical, and electrical trades has also added to the local economy at a time that was very stressful for the whole country. Central West HHS staff are now working in a facility which was designed by the people, for the people, providing healthcare services to the people of the region. Thank you to the Blackall-Tambo Regional Council and the community for your engagement and support which enabled the successful delivery of this project.

**We recognise that the delivery of safe, quality healthcare services is dependent on all members of a multi-disciplinary team and operational services staff are an essential component of the Central West HHS team. The operational services staff provide assistance to patients, high-quality meals for inpatients, clean and safe work and clinical care spaces and inviting grounds. The Longreach Hospital Operational Services Team was recognised for their outstanding work being awarded the 2020 Environmental Cleaning and Porterage Patient Assistance Service Excellence Award. These awards are led by Queensland Health's Strategic Operational Service Unit and we are very pleased to see the Longreach Hospital Operational Services Team and broader Central West HHS staff being recognised for their hard work in supporting our community in the delivery of far-reaching healthcare.**

The review of the Strategic Plan considered the outcomes of the extensive consumer and partner consultation activities which informed the *Central West Hospital and Health Service Plan 2020-2025* and the *Central West Hospital and Health Service Consumer Engagement Strategy 2020-2023*. The Strategic Plan considers the continuing pandemic and its impact on the economies and health of the people of Central West Queensland. This document prioritises our focus on strategies to:

- *enhance the health of our staff and consumers*
- *maintain frontline services*
- *promote collaboration with partners to ensure future success*

Our consumer voice is even more important at this challenging time and we sincerely thank members of our Consumer Advisory Networks and Local Government Authorities for supporting us to communicate with our residents and visitors alike. In June 2021, the quality of this connection was independently assessed by surveyors from the Australian Council of Healthcare Standards (ACHS) and we were pleased to have consumer participation during this process.

More broadly, the assessment process for sustaining accreditation considers the requirements of the National Safety and Quality Health Service (NSQHS) Standards (second edition) and the outcomes look at the way in which Central West HHS can continue to improve the safety and quality of the services it provides. The outcomes and quality improvement activities will be shared via our Consumer Advisory Network and other communication mechanisms when the report is finalised.

Recruitment of suitably qualified medical, nursing, and Aboriginal and Torres Strait Islander Health staff is a challenge for regional and remote health services across the nation. Central West HHS is working with its strategic partners to respond to this including engaging with local government agencies to examine the issue of appropriate access to quality housing. We will review and refine the approach to attract a skilled workforce which, we recognise, is not only the basis of providing safe, quality healthcare but also the foundation of supporting our rural and remote communities in improving their future sustainability.

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**As healthcare leaders we have the sincerest appreciation for the dedication and respect our staff and our communities have shown each other. We recognise that by working together, for the good of each other, we can achieve success. And success has come – in the form of each of us doing our bit to protect, serve and be tolerant and we are very thankful to you all for that.**

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# STRATEGY AND SERVICES

# STRATEGY AND SERVICES

*Central West HHS is a statutory body enabled under the Hospital and Health Boards Act 2011 (the Act) as the principal provider of public sector health services to the communities of Central West Queensland.*

## VISION

Leaders in far-reaching healthcare.

## PURPOSE

Drawing on the resilience and resourcefulness of our experienced and committed people, we work collaboratively to overcome distance.

## VALUES

### People-centred care

We support patients and consumers through their care journey, involve them in decisions about their care and learn from their experiences.

### Quality and safety

We put safety first in the care of our patients and consumers and build quality into what we do each day.

### Integrity and accountability

We have a culture of mutual respect, fair dealing, ethical behaviour, and transparency while being accountable for our performance.

### Investment in staff

We support ongoing learning, planned development and career advancement to attract and retain an empowered, satisfied, and competent workforce.

### Innovation and change

We encourage ideas, evaluate opportunities, consult with those affected, weigh up the risks, implement with purpose and celebrate achievements and improvements.

## STRATEGIC DIRECTION

The Strategic Plan details priority strategies and relevant measures of success which actively support the organisation to achieve its priorities in a way which ensures integrity, safety, inclusivity, diversity, and innovation are present in our decision making and planning processes.

Our strategic priorities recognise the need for Central West HHS to adopt a flexible and innovative approach to fulfilling its obligations in terms of responding to the COVID-19 pandemic and progressing the vaccination program rollout whilst maintaining access to safe, quality and appropriate healthcare services.

### The key priorities are:

- **People** – design a workforce which empowers individuals to be safe, accountable contributors to a positive organisational culture
- **Services** – integrated planning and design of sustainable primary and acute healthcare delivery which maximise opportunity for improved health outcomes
- **Systems** – sustainable delivery of safe, quality healthcare services

## TARGETS AND CHALLENGES

*The Central West Hospital and Health Service Plan 2020-2025 tells us our town populations have decreased during the five years to 2020 and are ageing and are socioeconomically disadvantaged. (Source ABS3235.0, Population by Age and Sex, Regions of Australia)*

Our geography has always presented challenges for the way that Central West HHS supports timely and equitable access to healthcare services. Recognised risks including attraction and retention of a skilled and locally appropriate workforce and increased costs of delivering services in remote communities are important inputs into service planning and design discussions. Innovation, partnership, and investment decisions are people-centred to ensure the opportunity for improved health outcomes is prioritised.

## P R I O R I T I E S

Priority – Sustainable delivery of safe, quality healthcare services	
Implementation of the <i>Central West HHS Financial Sustainability Plan</i> that is underpinned by the pillars of value-based healthcare	Operational efficiencies identified in this period for priority implementation in the next period
	Reach for the Stars recruitment campaign successfully recruited to key medical and nursing workforce vacancies during the period
Implementation of the <i>Central West HHS Revenue Optimisation Strategy</i>	Revenue, Recruit and Retention strategy has been finalised in this period and prioritised actions agreed for implementation over the next 12 months
Optimisation and application of health technology and infrastructure investment to deliver quality, consumer focussed services	Blackall Hospital and General Practice facility officially opened in November 2020
	Upgrade to technology capabilities in Birdsville and Bedourie Primary Health Centres is delivering improved access to telehealth services
	\$12.4 million funding committed to replace the aging Windorah Primary Health Centre facility with early works scheduled to occur in late 2021
Priority – Design a workforce which empowers individuals to be safe, accountable contributors to a positive organisational culture	
Activation of clinician and staff engagement across the organisation	A review of clinician engagement strategy is prioritised to occur in early 2021-2022
Integrated workforce planning which includes and integrates the Aboriginal and Torres Strait Islander Health Worker career structure	Successful recruitment to the Executive Director Aboriginal and Torres Strait Islander Health in February 2021
Implementation of the <i>Central West HHS Staff Health and Wellbeing Plan</i>	Health heroes morning tea events held during the period
	parkrun established in Longreach community
Priority – Integrated planning and design of sustainable primary and acute healthcare delivery which maximise opportunity for improved health outcomes	
Engage with cross sector service providers to deliver appropriate service to our communities	Successful rollout of the COVID-19 Vaccination Program in partnership with Royal Flying Doctor Service and Western Queensland Primary Health Network
Grow and strengthen the voice of consumers, including Aboriginal and Torres Strait Islander peoples, in the design, delivery and evaluation of services	Consumer Advisory Networks continue to support consumer voice
	Consumer voice welcomed in the Metro North and Central West HHS cardiac and respiratory service design and planning discussions
	Total Facebook page reach for the period 1,733,110 generated from 468 posts and events
	98.7 per cent positive print media during the period
Continue to develop and implement clinical service delivery and strategic support partnership with Metro North HHS	Formal mentoring with senior Allied Health professional across all disciplines
	System governance and clinical coding support progressed
	Research governance improvements
	Ophthalmology outreach service
	Sleep screening studies for obstructive sleep apnoea (not diagnostic)



## ABORIGINAL AND TORRES STRAIT ISLANDER HEALTH

*Central West HHS recognises the critical importance in the development of sustainable models of healthcare delivery that can support Aboriginal and Torres Strait Islander people and non-Indigenous Australians across their life spans in: prevention, primary care, emergency and acute hospital based services.*

Since appointment in early 2021, the Executive Director Aboriginal and Torres Strait Islander Health has been leading, as a priority, the development and restructure of the workforce to meet service and community need. This work is occurring in alignment with the Queensland Health *Aboriginal and Torres Strait Islander Health Workforce Plan* and the relevant enterprise bargaining requirements.

Concurrently, a formalised review of referral pathways, health system management utilisation and governing clinical documents will be progressed to ensure the Aboriginal and Torres Strait Islander Health workforce is operating within the appropriate scope of practice.

A unique Aboriginal and Torres Strait Islander perspective was provided at the February 2021 meeting between Metro North HHS and Central West HHS at executive leadership and consumer level as part of planning activities guided by the wisdom of our First Nations people.

Central West HHS was pleased to welcome representatives of the Queensland Aboriginal and Islander Health Council (QAIHC) to Longreach in May 2021 as part of their Statewide Health Equity Strategy (the Strategy) community engagement roadshow. Members of the Central West Queensland Aboriginal and Torres Strait Islander community joined with Central West HHS leadership to review and provide feedback on the draft Strategy. Central West HHS leadership recognises the Strategy will require us to better understand the patient journey, make links between health and wider social issues, better utilise health investment, share responsibility for effective healthcare services with other providers and measure success against consistent performance indicators.

As detailed in the *Central West HHS Consumer Engagement Strategy 2020-2023* there is priority work occurring to explore the opportunity for dedicated Aboriginal and Torres Strait Islander peoples Consumer Advisory Network groups to be established. The aim of this is to ensure that the voices of our diverse communities are represented in the health improvement journey.

National Reconciliation Week in the Central West in 2021 was marked with the launch of a specially commissioned publication designed to increase awareness of Aboriginal and Torres Strait Islander culture. *The Great Debate* comic book was commissioned by Central West HHS and developed via a series of workshops involving Barcaldine State School students and Central West HHS Aboriginal and Torres Strait Islander Health workers.

Students led the creative phase of the comic book and Central West HHS is grateful for the way in which they shared their deepest feelings in the hope of building a better future for everyone. The desired outcome from this work is that the comic book will lead to a greater understanding of the issues facing young Aboriginal and Torres Strait Islander people as well as a greater appreciation for Indigenous culture in general.

*The Great Debate* comic book, as an aid to reconciliation and understanding, is being distributed to schools and libraries across the Central West Queensland region.

**Central West HHS continued to roll out the Queensland Health Cultural Practice Program during the period and it is pleasing to note that 75 per cent of all its staff have completed this program as at 30 June 2021.**

## SERVICE SUMMARY

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*Central West HHS provides a network of community, primary and hospital-based services to enable our diverse Central West Queensland community to access safe and appropriate healthcare services as close to home as possible.*

Longreach Hospital is the largest facility operated by Central West HHS and provides inpatient and emergency services to the town of Longreach and surrounds. Longreach Hospital is also home to the only maternity and CT radiology service in the region. Additional inpatient and emergency care services are delivered locally in the communities of Barcaldine, Blackall, Alpha and Winton and these are further supported by several nurse-led primary healthcare centres. Barcaldine, Winton and Alpha inpatient facilities operate as multipurpose healthcare services (MPHS) providing residential aged care services in those communities in the absence of alternative facilities.

Coordinated outreach allied health, oral health, mental health, pharmacy, maternal and child health and medical services are provided to ensure residents of our communities receive safe, quality care as close to home as possible.

A mix of contracted and Central West HHS-owned general practices are in Longreach, Barcaldine, Blackall and Winton with outreach provided to smaller communities. Medical and oral health care services in the west of our health service area are provided by the Royal Flying Doctor Service with allied health services also provided across the region by North and West Remote Health.

In many of our 17 communities, Central West HHS is the only community and primary care provider in the region. Many of these sites also operate a clinic-based ambulance service, providing the emergency response to the community. The primary corporate home of Central West HHS is in Longreach which includes the Executive Leadership, Building Engineering and Maintenance Services, Clinical Governance, Finance, Board Operations, and project teams. Other corporate functions are hosted at sites across the health service as follows:

- *patient and staff travel*  
– Blackall Hospital
- *human resource management*  
– Barcaldine MPHS
- *vehicle fleet management*  
– Winton MPHS

**Central West HHS maintains close working relationships with organisations including the Royal Flying Doctor Service, Western Queensland Primary Health Network, North and West Remote Health, Metro North HHS and local government councils across the region to support timely and coordinated access to the right services.**

# G O V E R N A N C E

## LEADERSHIP STRUCTURE

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### BOARD MEMBERSHIP

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The Central West Hospital and Health Board (the Board) established under the Act is responsible for the efficient and effective use of public sector health system resources in the best interests of patients and other users. The Board currently consists of eight members each of whom have been appointed by the Governor in Council on the recommendation of the Minister. We are very pleased to welcome Kieran Chilcott as a new member of the Board and the reappointment of five of our existing members. The Board's diverse skill and experience in the unique nature of service delivery in the rural and remote setting provides strong leadership in the delivery of health services across Central West Queensland.

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## Board members:

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### Jane Williams

29/06/2012

18/05/2016 (*Chair*)

18/05/2019 – 31/03/2022

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Ms Jane Williams, Board Chair, is an experienced director and clinician with excellent communication and negotiation skills who actively works with all levels of community and government to improve the health outcomes for the people of the Central West.

Having lived and worked in various communities in the Central West for in excess of twenty years Jane has a strong understanding of how important it is for the people to have access to safe, quality and consistent health care services. Jane is committed to connecting with people and communities to fully understand their needs to inform strategic planning and delivery of services with a focus on all stakeholders.

Jane has Diplomas in Management and Community Services Coordination, is a current member of the Australian Institute of Company Directors. She is also a practising clinical nurse with endorsements in midwifery and rural isolated practice with particular interest in the management of chronic disease and mental health.

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### David Arnold

29/06/2012

18/05/2019 (*Deputy Chair*)

18/05/2021 – 31/03/2024

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Mr David Arnold, Deputy Chair, is the Chief Executive Officer of the Central West Qld Remote Area Planning and Development Board. Through this role he successfully partners with Mayors and Chief Executive Officers of the Central Wests seven local governments, to understand and respond to the needs of the communities of the Central West area.

The importance of working together to improve the sustainability of rural and remote communities is the belief that David brings to the table as Deputy Chair of the Central West Hospital and Health Service Board. He realises the importance that availability of health services plays in community sustainability and he has a strong commitment to the ongoing development of the Central West communities.

David has a Graduate Certificate of Science in Strategic Foresight, a Bachelor of Business and an Associate Diploma of Applied Science.

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**Board members:**

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**William Ringrose**

29/06/2012

10/06/2021 – 31/03/2024

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Mr William (Bill) Ringrose is a partner in accounting firm Ringrose Button which has offices in Longreach, Rockhampton, Blackall and Hughenden. He has experience in the areas of audit, taxation, corporate governance, probity and proprietary and as a director on the Board of the Central West Hospital and Health Service, Bill brings his knowledge to the fore as Chair of the Finance and Audit and Risk Committees.

Through his interaction with business clientele and community groups, Bill has forged many relationships with local people across the Central West area and beyond. Bill draws on these relationships to better understand the individual and community issues faced by people in regional Australia including the access to, and availability of, quality healthcare services.

Bill has a Bachelor of Commerce and is a member of the Institute of Chartered Accountants Australia.

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**Elizabeth Fraser**

18/05/2016

18/05/2021 – 31/03/2024

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Ms Elizabeth (Liz) Fraser Previous work in the delivery of human and educational services has provided Liz with a wealth of experience in shaping and assessing the benefits of government programs and leading organisational change in pursuit of better outcomes. Liz's time as Queensland Commissioner for Children and Young People and in social work advocating actively for the rights, safety and wellbeing of people as well as her senior leadership roles in government have enhanced her capabilities to provide strategic oversight and development of the Central West Hospital and Health Service through her role as Board Director.

Liz is currently Chair of the Board's Safety and Quality Committee and draws on her experience including as a practising and senior level social worker in child and family welfare; hospital and outreach mental health, emergency and rehabilitation services to inform this role.

Liz has a Bachelor of Arts/ Social Studies, Graduate Diploma in Multicultural Studies, a Royal Society of Arts Certificate in Teaching English as a Second Language and is an Executive Fellow of the Australian New Zealand School of Government.

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## Board members:

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### Dr Clare Walker

18/05/2016

10/06/2021 – 31/03/2022

Dr Clare Walker is a medical practitioner practicing in Longreach providing a combination of private General Practice and Senior Medical Officer work at the local hospital. This provides the Board with a valuable connection to frontline healthcare service delivery through allowing Clare to translate this connection into informed strategic planning.

Having lived, raised a family and practiced in the Central West for over ten years Clare has developed an in-depth understanding of the community needs of rural and remote Queenslanders. Clare is committed to continuing to make a positive difference to the health outcomes for the people in this part of Queensland and sees a unique opportunity to do this by combining her work as a practicing clinician with that of the Board Director's strategic planning role.

Clare has a dual fellowship in General Practice with both Australian College of Rural and Remote Medicine (FACRRM 2009) and the Royal Australian College of General Practice (FRACGP 2009), plus an Advanced Diploma of Obstetrics (2009), qualifications in Anaesthesia through the Joint Consultative Committee (2010). Clare is working towards completing both a Diploma in Medical Administration and the Australian Institute of Company Directors Company Directors Course in 2018. Clare is registered with the Medical Board of Queensland, is a member of the Royal Australian College of General Practice, Australian College of Rural and Remote Medicine and the Royal Australian College of Obstetrics and Gynaecology. She is also a committee member of the Rural Doctors Association of Queensland.

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### Leisa Fraser

18/05/2016

18/05/2021 – 31/03/2024

Ms Leisa Fraser has more than twenty years' professional experience in finance and human resource management field as well as workplace health and safety and quality improvement. Leisa is currently working with the Western Queensland Primary Health Network in a commissioning and alliance coordination role. Prior to that Leisa performed the roles of Human Resources Manager with Winton Shire Council and Business and Social Services and Quality Improvement Manager for Nhulundu Wooribah Indigenous Health Organisation.

Leisa has in excess of ten years of experience in working in the area of Indigenous Health through her time with Nhulumdu Wooribah Indigenous Health Organisation and, previously, Goolburri Health Advancement Company Ltd. Leisa draws on this experience to actively inform her role as Board Director with the Central West Hospital and Health Service and tirelessly works to improve the health outcomes for Indigenous and non-Indigenous members of the Central West community.

Leisa has a Certificate IV in Mental Health (Non-Clinical) and a Certificate IV in Business.

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**Board members:**

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**Jonathan (Blake) Repine**

18/05/2018

18/05/2019 – 31/03/2022

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Mr Blake Repine is a senior leader with more than 20 years' experience in providing vision, leadership and executive management. Blake has sound experience in conducting strategic reviews, refining business plans and processes, managing multiple projects and resources, unifying key stakeholders and leading change management functions.

Blake leads organisations to facilitate growth by establishing targeted solutions and strategic plans to improve operational efficiency, effectiveness and overall financial standing.

Blake holds a Bachelor of Science and a Masters in Management and Communications from Liberty University, a Masters of Business Administration from Norwich University and a Certificate in Disruptive Strategy from Harvard Business School.

Blake is also a member of the Australian Institute of Company Directors and a Certified Professional with the Australian Human Resources Institute.

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**Kieran Chilcott**

18/05/2021 – 31/03/2024

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Mr Kieran Chilcott is an Aboriginal man from the Yugarabul people in South East Queensland. He is an experienced chief executive officer and board director in primarily the health and human services sector. Kieran has been employed by Kalwun Development Corporation Ltd, an Aboriginal community-controlled health organisation on the Gold Coast, for almost 15 years. He is also a board member of the Gold Coast Primary Health Network and CheckUp Ltd and former founding director and current deputy chairperson of the Institute for Urban Indigenous Health.

Kieran is passionate about the improving the lives of those most vulnerable and advocating for health equity for all people.

Kieran attained a Bachelor of Education majoring in behaviour management from Griffith University in 2006. In addition to his education degree Kieran has completed a range of other tertiary qualifications including; Certificate IV in Mental Health, Diploma of Management, the Australian Institute of Company Directors Company Directors Course, Certificate IV in Project Management, Certificate IV in Business (Governance) and Certificate IV in Assessment and Workplace Training.

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## Central West Hospital and Health Board

**Act or instrument:** *Hospital and Health Boards Act 2011*

**Achievements:** In November 2020 the Board approved the *Central West HHS Strategic Asset Management Plan 2020-2021* detailing to Queensland Health the priority capital investment projects in alignment with our strategic priorities. The Board appreciates the significant capital investment which has resulted from this annual process in recent years, not the least of which was the \$20.11 million Blackall Hospital and General Practice opening in November 2020. The announcement by Queensland Treasury in the 2021-2022 state budget allocation of \$12.4 million to replace the Windorah Primary Health Centre ticks off another of our priority projects which will further enhance our aim to sustainably deliver safe, quality healthcare services across the region.

In the review and update of the Strategic Plan, the Board considered the continuing impacts of the COVID-19 pandemic recognising the need for appropriate resource allocation towards the health and economic safety of Central West Queenslanders first and foremost.

The Board was pleased to welcome surveyors from the ACHS to Central West HHS in June 2021 to conduct an organisation wide assessment of the safety and quality of our service. The Board recognises the role these assessment play in the context of quality improvement and we appreciate the initial feedback they have provided and look forward to receiving the full report early in the new financial period.

**Financial reporting:** Financial reporting for Central West HHS is prepared and published in accordance with Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies as mandated under Section 43 (1) of the *Financial and Performance Management Standard 2009*. The Central West HHS 2020-2021 Annual Financial Statements are appendices to this report.

### Remuneration

Position	Name	Meeting attendance <sup>1</sup>	Approved annual fee	Approved sub-committee fee	Actual fees received
Chair	Jane Williams	11 - Board 3 - Executive Committee 2 - Safety and Quality Committee	\$66,243	\$2,500	\$79,000
Deputy Chair	David Arnold	10 - Board 3 - Executive Committee 8 - Finance Committee 2 - Audit and Risk Committee	\$35,055	\$2,000	\$46,000
Member	William Ringrose	8 - Board 6 - Finance Committee 4 - Audit and Risk Committee	\$35,055	\$2,000	\$41,000
Member	Elizabeth Fraser	10 - Board 3 - Executive Committee 4 - Safety and Quality Committee	\$35,055	\$2,000	\$43,000
Member	Dr Clare Walker	9 - Board 4 - Audit and Risk Committee 3 - Safety and Quality Committee	\$35,055	\$2,000	NIL
Member	Leisa Fraser	10 - Board 8 - Finance Committee 4 - Audit and Risk Committee	\$35,055	\$2,000	\$43,000
Member	Jonathan (Blake) Repine	11 - Board 6 - Finance Committee 4 - Safety and Quality Committee	\$35,055	\$2,000	\$43,000
Member	Kieran Chilcott	1 - Board	\$35,055	\$2,000	\$5,000

### Number of scheduled meetings

Board - 11 / Executive Committee - 3 / Audit and Risk Committee - 4 / Finance Committee - 8 / Safety and Quality Committee - 4

<sup>1</sup> The Board and Board committee meeting schedule was reviewed in March 2020 in response to the unfolding COVID19 pandemic. The revised meeting schedule was approved at the April 2020 Board meeting and involved cancellation of all committee meetings and a revised forward workplan for monthly meetings of the Board. The amended forward workplan supported the Board to meet its function under the Act whilst recognising the impacts on human and financial resources brought about by the extraordinary situation. The revised meeting and reporting structure were in place from 1 April 2020 to 30 September 2020 inclusive.

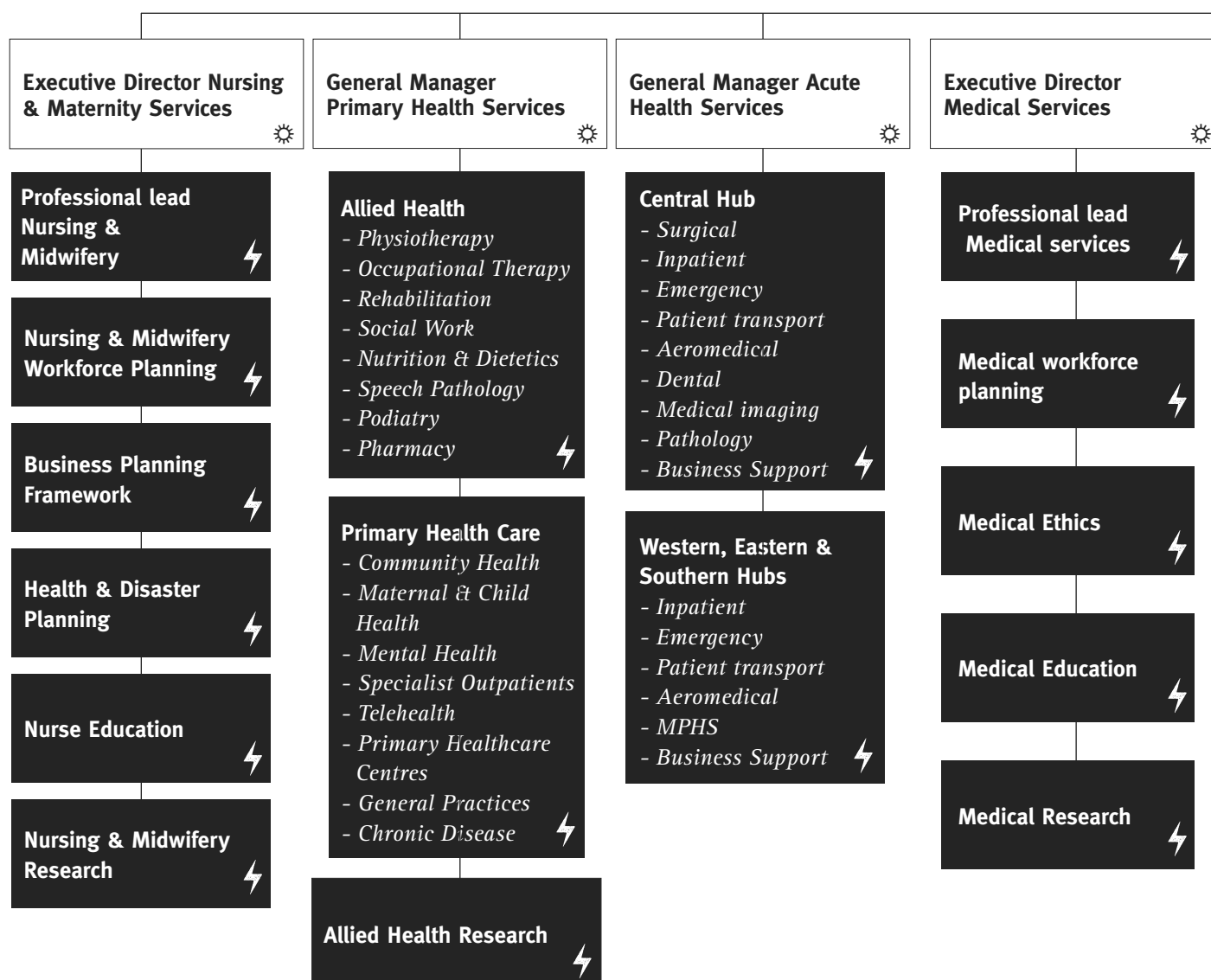
**Total out of pocket expenses** Out of pocket expenses totalling \$3,503.08 were recorded during the period 1 July 2020 to 30 June 2021. This amount reflects payments made to members in accordance with the Queensland Public Service Motor Vehicle Allowances and Domestic Travelling and Relieving Expenses as provided for in the *Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*.

## EXECUTIVE MANAGEMENT

Our Executive Leadership Team (the Team) works collaboratively to deliver on performance against strategic priorities in support of the Central West HHS vision to be a leader in far-reaching healthcare.

The overview of the Team's structure is provided in the diagram below and its model is designed to meet the challenges of providing leadership in the rural and remote primary and acute health service delivery setting. All positions are full-time except for the Chief Information Officer (Rural and Remote) which is a shared position with South West and North West HHSs.

### Central West HHS's Executive Structure Executive Structure



## Health Service Chief Executive Jane Hancock



**Executive Director  
Finance, Infrastructure  
& Support Services.**



**Financial Management**



**Infrastructure**



**Professional lead  
Hub administration  
services**



**Professional lead Hub  
support services**



**ICT Operational**



**Executive Director  
Workforce, Governance &  
Information Management**



**People & culture**



**Workplace health &  
safety**



**Board operations**



**Communications**



**Health information**



**Executive Director  
Aboriginal & Torres Strait  
Islander Health**



**Aboriginal & Torres  
Strait Islander Health  
& Wellbeing**



**CWHHS Close the Gap  
Action Plan  
2019 - 2022**



**CWHHS Making Tracks  
Investment Strategy  
2018 - 2021**



**CWHHS Reconciliation  
Action Plan**



**Chief Information Officer  
Rural & Remote**



**ICT strategic leadership**



**Strategic projects**



**Clinical governance**



Denotes Position Denotes Function

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**Health Service  
Chief Executive**

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**Jane Hancock is a passionate, experienced executive director who has worked energetically with staff, strategic partners and communities for five years as the Health Service Chief Executive towards improving health outcomes for all Queenslanders living and working in the Central West.**

Jane is committed to the path to Reconciliation and acknowledges that health inequalities and inequities can only be addressed with a clear vision and through truly understanding the needs of individuals and communities. A strong vision and a commitment to a place-based approach to the delivery of COVID-19 vaccinations in the Central West has achieved some of the best vaccination uptake rates in Australia.

Jane brings her expertise and perspective of remote health service delivery to statewide forums and committees including the Patient Safety and Quality, Choosing Better Care Together, Rural and Remote Digital and Strategic Information Advisory Committees. Jane has also been an advocate for access of rural and remote women to sound sexual health and termination of pregnancy service.

Jane has qualifications in critical care nursing from the teaching hospitals of the University of New South Wales, is a graduate of the Australian Institute of Company Directors and has tertiary qualifications in education and project management. Jane also has a Master of Business Administration and has completed a program of study at Harvard on Value Based Healthcare and is a graduate of the Australian and New Zealand School of Government Executive Fellows Program. Jane proudly holds an Australian Defence Medal and is an Adjunct Professor at James Cook University.

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**Executive Director  
Finance  
and Infrastructure  
Support Services**

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**Chris Sullivan commenced in this role in December 2020 bringing with him experience in leading transformational change in the health industry working with both public and private health services across Australia.**

Chris focuses his passion and energy for responsive health service transformation to help shape and implement innovative, collaborative, financially sustainable and patient-centric service delivery.

Chris holds a Master of Business Administration and a Bachelor of Business majoring in Professional Accounting. He is an Associate Fellow of the Australian College of Health Services Management and a Member of the Institute of Chartered Accountants Australia.

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## General Manager – Acute Health Services

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*(as at 30 June 2021  
acting as Health  
Service Chief  
Executive – South  
West HHS)*

Craig Carey commenced in the role of General Manager Acute Health Services in June 2018 providing oversight of the operational management of Central West HHS's provision of site-specific in-patient, surgical and emergency care, aeromedical and patient transport programs in line with national and state policy and guidelines. Craig has also undertaken regular relief periods in the role Health Service Chief Executive prior to and since appointment to this role and relocating to Longreach.

Craig brings knowledge and experience from a range of roles in Queensland Health which support him to facilitate effective health service partnerships and performance management activities with internal and external stakeholders.

Craig holds a Bachelor of Arts with First Class Honours in Psychology from the University of Queensland. He has subsequently attained Graduate Certificates in Health Management and Policy Analysis from Griffith University and the Queensland University of Technology respectively.

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## General Manager – Primary Health Services

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Anthony West is a physiotherapist with over 30 years' experience in the healthcare sector, having worked in a wide range of primary healthcare settings. Anthony believes strongly in providing opportunities for people and communities to engage in healthy behaviours and prevent ill-health, whatever their starting point.

This belief has driven Anthony to focus on improving the systems that enable delivery of healthcare across a diverse range of service areas such as allied health, health prevention and promotion, mental health, community health, child health, Aboriginal and Torres Strait

Islander health, maternity, and sexual and reproductive health. He is very proud of being the co-founder of the Old Thomson River Road parkrun in Longreach, providing a great opportunity for the community to engage in physical activity and social participation each week.

Anthony holds a Bachelor of Physiotherapy from the University of Queensland, a Master of Sports Physiotherapy from Griffith University, a Graduate Certificate in Business from Queensland University of Technology and is a graduate of the Australian Institute of Company Directors.

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## Executive Director Workforce Governance and Information Management

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Lorelle Coombe commenced employment with Central West HHS in August 2015 bringing with her extensive experience in the government sector through corporate services roles with the Queensland Public Service, Central Queensland Institute TAFE and the Department of Natural Resources and Mines. These roles covered a broad portfolio including human resource management, workplace health and safety, finance and assets, information technology, and customer service centre management.

Lorelle provides innovative thinking, strategic advice and change management to assist the Central West HHS in managing its human resources effectively, and to develop it as an organisation that is focused on its people and culture.

Lorelle has a Bachelor of Business (Accounting) and a Master of Business Administration with a focus on human resource management.

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**Executive Director  
Medical Services**

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**Dr David Walker is a rural generalist who was appointed as Executive Director of Medical Services for the Central West HHS in January 2021. David has a passion for rural and remote medicine and in particular mental health, having completed advanced training in this area in 2008.**

After 12 years within the Longreach community and five years as Director of Medical Services, David stepped up to the role of providing professional leadership across the entire health service. He appreciates the challenges associated with delivering healthcare

in remote settings and is committed to helping the health service facilitate the delivery of high-quality healthcare as close to home as possible.

David has completed Bachelor degrees in science, medicine and surgery. He completed a postgraduate qualification in mental health and more recently has obtained an associate fellowship of the Royal Australian College of Medical Administrators. David is currently completing a Master of Health Administration and is a Graduate of the Australian Institute of Company Directors.

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**Executive  
Director Nursing  
and Midwifery  
Services**

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**Danielle Causer was appointed as the Executive Director of Nursing and Midwifery Services in 2019 with extensive experience in rural and remote nursing behind her.**

Danielle has qualifications in clinical education, general practice management, project management and a Master of Nursing and is working towards publishing a research paper on Nursing Workforce in the Remote setting. This paper will focus on values-

based support towards recruitment and retention of nurses and midwives.

Danielle is passionate about rural and remote health and as the professional lead for nursing and midwifery services in the Central West, she is committed to supporting the strategic priorities that drive safe and quality care in the Central West, whilst building a confident, competent and sustainable nursing and midwifery workforce.

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**Executive Director  
Aboriginal  
and Torres Strait  
Islander Health**

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**Daniel (Dan) Carter commenced the role of Executive Director of Aboriginal and Torres Strait Islander Health with Central West HHS in February 2021.**

Dan has over 10 years' experience working in Aboriginal and Torres Strait Islander community health, engagement, and policy development. This includes experience working in local and state government and in non-government organisations.

A Ngarrindjeri/Wergaia man, Dan grew up in Melbourne's eastern suburbs and brings a strong passion for Aboriginal and Torres Strait Islander health to his role. Dan has a Bachelor of Health Science from Monash University and is currently studying towards a Master of Public Health.

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### Chief Information Officer – Rural and Remote

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**Helen Murray was appointed to the shared role in May 2018 providing Information Technology (IT) leadership across North West, South West and Central West HHSs and brought with her a long-time passion for all things health and IT.**

clinical background supports her work towards building better healthcare through innovative technology in the rural and remote setting.

Helen is an experienced practising Registered Nurse and has a Graduate Certificate of Information Technology and is a Graduate of the Australian Institute of Company Directors.

Helen's prior experience in the leadership and implementation of Queensland Health IT projects and her

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### Acting General Manager – Acute Health Services

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*(1 March 2021 to 30 June 2021)*

**Karen McLellan brings extensive nursing leadership and project management experience to this acting role.**

A passion for project management saw Karen appointed to a new role with Central West HHS as the Director of Nursing – Transition and Commissioning in 2017. She has completed a Diploma of Project Management with University of New England. Karen has recently led

the design and construct projects at the Longreach Hospital, Aramac Primary Health Centre, Boulia Primary Health Centre and Well-being Centre and the Blackall Hospital and General Practice.

## ORGANISATIONAL STRUCTURE

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The current Central West HHS organisational structure is designed to support decision making and implementation of governance documents in alignment with the foundations of public sector governance:

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### Leadership

achieving an organisation-wide commitment to good governance through leadership from the top

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### Accountability

being answerable for decisions and having meaningful mechanisms in place to ensure the organisation adheres to all applicable standards

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### Transparency/openness

having clear roles and responsibilities, and clear procedures for making decisions and exercising power

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### Integrity

acting impartially, ethically and in the interests of the organisation, and not misusing information acquired through a position of trust

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### Stewardship

using every opportunity to enhance the value of the public assets and institutions that have been entrusted to their care

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### Efficiency

ensuring the best use of resources to further the aims of the organisation, with a commitment to evidence-based strategies for improvement.

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CENTRAL WEST HOSPITAL  
AND HEALTH SERVICE -  
GOVERNANCE STRUCTURE







The structure continues to evolve as committees mature into their purpose and function supported by the *Central West HHS Governance Framework* (the Framework) which clarifies understanding and connectivity of the facets of governance and leadership which collectively contribute to excellence in the provision of safe, quality and value-based clinical care services.

A review of the Framework is scheduled to occur in the first half of the next year to ensure the structure is fit for purpose in monitoring performance against strategic priorities and flexible in response to known and emerging risks, challenges and opportunities.

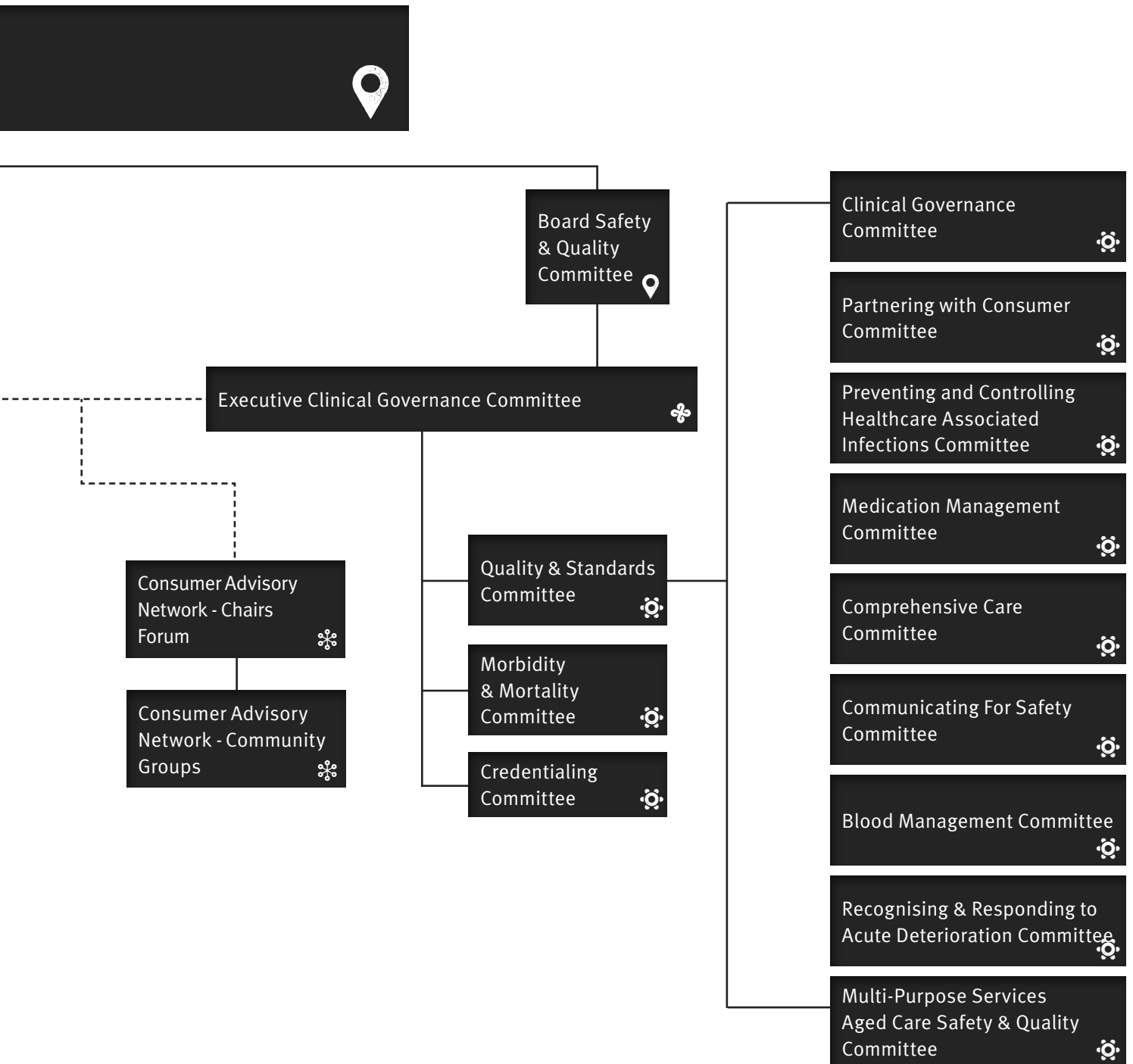


Hub Executive Committee	Medical Leadership Committee	Allied Health Leadership Committee	Disaster & Emergency Management Planning Committee
Nurse Leadership Committee	Primary Health Centre Operations Committee	Facility Operations Committee	Workplace Health & Safety Committee
Corporate Audit, Risk & Compliance Committee	Business Planning Framework Committee	Research Learning & Development Committee	

LEGEND

-  Strategic
-  Functional
-  - - Advisory
-  Operational
-  External Advisory/ Professional
-  — Direct Function





## COMMITTEES

*The Board maintained its monthly meeting schedule in a revised online format and assumed committee functions for the period 1 July 2020 to 30 September 2021. This revised format was approved by the Board in April 2020 in response to the continuing pandemic situation. Board committee meetings resumed in their normal format from October 2021 supporting the Board to meet its responsibilities under the Act and supporting Hospital and Health Boards Regulations 2012 and other regulatory instruments.*

The forward work plan of the following prescribed committees support each to deliver on their defined purpose and function as detailed in individual terms of reference documents including an annual review of performance.

The membership of each of the Board committees is reviewed and updated by the Board regularly and attendance at each meeting by members of the Executive leadership Team is determined according to operational leadership responsibilities.

**Chairs of the Safety and Quality, Finance and Audit Committees are active participants in statewide forums which enables them to exchange information and learning with colleagues from across the state.**

## EXECUTIVE

**The Executive Committee (the Committee) of the Board is chaired by Mr David Arnold and includes the Board Chair, Ms Jane Williams and Chair of Safety and Quality Committee, Ms Elizabeth Fraser in its membership.**

The Committee met three times during the period and received reports in alignment with its scope to monitor performance and the development and promotion of engagement strategies, patient feedback mechanisms and service planning.

This committee led the development of a Work Health and Safety due diligence assessment tool for the purpose of supporting the collective understanding of the Board in terms of the nature of obligations in this area of responsibility. This tool was developed in response to the communication to the Board by the Director-General, Queensland Health, relative to the legislative changes rising from the Dreamworld incident and in the face of the staff safety risks associated with the COVID-19 pandemic. The one-page tool details the obligations for which each member of the Board assumes responsibility upon appointment, and which informs their review of information coming forward via the various Board and Board committee forums.

In addition, the Committee received reports which support the provision of assurance and informs risk assessments by the Board relative to:

- *Clinician engagement*
- *Consumer engagement*
- *Organisational culture*
- *Disaster and event management planning*
- *Service Agreement performance*
- *Information management systems including cyber security*
- *Work health and safety performance*
- *Workforce management and planning.*

**The Strategic Plan outlines the critical priorities relative to the empowerment of an appropriately designed and supported workforce which will continue to be prioritised in the work of this Committee into the next 12-month period.**

## SAFETY AND QUALITY

**The Safety and Quality Committee of the Board is chaired by Ms Elizabeth Fraser who is joined by her colleagues, Dr Clare Walker, Mr Blake Repine and Ms Jane Williams in its membership.**

The Safety and Quality Committee met four times during the period and received scheduled reports in alignment with its responsibilities relative to the safety, quality and appropriate nature of the services being provided. This information was further supported by reports which detailed the effectiveness of identification and management of clinical and professional risk.

The Safety and Quality Committee initiated a report during the period detailing the significant safety and quality consumer complaints feedback and incidents to support Board understanding of any themes presenting in complaints and feedback compared with incidents. Risks, quality improvement activities and the outcomes generated from the analysis are monitored via this report allowing the Safety and Quality Committee to triangulate this information against other data and information sources and identify any escalation that may be required to be made to the Board.

The Safety and Quality Committee Chair and Board Chair attended a meeting with a surveyor from the ACHS at the organisation-wide survey in the first week of June 2021 and provided input as part of the assessment against the NSQHS Standards (second edition). The Safety and Quality Committee Chair also attended a second session during the assessment relative to the risks management framework and provided input as to the Board's involvement and leadership in this important area of the governance framework. The feedback from both sessions was positive and the implementation of any improvement opportunities which may be identified will be fully supported by the Safety and Quality Committee and the Board during the next 12 months.

Other assurance reports provided to the Safety and Quality Committee during the 2020-2021 period include:

- *Quarterly key performance indicator reports*
- *Service safety and quality updates in the areas of:*
  - ~ *Maternity*
  - ~ *Aboriginal and Torres Strait Islander Health*
  - ~ *Mental Health*
  - ~ *Aged care*

Regular clinical research and education reports continue to provide visibility to the Safety and Quality Committee that the appropriate use of data and research activity is being used to improve care and inform clinical education activities. The link to the recruitment and retention of an appropriately trained workforce is recognised in this context in that a workforce which is supported to grow and improve and provided opportunity to do so is an attractive proposal for many professionals.

In the same vein as the Executive Committee's work in development of a tool to support improved understanding and consideration of the complex Work Health and Safety obligations of the Board, the Safety and Quality Committee has undertaken a similar exercise in the context of safety and quality obligations. Feedback from an interim external survey queried the Board's method of assuring itself that all its members are fully understanding of their individual obligations as part of a collective governance body. The Safety and Quality due diligence tool was developed by the Safety and Quality Committee and tabled to the Board at its March 2021 meeting for noting by members.

**The Safety and Quality due diligence tool provides a two page summary of the governance, leadership and culture responsibilities the governing body has under the NSQHS Standards (second edition) and details supporting evidence examples which can inform member assessments of any gaps or areas of risk as they consider information provided.**

## A U D I T   A N D   R I S K

**The Audit and Risk Committee of the Board is chaired by Mr William Ringrose with Dr Clare Walker, Ms Leisa Fraser and Mr David Arnold rounding out the membership.**

The Audit and Risk Committee met four times during the current period at timing which aligns with the approved 2020-2021 External Audit Plan. Each meeting of the Audit and Risk Committee is attended by representatives of contracted internal and external auditors and Queensland Audit Office. The Audit and Risk Committee's work plan is guided by the requirements of the *Financial Accountability Act 2009* and other relevant legislation including the Financial and Performance Management Standard 2009.

Endorsement to the Board for approval of the internal and external audit plans and annual financial statements is the core focus of the Audit and Risk Committee's work and status updates on the management of operational and strategic risk and follow up of open audit recommendations rounds out its work. Further detail on the risk management activities are detailed in the relevant section of this document.

The Audit and Risk Committee reviewed its performance at its December 2020 meeting in the presence of attendees and guests and in consideration of the outcomes of the Queensland Auditor General's report on the effectiveness of audit committees in state government entities tabled to Parliament in September 2020. The Audit and Risk Committee noted its effective performance in terms of financial statements, internal controls and internal and external audit oversight and identified an improvement opportunity in terms of risk management. This improvement opportunity has reshaped the forward work plan to drive more management and strategic accountability in the context of operational and strategic risk management activities. This performance review was endorsed by the independent guests and leadership team attendees present and noted by the Board via the Audit and Risk Committee Chair's report tabled at the subsequent Board meeting. Outcomes of a recent internal audit of the Central West HHS risk management framework correlated this improvement opportunity and the Audit and Risk Committee looks forward to supporting the organisation to improve in this area of governance into the future.

Other internal audit reports, including an ongoing report on the status of open audit recommendations, received during the period are summarised below:

- *Work health and safety*
- *Financial management assurance*
- *Agency nursing and locum management*

**At the June 2021 Board meeting, the committee submitted to the Board for approval, the Strategic Internal Audit Plan which will deliver assurance in the areas of clinical inventory management, fraud and corruption controls, and COVID-19 pandemic response based on lessons learned.**

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## FINANCE

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**The Finance Committee of the Board is chaired by Mr Blake Repine and includes Mr David Arnold, Mr William Ringrose, and Ms Leisa Fraser in its membership.**

The Finance Committee has met six times during the period October 2020 to June 2021 and received regular reports which informed the appropriateness of the management of financial resources, budget, capital investment and asset maintenance in line with the priority to provide safe, quality healthcare services across the Central West Queensland region.

The Finance Committee has appreciated the recent work that has seen improved quality in the financial and infrastructure reporting to the Board including the detailed analyses provided in response to the treatment of staff leave provisions and aeromedical cost drivers. This information has identified opportunities for efficiencies to be achieved and planned stakeholder engagement activities will further inform this. It has also provided assurance to the Board that the liabilities being reported are comprehensive and appropriate.

The Finance Committee has been advised that the development of a local level financial sustainability plan and revenue optimisation strategy has been finalised, and looks forward to working closely with the Executive Leadership Team to monitor performance against both of these into the next financial year.

Increased engagement with management level staff is recognised by the Board as an essential element of efficient and effective resource management and this committee noted the work that continues to occur in driving information and skill development to support staff to meet this challenge.

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**During the period, the committee was pleased to submit the Annual Strategic Asset Management Plan to the Board for approval as an essential input into the future strategic planning of services and models of care at a local and state level. Operational asset maintenance and management plans were also reviewed by the committee during the year and provided assurance that planned maintenance activities were occurring in line with the budgeted allocations and prioritised in consideration of service and staff, and patient health and safety obligations.**

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## OUR PEOPLE

### WORKFORCE PROFILE

In line with the Queensland Government *Unite and Recover* strategy and the *Queensland Treasury Savings and Debt Plan*, Central West HHS established its Responsible Workforce Committee on 17 August 2020. This committee has a focus on supporting the delivery of essential services and an appropriately resourced response to the COVID-19 recovery. All committee work is considerate of employment security and meeting industrial obligations.

Successful recruitment to key leadership positions in early 2021 is supporting Central West HHS to progress its workforce-focused activities in line with its vision to be a leading provider of far-reaching healthcare. The addition of an Executive Director Aboriginal and Torres Strait Islander Health supported by increased diversity in the Board membership will be critical leadership enablers in the work to progress the Health Equity Strategy development in partnership with the Central West Queensland Aboriginal and Torres Strait Islander community.

Sustainability and innovation are the key focus priorities for the Executive Director Finance and Infrastructure Services. The *Central West HHS Sustainability Plan* and *Revenue Optimisation Strategy* are key documents which are supporting monitoring and progress towards these goals in the first half of this period and into 2021-2022. Both documents have been developed with the input of Central West HHS staff drawing on their insight and identification of improvement opportunities that are present in their day-to-day activities. Responsible workforce management continues to be a priority focus noting that 56 per cent of the annual health service budget is attributable to workforce costs.

The Reach for the Stars recruitment campaign was run by the Central West HHS in the lead up to the opening and commissioning of the new Blackall Hospital facility. The campaign aimed to secure medical, nursing, administration, and allied health professionals to fill several key vacancies that were being supported by locum agency staff at that time. The campaign appealed to those individuals and families looking for a new job opportunity or a 'tree change' by focusing on the unique Central West Queensland lifestyle.

The campaign resulted in a number of appointments to key medical and nursing staff vacancies and Central West HHS continues to conduct workforce planning and recruitment initiatives with a focus on the sustainable delivery of safe, quality healthcare services in all Central West Queensland communities. The Revenue, Recruit, Retain strategy developed in June 2021 will guide the Executive Leadership Team's continued focus during the 2021-2022 period.

	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21
<b>Medical staff <sup>a</sup></b>	23	22	24	24	24
<b>Nursing staff <sup>a</sup></b>	150	162	165	161	155
<b>Allied Health staff <sup>a</sup></b>	25	27	25	27	36

Table 1: More doctors and nurses\*

	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21
<b>Persons identifying as being First Nations <sup>b</sup></b>	18	23	25	19	18

Table 2: Greater diversity in our workforce\*

**Note:** \* Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end. Data presented is to Jun-21.

**Source:** <sup>a</sup> DSS Employee Analysis, <sup>b</sup> Queensland Health MOHRI, DSS Employee Analysis

## STRATEGIC WORKFORCE PLANNING AND PERFORMANCE

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Central West HHS had an approved budgeted FTE of 386.1 for the 2020-21 period. Critical vacancies, including the Executive Director Finance and Infrastructure Support Services, Nurse Practitioner and Director of Medical Services positions have been the focus of targeted recruitment activities early in 2020.

The separation rate of permanent Central West HHS employees during the period was 11.1 per cent.

An opportunity exists for Central West HHS to deliver healthcare with innovation and flexibility to achieve improved health outcomes for our communities consistent with its own vision and that of the Queensland Government's objective to Keep Queenslanders Healthy. The *Central West HHS Clinician Engagement Strategy 2019-2021* is being reviewed in the first half of the 2021-2022 period as a critical support to the work occurring in terms of ensuring all clinicians working with Central West HHS understand the importance we place on hearing their voice in the way we work to deliver safe, quality services.

The Central West HHS welcomed eight new nurse graduates to the region in February 2021 and the Assistant Minister for Health and Regional Infrastructure, Julieanne Gilbert, was on hand to celebrate this exciting day with us. The Central West HHS Executive Leadership Team and Board are pleased to be part of system-wide discussions regarding the continued sustainability of the Nurse Graduate Program. This discussion recognises the program is one element of mitigating the risk in terms of attraction and retention of a suitably qualified workforce in rural and remote Queensland.

The *Central West HHS Employee Support and Wellbeing Plan* (the Plan) provides a framework to support the Central West HHS workforce, mentally and physically, in response to the COVID-19 pandemic and includes elements which support broader staff wellbeing. The Plan is led by the People and Culture and Work Health and Safety teams and activities held to date include Health Heroes morning teas.

Central West HHS has successfully led the establishment of a parkrun event in the Longreach community. This event is held each Saturday morning and Central West HHS staff and the broader Longreach community coordinate and participate each week. An initial investment of \$10,000 was supported by Central West HHS in the establishment phase and since that time 30 runs have been held with an average of 58 finishers each week supported by a team of 51 volunteers. This event continues to support staff and community health and wellbeing through its encouragement of physical activity and opportunity for people to connect with their community.

### EARLY RETIREMENT, REDUNDANCY AND RETRENCHMENT

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No redundancy, early retirement or retrenchment packages were paid during the period.

# RISK MANAGEMENT AND ACCOUNTABILITY

## RISK MANAGEMENT

**The effective identification and active management of strategic and operational risks is a critical element of the Central West HHS's work in establishing organisational priorities and monitoring performance towards achieving these. The Central West HHS risk management governance process is aligned with the AS/NZS ISO 31000:2018 and supports legal and regulatory compliance activities, including staff health and safety and sound financial reporting and decision making.**

A distributed management and advisory model is used to manage its risks. Accountable officers are assigned responsibility according to risk category and undertake to monitor, review and report on relevant risks. The Corporate Audit Risk and Compliance Committee is a functional level committee established to support the above model for all risks relevant to the corporate functions of Central West HHS. Regular meetings of key stakeholders to conduct a review of the clinical operational risk register are held and report to the Executive Clinical Governance Committee. Each committee reports in alignment with the committee structure as defined in the Framework.

In May 2021, the Board reviewed its strategic risks as part of its annual strategic plan review and update. The review considered the economic and service delivery impacts continuing to be presented because of the COVID-19 pandemic and six risks reflective of organisational culture, workforce and sustainability themes are being actively monitored and reported. The Board receives regular updates via its Safety and Quality Committee (clinical risk) and Audit and Risk Committee (corporate risk) and noted at its May 2021 meeting the direct correlation between the current operational risks and safety and quality and workforce data, internal and external audit activities and the themes presented in current strategic risks. This provided the Board with assurance that both operational and strategic current risk management activities are appropriate.

The Act requires annual reports to state each direction given by the Minister to the HHS during the financial year and the action taken by the HHS as a result of the direction. During the 2020-2021 period, no directions were given by the Minister to Central West HHS.

## INTERNAL AUDIT

In line with its approved Strategic Internal Audit Plan and in connection with external audit activities Central West HHS conducted internal audits across areas of the business that are included as known risks or are required compliance activities. The regular status reporting of prior audit recommendations has remained a key focus which has supported the quality improvement aim of the audits conducted during this and prior periods.

Inventory management, revenue management and accounts payable functions recorded no evidence of internal controls failures from audits conducted during the period.

Progress continues to occur in response to governance improvement opportunities in the areas of risk management and the review, development, management and implementation of governance documentation.

**The assessment of control evidence in response to audit findings by independent internal auditors is supporting the Central West HHS to drive improvement activity to ensure the maximum benefit from its targeted internal audit activity.**



## EXTERNAL SCRUTINY

Appointed external auditors, Ernst and Young, have led the development and implementation of the 2020-2021 *External Audit Plan* as approved by the Board at its February 2021 meeting. Regular reports are provided to each meeting of the Audit and Risk Committee of the Board which provide a status update on all external audit activities and identify any risks and highlight any audit areas of significance.

Each report references planned audit response and financial reporting and audit deliverables developed in consideration of the following management responsibilities:

- *Preparation of financial statements with the applicable reporting framework*
- *Development of internal controls to prepare financial statements free from material misstatement*
- *Compliance against prescribed legislation*
- *Provision of full and free access by auditors to all documents and property*

The Queensland Audit Office provides regular updates to the Committee on its work at a state level with relevance to the health sector and the business environment.

ACHS surveyors visited all Central West HHS facilities during the period 21-24 June 2021. The survey was conducted to support Central West HHS's accreditation as a health care body via assessment against five key elements:

- *Governance and stewardship*
- *A standards-setting process*
- *Process of external evaluation of compliance against those standards*
- *A remediation or improvement process following the review*
- *Promotion of continuous quality improvement*

All Queensland public hospitals and healthcare centres managed within the framework of HHSs are to maintain accreditation under the Australian Health Service Safety and Quality Accreditation Scheme.

## INFORMATION SYSTEMS AND RECORDKEEPING

As a statutory authority operating within the Queensland Health system Central West HHS utilises the S/4HANA finance, business, and logistics solution to manage its processes in the following areas:

- *Procurement*
- *Accounts payable*
- *Accounts receivable*
- *Asset accounting and management*
- *Asset management*
- *Financial delegations*
- *Warehouse and inventory management*

Central West HHS human resource and payroll management activities are supported via the Queensland Health integrated workforce management framework which relies on the enabling functions of the myHR and Decision Support System IT solutions. These systems refer to the Central West HHS Human Resources Delegations framework to ensure that governance processes are embedded in the system in alignment with Central West HHS Executive Structure and support effective and efficient operation of human resource policy, function, and activities.

During the period Central West HHS archived 6,045 clinical records across seven sites in line with the requirements of the *Public Records Act 2002* which requires Queensland Government records to be created, managed, and retained for as long as required. Of these records 1,824 retained for destruction later and 4,493 archived files from this and previous periods were destroyed.

The completion of the Blackall Hospital redevelopment project supported the migration of clinical and corporate records from the previous site to new purpose-built compactus storage areas included in the design of the Blackall Hospital and General Practice facility. This work was completed as part of the commissioning process.

During the mandatory annual Information Security reporting process, the Health Service Chief Executive attested to the appropriateness of the information security risk management within Central West HHS to the Queensland Government Chief Security Information Officer. This attestation noted that appropriate assurance activities have been undertaken to inform this opinion and Central West HHS's security risk position.

In response to its priority work focused on optimisation and application of health technology and infrastructure investment to deliver quality, consumer focused services, Central West HHS continues to examine opportunities to expand its digital capabilities. In support of a primary care medical record that supports care across the continuum Central West HHS has commenced the implementation of the Information Management Framework and established data and application custodianship roles and a governance committee to provide appropriate oversight of the primary care and general practice systems.

At the June 2021 meeting, the Board's Executive Committee received a report on progress made by the system governance committee in consideration of the requirements of cyber security, privacy and Queensland Health Digital policies and directives. The HHS has launched its first comprehensive ICT and Digital Health intranet pages in support of further digital policy implementation. This resource will inform staff of the whole of organisation approach to the use of digital technologies and required alignment with quality improvement process in response to known risks and opportunities.

## QUEENSLAND PUBLIC SERVICE ETHICS

As a statutory body Central West HHS is required to make ethical decisions, be accountable for its actions, and demonstrate integrity. During the period the governance documents which support the effective disclosure and management of personal interests were reviewed and updated. The documents detail a process which supports the protection of the public interest and transparency and accountability via steps which record and restrict individual involvement where relevant.

In addition to the above process and cognisant of the Australian Auditing Standard ASA 550, related parties, Board, and Executive Leadership Team members are required to complete an annual related party declaration as part of the annual financial statements process. This declaration is submitted for the scrutiny of external auditors who undertake an independent check against the financial records and no items were identified for further investigation this period.

Ethical lobbying is a legitimate activity and an important part of the democratic process. The Office of the Queensland Integrity Commissioner maintains a state-wide register of lobbyists and Central West HHS undertook a review of its lobbyist contact processes during the period. This review considered the requirements of the *Integrity Act 2009* (Qld) and, as is the case for the conflict of interest review and update process, meeting templates have been developed as tools to support education and effective implementation of the relevant governance processes.

These tools are included as an agenda item at all Central West HHS meetings and as a reminder to all staff of the need to exercise their delegated operational decision-making activities in alignment with the *Public Service Ethics Act 1994* which governs conduct in the Queensland Public Service. As an added measure all Central West HHS staff are required to undertake regular mandatory education activities with a focus on code of conduct and fraud awareness which directly align with the promotion of the public good through accountable, transparent and impartial behaviours at all times.

## CONFIDENTIAL INFORMATION

The Act requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year.

The Health Service Chief Executive did not authorise the disclosure of confidential information during the reporting period.

## HUMAN RIGHTS

Since the implementation of the *Human Rights Act 2019* (HR Act) Central West HHS has been working with system wide colleagues to support integration of the objectives into its everyday activities. To date the activities have included the appointment of an independent, external provider to conduct a review of the content of existing governance documents to ensure alignment with human rights. All documents reviewed up to the 30 June 2021 has resulted in no content change requirement.

In December 2020, the Board was pleased to welcome a representative from the Queensland Human Rights Commission to present on the health, economic, social and cultural human rights and specifically section 37 of the HR Act which refers to the equitable and equal access to health services for all. Update to reporting templates to support opportunity to identify any possible human rights impacts – positive or negative – resulted from this presentation. This will support appropriate assurance coming forward to the Board to ensure its planning and decision-making processes are considerate of possible impacts on human rights.

In March 2021 the Queensland Health Human Rights staff education module was added to Central West HHS's online learning platform – CWLearn. This module is mandatory compliance requirement for all staff and its completion is monitored by line managers and the Executive Leadership Team on a regular basis. As at 30 June 2021, 74 per cent of Central West HHS staff have completed the module.

Review and update of the document management governance processes in the health service has supported the opportunity for a central assessment of content against the requirements of the HR Act. This will support the retrospective work occurring in assessing existing documents towards ensuring all are compliant with the HR Act.



# P E R F O R M A N C E

## S E R V I C E S T A N D A R D

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Acknowledging the extremely challenging year that was, Central West HHS is very pleased to report that all emergency department presentation targets were met or exceeded. This means that the people of Central West Queensland continued to be supported appropriately when at their most vulnerable. The dedicated and resourceful Central West HHS staff enabled this result and we acknowledge and appreciate their commitment to providing accessible and responsive care.

The reported percentage of elective surgery patients treated within clinically recommended timeframes were impacted to some degree by the circumstance outlined in Note 1 during the period but reported results tell an additional story. Deferment of elective surgery did occur during the year, but the priority rescheduling of planned clinics and progression of alternative treatment pathways meant that the majority of Central West Queensland residents requiring elective surgery were treated within clinically recommended timeframes. The existing positive relationships that Central West HHS has with its tertiary partners resulted in all stakeholders supporting staff efforts to reorganise services to achieve the results reported below.

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**Activity results indicate a continued trust in the safe, quality, and accessible care that is provided at all Central West HHS inpatient and outpatient facilities during the pandemic and it is recognised that professional and capable clinical leadership and messaging is a contributing factor in this result.**

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## Key achievements for 2020-2021

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### **Priority – Integrated planning and design of sustainable primary and acute healthcare delivery which maximise opportunity for improved health outcomes**

A formal partnership arrangement between Central West HHS and Metro North HHS is in its third year. This partnership was established to create understanding, build capability and capacity across a range of corporate and clinical functions to the mutual benefit of organisations and more importantly, the health of Queenslanders. Following the successful implementation of a tele-chemotherapy service for eligible Central West Queensland residents in 2018 and completion of health service planning for the next five year period in 2020, the progression of palliative care and cardiology services and corporate function support has been a partnership focus during 2020-2021.

**Palliative care** services are available at all Central West HHS inpatient facilities delivered under the system-led PallConsult framework. This framework aims to boost the ability of local healthcare teams to deliver patient-centred palliative care, especially in rural and remote parts of the state. Specialist Palliative Care Rural telehealth service delivered via the Sunshine Coast HHS Hub is accessible for all general practitioners and other clinicians caring for palliative care patients in Central West HHS facilities. Technology and partnerships are providing access but, at a most vulnerable time in a family's life, the setting is also critically important.

In June 2021 Central West HHS was pleased to announce the successful completion of the Longreach Hospital Palliative Care Project. Funding provided under Queensland Health's Care in the Right Setting program has delivered a purpose-built area which best meets the individual and the carer needs. The construction of this unit also supports access to planned palliative care admissions reducing the crises management in the emergency department setting and care fatigue in the community.

In February 2021 clinical, governance, Aboriginal and Torres Strait Islander health and consumer representatives from Central West HHS travelled to Brisbane to participate in a workshop with Metro North HHS regarding cardiology and respiratory services.

**Cardiology and Respiratory** services currently delivered via a range of methods including telehealth and the Metro North HHS-led Indigenous Cardiac and Respiratory Outreach programs were discussed and opportunities for improvement identified. The consumer experiences included as part of the conversation provided an alternate lens and perspective which challenged all in attendance, including senior clinicians from Royal Brisbane and Prince Charles Hospitals, to consider how we can do better in the design of services.

Recruitment and retention of clinical staff is a strategic priority for the health service and innovation through partnerships such as this offer prospective applicants a unique opportunity to learn new skills in a rural and remote setting. At the same time, use of technology including telehealth supports Central West Queensland residents to access specialist care closer to home reducing travel time and costs and delivery of patient and community-centred care.

During the next 12 months the partnership will work towards extending and enhancing existing services and developing new opportunities that respond to community and patient need.

Patients living in some of our most remote communities have access to high quality telehealth services which support them to access specialists from across the state when needed. The technology upgrades made to our Birdsville and Bedourie Primary Health Centres in November 2020 included new phone systems with 4G back up capability, wi-fi expansion and installation of new state-of-the-art multicamera telehealth systems in resuscitation. The important role that telehealth has played during the pandemic across the nation has been highlighted but in the case of these remote locations it is an essential tool in supporting our staff and our communities to enable consultation with specialists and to link with emergency clinicians when required. This link can support the remote monitoring and review of vitals in real time and, for those residents of Birdsville and Bedourie, this is not only time saving but life saving use of technology.

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## Diverse and strong leadership

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### **Priority – Design a workforce which empowers individuals to be safe, accountable contributors to a positive organisational culture**

The quality of services delivered by Central West HHS is greatly assisted by the strength and diversity of its leadership.

In 2021 we welcomed the appointment of Central West HHS's first Executive Director Aboriginal and Torres Strait Islander Health. This role supports the Leadership Team's priority to improve health services and health outcomes for our Aboriginal and Torres Strait Islander communities.

In addition, we welcomed the announcement by the Minister of the appointment of Kieran Chilcott to the Board. In making this announcement, Minister D'Ath MP acknowledged the strong managerial and directorial experience as well as a strong First Nation's experience Kieran will bring through his background in Aboriginal and Torres Strait Islander community health, engagement and policy development and leadership. These skills and traits combined with a passion for improving health services through the development of innovative and sustainable models of care align directly with our current strategic priorities.

The successful recruitment of Mr Chris Sullivan to the role of Executive Director Finance and Infrastructure Support Services in late 2020 has strengthened the Leadership Team's approach to the development of innovative and sustainable models of care in partnership with clinicians and patients to deliver the best healthcare as efficiently as possible.

Table 3: Service Standards – Performance 2020-2021

Central West Hospital and Health Service	2020-21 Target	2020-21 Actual
<b>Effectiveness measures</b>		
<b>Percentage of patients attending emergency departments seen within recommended timeframes<sup>1</sup></b>		
Category 1 (within 2 minutes)	100%	100%
Category 2 (within 10 minutes)	80%	98%
Category 3 (within 30 minutes)	75%	98%
Category 4 (within 60 minutes)	70%	98%
Category 5 (within 120 minutes)	70%	99%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department <sup>1</sup>	>80%	95%
<b>Percentage of elective surgery patients treated within the clinically recommended times<sup>2</sup></b>		
Category 1 (30 days)	>98%	96%
Category 2 (90 days) <sup>3</sup>	..	95%
Category 3 (365 days) <sup>3</sup>	..	83%
Median wait time for treatment in emergency departments (minutes) <sup>1</sup>	..	2
Median wait time for elective surgery treatment (days) <sup>2</sup>	..	60
<b>Efficiency measure</b>		
Not identified		
<b>Other measures</b>		
<b>Number of elective surgery patients treated within clinically recommended times<sup>2</sup></b>		
Category 1 (30 days)	41	51
Category 2 (90 days)	..	70
Category 3 (365 days)	..	104
Number of Telehealth outpatients service events <sup>4</sup>	4,211	4,251
<b>Total weighted activity units (WAU)<sup>5</sup></b>		
Acute Inpatient	2,284	2,252
Outpatients	1,841	2,001
Sub-acute	280	366
Emergency Department	941	1,034
Mental Health	92	115
Prevention and Primary Care	140	195
Ambulatory mental health service contact duration (hours) <sup>6</sup>	>2,016	1,999
Staffing <sup>7</sup>	386	377

<sup>1</sup> During the rapid response to the COVID-19 pandemic, facilities utilised existing systems to manage presentations at fever clinics. In some cases, the management of these clinics was closely related to the management of the emergency department meaning that some fever clinic activity was managed via the emergency department systems. As a result, the 2020-21 Actual includes some fever clinic activity.

<sup>2</sup> In preparation for COVID-19 and consistent with the National Cabinet decision, Queensland Health temporarily suspended non-urgent elective surgery in 2019-20. This has impacted the treat in time performance and has continued to impact performance during 2020-21 as the system worked to reduce the volume of patients waiting longer than clinically recommended.

<sup>3</sup> Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for elective surgery, and the continual impacts to services as a result of responding to COVID-19, treated in time performance targets for category 2 and 3 patients are not applicable for 2020-21.

<sup>4</sup> Telehealth data reported as at 23 August 2021.

<sup>5</sup> The 2020-21 Target varies from the published 2020-21 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q23. As HHSs have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to target can occur. Data reported as at 23 August 2021.

<sup>6</sup> Mental Health measures reported as at 22 August 2021.

<sup>7</sup> Corporate FTEs are allocated across the service to which they relate. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments.



## FINANCIAL SUMMARY

**Central West HHS has posted a \$145,000 operating surplus for the year ending 30 June 2021 due to careful management of increasing cost pressures in a COVID-19 environment.**

In line with the Service Agreement with the Department of Health, Central West HHS received a mix of block and general-purpose funding to deliver agreed services. A share of Commonwealth Department of Health funding is commissioned through the Department of Health to Central West HHS and this, together with state funding has provided the people of the Central West with access to a comprehensive mix of people-centred, quality and safe healthcare services.

During the period, additional funding was provided under the National Partnership Agreement (NPA) to meet costs directly attributed to the treatment of COVID-19 patients (diagnosed or suspected), and additional costs of activities directed at preventing the spread of COVID-19. Restrictions on travel across the state for both patients and staff, resulted in a decrease in travel costs within the health service area. This restriction in people movement and continued closure of Australia's international borders has however resulted in:

- *an inability to recruit to vacant positions*
- *a requirement to engage a significant number of temporary medical and nursing staff. These vacancies needed to be backfilled to support the models of care and changes in practice to safely manage COVID-19 and deliver daily health services.*

Total revenue received during the period increased by 4.6 per cent from what was received in 2020 with \$92.8 million being invested across People, Services and Systems aspects of our business to support the delivery of far-reaching healthcare to the people of Central West Queensland.

Revenue	
	\$'000
<b>Funding public health services</b>	82,501
<b>User charges and fees</b>	6,737
<b>Grants and other contributions</b>	3,189
<b>Other revenue</b>	473
<b>TOTAL</b>	<b>92,900</b>
Expenses	
<b>Labour costs</b>	52,123
<b>Supplies and services</b>	28,407
<b>Depreciation</b>	9,526
<b>Other expenses</b>	2,699
<b>TOTAL</b>	<b>92,755</b>

Figure 1 shows the breakdown of funding types and expenditure incurred in 2020-2021.

Total expenses reported provide an average of \$254,123 a day to deliver health services across our 18 communities. Just over 59 per cent of revenue during the year has been invested in providing a resourceful, dedicated and adaptable workforce to meet the healthcare needs of the community. The remaining 41 per cent covers the cost of supplies, services and depreciation charges.

Where the money goes	%
<b>General hospital services</b>	53%
<b>General medical services</b>	15%
<b>Mental health including community services</b>	6%
<b>Nursing and convalescent home services</b>	2%
<b>Patient transport</b>	3%
<b>Community and public health services</b>	16%
<b>Health administration</b>	5%

Figure 2 shows the allocations to services within Central West HHS.

To support the Central West HHS's efforts in maintaining a high level of COVID-19 preparedness, testing and vaccination of the communities, \$1.2 million has been spent in the period. This expenditure has been reimbursed through the NPA as well as funding provided through the Queensland Government. Continuation of this funding will be required to sustain the level of expenditure being incurred to support the Central West HHS COVID-19 response going forward into the 2021-22 period.

Anticipated maintenance is a common building maintenance strategy utilised by public and private sector industries. All Queensland Health entities comply with Queensland Government Maintenance Management frameworks which require the reporting of anticipated maintenance.

Anticipated maintenance is defined as maintenance that is necessary to prevent the deterioration of an asset or its function, but which has not been carried out. Some anticipated maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building. All anticipated maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe.

As of 30 June 2021, Central West HHS had reported anticipated maintenance of \$11 million.

Central West HHS has the following strategies in place to mitigate any risk associated with these items:

- *Actively seeking funding from Priority Capital Program and other sources to support unfunded maintenance; submitting applications based on priority community needs*
- *Maximisation of the service potential of existing and new assets by ensuring they are appropriate for purpose and properly maintained*
- *Reducing the demand for new assets through appropriate asset life cycle renewal and demand management techniques and consideration of alternate delivery options*
- *Ensuring capital expenditure decisions are based on rigorous economic appraisal of options that include financial and non-financial parameters.*

Appendix A

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## **2020-21 Financial statements**

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**Central West Health Financial Statements**  
**For the Year Ended 30 June 2021**

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# **Central West Health** **Statement of Comprehensive Income**

Year ended 30 June 2021

		2021	2020
	Notes	\$'000	\$'000
<b>Income</b>			
User charges and fees	B1-1	6,737	7,266
Funding public health services	B1-2	82,501	75,857
Grants and other contributions	B1-3	3,189	3,265
Other revenue	B1-4	473	553
<b>Total Income</b>		<b>92,900</b>	<b>86,941</b>
<b>Expenses</b>			
Employee expenses	B2-1	9,154	9,328
Health service employee expenses	B2-2	42,969	43,779
Supplies and services	B2-3	28,407	27,087
Depreciation and amortisation	C5 & C9	9,526	6,147
Other expenses	B2-4	2,699	1,950
Revaluation decrement - land		-	138
<b>Total Expenses</b>		<b>92,755</b>	<b>88,429</b>
<b>Operating surplus/(deficit)</b>		<b>145</b>	<b>(1,488)</b>
<b>Other comprehensive Income</b>			
<u>Items not reclassified to operating result</u>			
Increase/(decrease) in asset revaluation surplus		(10,477)	1,381
<b>Other comprehensive income for the year</b>		<b>(10,477)</b>	<b>1,381</b>
<b>Total comprehensive income</b>		<b>(10,332)</b>	<b>(107)</b>

*The accompanying notes form part of these financial statements*

**Central West Health**  
**Statement of Financial Position**  
as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	C1	1,494	138
Receivables	C2	715	542
Inventories	C3	722	746
Other assets	C4	1,296	983
<b>Total current assets</b>		<b>4,227</b>	<b>2,409</b>
<b>Non-current assets</b>			
Property, plant and equipment	C5	100,447	96,539
Right-of-use assets	C9	1,460	1,764
<b>Total non-current assets</b>		<b>101,907</b>	<b>98,303</b>
<b>Total assets</b>		<b>106,134</b>	<b>100,712</b>
<b>Current liabilities</b>			
Payables	C6	5,098	3,761
Accrued employee benefits	C7	172	497
Other liabilities	C8	626	30
Lease liability	C9	573	623
<b>Total current liabilities</b>		<b>6,469</b>	<b>4,911</b>
<b>Non-current liabilities</b>			
Lease liability	C9	858	1,098
<b>Total non-current liabilities</b>		<b>858</b>	<b>1,098</b>
<b>Total liabilities</b>		<b>7,327</b>	<b>6,009</b>
<b>Net assets</b>		<b>98,807</b>	<b>94,703</b>
<b>Equity</b>			
Contributed equity		76,887	62,451
Accumulated surplus/(deficit)		(337)	(482)
Asset revaluation surplus	C10	22,257	32,734
<b>Total equity</b>		<b>98,807</b>	<b>94,703</b>

*The accompanying notes form part of these financial statements*

**Central West Health**  
**Statement of Changes in Equity**  
for the year ended 30 June 2021

	Accumulated surplus/ (deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
<b>Balance as at 30 June 2019</b>	955	31,353	53,052	85,360
Net effect of changes in accounting policies/prior year adjustments (Note E6)	51	-	-	51
<b>Balance as at 1 July 2019</b>	1,006	31,353	53,052	85,411
<b>Operating result</b>	(1,488)	-	-	(1,488)
<b>Other Comprehensive Income</b>				
Increase in asset revaluation surplus - buildings	-	1,538	-	1,538
Decrease in asset revaluation surplus - land	-	(157)	-	(157)
<b>Total Comprehensive Income for the year</b>	(1,488)	1,381	-	(107)
<b>Transactions with Owners as Owners:</b>				
Net assets received	-	-	12,914	12,914
Equity injections - cash	-	-	2,632	2,632
Equity withdrawals - depreciation	-	-	(6,147)	(6,147)
<b>Net transactions with Owners as Owners</b>	-	-	9,399	9,399
<b>Balance at 30 June 2020</b>	(482)	32,734	62,451	94,703
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 1 July 2020</b>	(482)	32,734	62,451	94,703
<b>Operating result</b>	145	-	-	145
<b>Other Comprehensive Income</b>				
Increase/(decrease) in asset revaluation surplus - buildings	-	(10,477)	-	(10,477)
<b>Total Comprehensive Income for the Year</b>	145	(10,477)		(10,332)
<b>Transactions with Owners as Owners:</b>				
Net assets received	-	-	18,674	18,674
Equity injections - cash	-	-	5,288	5,288
Equity withdrawals - depreciation	-	-	(9,526)	(9,526)
<b>Net Transactions with Owners as Owners</b>	-	-	14,436	14,436
<b>Balance at 30 June 2021</b>	(337)	22,257	76,887	98,807

*The accompanying notes form part of these financial statements*

**Central West Health**  
**Statement of Cash Flows**  
Year ended 30 June 2021

	<i>Notes</i>	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
User charges and fees		6,422	7,748
Funding public health services		73,752	69,317
Grants and other contributions		2,080	2,374
GST input tax credits from ATO		1,970	2,045
GST collected from customers		87	109
Other receipts		450	534
<i>Outflows:</i>			
Employee expenses		(9,478)	(9,162)
Health service employee expenses		(44,383)	(43,378)
Supplies and services		(25,865)	(28,025)
GST paid to suppliers		(1,985)	(1,988)
GST remitted to ATO		(92)	(107)
Other		(1,692)	(945)
<b>Net cash from/(used by) operating activities</b>	CF-1	<u><b>1,266</b></u>	<u><b>(1,478)</b></u>
<b>Cash flows from investing activities</b>	CF-2		
<i>Inflows:</i>			
Sales of property, plant and equipment		13	-
<i>Outflows:</i>			
Payments for property, plant and equipment		(4,544)	(2,399)
<b>Net cash from/(used by) investing activities</b>		<u><b>(4,531)</b></u>	<u><b>(2,399)</b></u>
<b>Cash flows from financing activities</b>	CF-2		
<i>Inflows:</i>			
Equity Injections		5,288	2,632
<i>Outflows:</i>			
Lease payments		(667)	(603)
<b>Net cash from/(used by) financing activities</b>		<u><b>4,621</b></u>	<u><b>2,029</b></u>
<b>Net increase/(decreased) in cash and cash equivalents</b>		<u><b>1,356</b></u>	<u><b>(1,848)</b></u>
Cash and cash equivalents at the beginning of the financial year	C1	138	1,986
<b>Cash and cash equivalents at the end of the financial year</b>		<u><b>1,494</b></u>	<u><b>138</b></u>

*The accompanying notes form part of these financial statements*



# Central West Health

## Statement of Cash Flows

Year ended 30 June 2021

**NOTES TO THE STATEMENT OF CASH FLOWS****CF-1 Reconciliation of operating result to net cash from operating activities**

	2021	2020
	\$'000	\$'000
<b>Operating result</b>	145	(1,488)
<b>Non-cash items:</b>		
Depreciation and amortisation expense	9,526	6,147
Non-cash equity withdrawal - depreciation and amortisation funding	(9,526)	(6,147)
Net losses on disposal of property, plant and equipment	3	9
Impairment losses	66	60
Revaluation (increment)/decrement	-	138
Donated assets received	(28)	-
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	(186)	7
(Increase)/decrease in contract assets and other assets	(313)	427
(Increase)/decrease in inventories	(29)	(113)
Increase/(decrease) in payables	1,337	(465)
Increase/(decrease) in contract liabilities and unearned revenue	596	(220)
Increase/(decrease) in accrued employee benefits	(325)	167
<b>Net cash from operating activities</b>	<b>1,266</b>	<b>(1,478)</b>

**CF-2 Changes in liabilities arising from financing activities**

	2021	2020
	\$'000	\$'000
<b>Lease liabilities</b>		
Balance at 1 July	1,721	-
<b>Non-cash items:</b>		
Net adjustments on adoption of new accounting standards	-	1,769
New leases acquired	463	560
Remeasurement	(86)	(5)
<b>Cash flows:</b>		
Lease payments	(667)	(603)
<b>Balance at 30 June</b>	<b>1,431</b>	<b>1,721</b>

**CF-3 Non-cash investing and financing activities**

Assets received or liabilities donated/transferred by the Hospital and Health Service to agencies outside of state health portfolio agencies are recognised as revenues (refer Note B1-3) or expenses as applicable.

Assets received or liabilities transferred by the Hospital and Health Service as a result of administrative arrangements are set out in the Statement of Changes in Equity.

## Central West Health

### Notes to the Financial Statements

for the year ended 30 June 2021

#### PREPARATION INFORMATION ABOUT THE ENTITY AND THIS FINANCIAL REPORT

Central West Health is a Queensland Government statutory body established under the *Hospital and Health Board Act 2011*. The Central West Hospital and Health Service operates under its registered trading name of Central West Health. Central West Health is controlled by the State of Queensland, which is the ultimate parent entity. The principal address of Central West Health is Glasson House, Eagle Street, Longreach QLD 4730.

For information in relation to the financial statements of Central West Health, please visit the website [www.centralwest.health.qld.gov.au](http://www.centralwest.health.qld.gov.au).

#### COMPLIANCE WITH PRESCRIBED REQUIREMENTS

These financial statements have been prepared in compliance with section 62 (1) of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's *Financial Reporting Requirements for Queensland Government Agencies for reporting periods beginning on or after 1 July 2020*, and other authoritative pronouncements.

Central West Health is a not-for-profit statutory body and these general purpose financial statements have been prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities. New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note E6.

#### THE REPORTING ENTITY

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of Central West Hospital and Health Service. Central West Health does not have any controlled entities.

#### AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Chairperson of the Central West Hospital and Health Board and the Chief Executive of Central West Health.

#### PRESENTATION

##### Currency and rounding

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

##### Comparatives

Comparative information reflects the audited 2019-20 financial statements.

##### Current/Non-Current classification

Assets and liabilities are classified as either 'current' or non-current in the Statement of Financial Position and associated notes. Assets are classified as 'current' where they are due to be settled within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or Central West Health does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

#### BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land and buildings are measured at fair value;
- Inventories are measured at cost, adjusted when applicable for any loss in service potential; and
- Lease liabilities are measured at their present value.

##### Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

## Central West Health

### Notes to the Financial Statements

for the year ended 30 June 2021

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#### Fair value

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

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business; or
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.

Where fair value is used, the fair value approach is disclosed.

#### Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Key judgements and estimates are disclosed in the relevant note to which they apply.

#### OBJECTIVES OF CENTRAL WEST HEALTH

Central West Health is responsible for providing primary, community emergency and public health services to the rural and remote communities of Central West Queensland assigned under the *Hospital and Health Boards Regulation 2012*. Inpatient facilities are located in Longreach, Blackall, Winton, Barcaldine and Alpha providing acute care and 24 hour emergency response. The Winton, Barcaldine and Alpha inpatient facilities are categorised as Multi-Purpose Health Facilities providing residential aged care services in each of those communities. Nurse led primary health centres are located at Aramac, Bedourie, Boulia, Isisford, Jericho, Jundah, Muttaborra, Tambo and Windorah facilitating 24 hour on call emergency response and primary care services to those communities.

Funding is obtained predominately through the purchase of health services by the Department of Health (DoH) on behalf of both the State and Commonwealth Governments. In addition, health services are provided on a fee for service basis mainly for private patient care.

#### CONTROLLED ENTITIES

Central West Health has no wholly-owned controlled entities nor indirectly controlled entities.

#### Disclosures about non wholly-owned entities

Western Queensland Primary Care Collaborative Limited (WQPCC), trading as Western Queensland Primary Health Network (WQPHN), was established as a public company limited by guarantee on 22 May 2015. Central West Hospital and Health Service is one of fifteen members with each member holding one voting right in the company.

The principal place of business of WQPCC is Mount Isa, Queensland. The company's principal purpose is to work with general practitioners, other Primary Health Care providers, community health services, and hospitals in western Queensland to improve and coordinate Primary Health Care across the local health system for patients requiring care from multiple providers.

As each member has the same voting entitlement (6.6%), it is considered that none of the individual members has power or significant influence over WQPCC (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*).

Each member's liability to WQPCC is limited to \$10. WQPCC's constitution legally prevents it from paying dividends to the members and prevents the income or property of the company being transferred directly or indirectly to the members.

As WQPCC is not controlled by Central West Health and is not considered a joint operation or an associate of Central West Health, financial results of WQPCC are not required to be disclosed in these statements. During 2021, Central West Health received funding from WQPCC, primarily under the Diamantina Primary Health Service Agreement, totalling \$545,000 (2020: \$670,000). No payments were made to WQPCC during 2021 (2020: nil) by Central West Health.

**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

**SECTION B**  
**NOTES ABOUT OUR FINANCIAL PERFORMANCE**

**B1 REVENUE****B1-1 USER CHARGES AND FEES**

	2021 \$'000	2020 \$'000	Accounting Policy - Revenue from contracts with customers (User charges)
<b>Revenue - contracts with customers</b>			
Medical practice receipts	3,553	3,829	Revenue from contracts with customers is recognised when Central West Health transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for user charges rising from revenue from contracts with customers.
Sales of goods and services	1,782	2,176	
Hospital fees	967	947	
Pharmaceutical benefits scheme	435	314	
	<u>6,737</u>	<u>7,266</u>	

Type of good or service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Medical practice receipts - medical staff employed by Central West Health, deliver private patient medical services within a number of facilities owned and managed by the private sector. Practice revenue generated from bulk billing is retained by Central West Health, with claims lodged daily with Medicare.	Central West Health's obligation is the delivery of patient care.	Revenue is recognised on delivery of the services to the customer.
<b>Sales of goods and services</b>		
Home community aged care packages - services to eligible Commonwealth clients for home support such as home maintenance, domestic assistance, nursing care etc. Eligible clients are required to make a co-contribution for services provided. The commonwealth's contribution to these services is outlined in Note B1-3 Grants and other contributions. Invoices against individual customers are raised monthly based on the service type, frequency and rate (set by DoH).	Central West Health's obligation under the arrangement is the provision of personal services to eligible clients.	Revenue is recognised over time as the personal services are provided.
Multi-purpose nursing home fees - long term nursing home and psychogeriatric patients are required to contribute towards their daily care, community care, medical and pharmacy services. Specific fees are determined by DoH and are legislated under the <i>Aged Care Act 1997</i> . Invoices are raised monthly to residents based on the number of bed days of service provided.	Central West Health's obligation under the contract is the provision of daily care to eligible Commonwealth aged care clients in Central West Health's multipurpose facilities.	Revenue is recognised over time as the patient care is provided.
Revenue management of capital projects – DoH purchases services for approved capital projects as part of Queensland Health's capital delivery program. Approval from DoH on costs incurred must be received before the invoices and revenue can be raised. Invoices raised against the DoH are generally settled within 30 days	Central West Health's obligation is to manage the procurement and payment of invoices approved by the DoH for capital works.	Revenue is recognised as the services are provided each month and a contract asset representing Central West Health's right to consideration for services delivered but not yet billed where applicable
<b>Hospital fees</b>		
Central West Health receives payment through Medicare Australia for diagnostic imaging and radiation oncology services provided by accredited facilities. Medical imaging equipment must be registered by DoH, with services provided by registered radiology specialists. Claims are lodged electronically as services are provided.	Central West Health's obligation is the provision of medical imaging services by radiology specialists.	Revenue is recognised as services are provided to patients.



**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

**B1-1 USER CHARGES AND FEES (continued)****Accounting Policy - Revenue from contracts with customers (User charges continued)**

Type of good or service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Private patients - public hospital patients have the option to elect to be treated as a private patient when admitted with rates for each service set annually by DoH. Health-funds are invoiced, once the patient is discharged and services are clinically coded. This can take 4-6 weeks. The amount paid by health funds may be adjusted when private health funds accept a claim. Where health fund payment rates for services rendered are lower than that established by DoH, discounts are recognised. Payment by health funds are typically made within 60 days.	Central West Health's obligation is the delivery of patient care.	Revenue is recognised over time as patient care provided by Central West Health is simultaneously received and consumed by our customers. Where health fund payment rates for services rendered are lower than that established by DoH, discounts are recognised.
<i>Pharmaceutical benefits scheme (PBS)</i>		
Pharmaceutical benefits scheme (PBS) - public hospital patients can access medicines listed on the PBS if they are being discharged or attending outpatient day clinics and admitted receiving chemotherapy treatment. Medicare Australia reimburses the cost of the pharmaceutical items at the agreed wholesale price. Patients generally pay a co-payment which is deducted from the Commonwealth reimbursement price. Reimbursements are claimed electronically via PBS Online (either fortnightly or monthly) and submitted to Medicare Australia. Payments from Medicare go directly to Central West Health.	Central West Health's obligation under the arrangement is the distribution of medication to patients at the reduced PBS rate.	Revenue is recognised at a point in time when service obligations are met. Where Central West Health has satisfied the performance obligations for drugs provided but not yet claimed through the PBS arrangement a contract asset is raised.

**B1-2 FUNDING PUBLIC HEALTH SERVICES****Accounting Policy - Public health services**

	2021 \$'000	2020 \$'000	Revenue is recognised on receipt of funds under AASB 1058 <i>Income of Not-for-Profit Entities</i> where the Service Agreement (SA) does not include sufficiently specific performance obligation. This includes block, depreciation and the majority of other general-purpose funding. Where the SA contains sufficiently specific performance obligations, and Central West Health transfers goods or services, the transaction is accounted for under AASB 15 <i>Revenue from Contracts with Customers</i> , with revenue initially deferred and recognised as revenue as or when the performance obligations are satisfied.
Block funding	53,654	57,483	
Depreciation funding	9,526	6,147	
General purpose funding	19,321	12,227	
	<u>82,501</u>	<u>75,857</u>	

**Disclosure about funding received to deliver public health services**

Funding is provided predominantly from the Department of Health for specific public health services purchased by the Department in accordance with a service agreement. The Australian Government pays its share of National Health funding directly to the Department of Health, for on forwarding to Central West Health. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Central West Health. Cash funding from the Department of Health is received fortnightly for State payments and monthly for Commonwealth payments and is recognised as revenue as the performance obligations under the service level agreement are discharged. At the end of the financial year, an agreed technical adjustment between the Department of Health and Central West Health may be required for the level of services performed above or below the agreed levels, which may result in a receivable or unearned revenue. This technical adjustment process is undertaken annually according to the provisions of the service level agreement and ensures that the revenue recognised in each financial year correctly reflects Central West Health's delivery of health services.

## Central West Health

### Notes to the Financial Statements

for the year ended 30 June 2021

Ordinarily, funding is recognised as public health services are delivered. However, due to the impacts of COVID-19, funding was guaranteed by the Commonwealth government for the 2019-20 and 2020-21 financial years under the National Health Reform Agreement.

As such, the Department of Health will not make any adjustments for under delivery against funding targets, except for items specifically referenced in Table 1 Specific Funding Commitments of the Service Agreement. No additional funding is provided for over delivery against target.

Block funding is provided to smaller public hospitals where the technical requirements for applying Activity Based Funding (based on a mix and volume of patients treated, with agreed number of activities and state-wide national efficient price) are not able to be satisfied; and there is an absence of economies of scale that means some services would not be financially viable. Block funding, although under an enforceable agreement, does not contain sufficient specific performance obligations and is recognised as revenue when received.

Depreciation and amortisation funding is provided to offset the depreciation/amortisation charges incurred by Central West Health. This is a non-cash revenue and is offset with an equity withdrawal for the same amount (refer Statement of Changes in Equity). There is no transfer of goods and services to a third party, with depreciation revenue recognised as revenue as received under AASB 1058.

Other general-purpose funding supports the provision of a wide range of services for primary and community healthcare, and includes other services that fall outside the scope of the National funding model. These are state-funded services and have specific conditions attached. Recognition of revenue for other 'general purpose' funding is dependent of the specific performance obligations attached to each funding sub-type. Where the obligations are not sufficiently specific, revenue is recognised as it is received. Funding with sufficiently specific obligations, are recognised over time as the services/goods are provided and obligations met with the price implicit in the SA. There are no material contracts with sufficiently specific obligations at 30 June 2021.

#### B1-3 GRANTS AND OTHER CONTRIBUTIONS

#### Accounting Policy - Grants and contributions

	2021 \$'000	2020 \$'000	
<b>Revenue from contracts with customers</b>			Grants, contributions, and donations arise from non-exchange transactions where Central West Health does not directly give approximately equal value to the grantor.
Home and community care	437	431	
Rural and remote primary care	514	468	
	<u>951</u>	<u>899</u>	
<b>Other grants</b>			Where the grant agreement is enforceable and contains sufficiently specific performance obligations for Central West Health to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 <i>Revenue from Contracts with Customers</i> . In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.
Capital grants	-	286	
Other specific purpose	1,278	1,192	
	<u>1,278</u>	<u>1,478</u>	
	<u>2,229</u>	<u>2,377</u>	
<b>Contributions</b>			Otherwise the grant is accounted for under AASB 1058 <i>Income of Not-for-Profit Entities</i> , whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants, received to construct non-financial assets controlled by Central West Health. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as Central West Health satisfies its obligations under the grant.
Services received below fair value	924	887	
Donations other	36	1	
	<u>960</u>	<u>888</u>	
	<u>3,189</u>	<u>3,265</u>	Contributed assets are recognised at their fair value.

#### Accounting Policy - Services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense. Central West Health receives corporate services support from DoH at no cost. Corporate services received include payroll services, financial transactions services (including accounts payable and banking services), administrative services and information technology services.

#### Disclosure - Grants and other contributions

Central West Health has a number of grant arrangements with the Commonwealth that relate to funding of activity-based services. Two of these arrangements, outlined below, have been identified as having sufficiently specific performance obligations under enforceable grant agreements. The remaining grants, although under enforceable agreements, do not contain sufficiently specific performance obligations - these grants are recognised upon receipt.

**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

*Commonwealth grants - recognised as performance obligations are satisfied*

Home and community care

Central West Health provides services to eligible Commonwealth clients under a two-year agreement between the State and Commonwealth. Purchased services include a range of activities performed at client's homes including personal and wellness care, patient care and home maintenance. The number of hours/trips per annum and applicable rates are included in agreed work activity plans.

The performance obligation is to provide care and services to approved clients that aligns with the package approved by the Commonwealth. Payments from the Commonwealth are made quarterly in advance. Funds received are recognised as contract liabilities until performance obligations are satisfied. Revenue is recognised as services are performed.

Rural and remote primary care

Under a Memorandum of Understanding (MOU) between the State and Commonwealth, Central West Health receives payment through Medicare Australia for services provided to patients presenting to rural and remote health facilities. The use of funds generated under this arrangement are restricted and must be used for community maintenance programs.

The performance obligation is for medical staff within approved facilities under Schedule A of the MOU to provide treatment to public patients in the emergency department. Claims for services performed are lodged electronically, with amounts received based on Medicare item numbers and rates set by the Commonwealth. Revenue is recognised as services are provided to patients.

**B1-4 OTHER REVENUE**

	2021 \$'000	2020 \$'000	Accounting Policy - Other revenue
Recoveries	335	516	Other revenue primarily reflects recovery of contracted medical staff costs from the private sector, and contributions from universities for student clinical placements. Other revenue is recognised based on either invoicing for related goods, services and/or the recognition of accrued revenue based on estimated volumes of good or services delivered.
Other	138	37	
	<u>473</u>	<u>553</u>	

**B2 EXPENSES**

**B2-1 EMPLOYEE EXPENSES**

	2021 \$'000	2020 \$'000	Accounting Policy - Employee benefits
<i>Employee benefits</i>			The <i>Hospital and Health Boards Act 2011</i> (the Act) outlines the employment arrangements for Central West Health. Board members, the Health Service Chief Executive and Senior Medical Officers are directly engaged by Central West Health while Health Service employees remain employed by the Department of Health.
Wages and salaries	7,923	8,057	
Annual leave levy	439	444	
Employer superannuation contributions	520	508	
Long service leave levy	171	168	
<i>Employee related expenses</i>			Wages and salaries due but unpaid at reporting date are recognised as liabilities in the Statement of Financial Position at the salary rates applicable at the time the service was delivered. As such liabilities are expected to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.
Workers compensation premium	18	16	
Other employee related expenses	83	135	
	<u>9,154</u>	<u>9,328</u>	
No. of Central West Health employees	<u>21</u>	<u>20</u>	

**Annual Leave, Long Service Leave and Superannuation**

Central West Health participates in the Queensland Government's Annual Leave Central Scheme and the Long Service Leave Scheme. Under these schemes, levies are payable by Central West Health to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. These levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears which is currently facilitated by the Department of Health. 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. The QSuper scheme has defined benefit and defined contribution categories. Contributions are expensed in the period in which they are payable and the obligation of Central West Health is limited to its contribution to QSuper.



**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

**Employee related expenses**

Central West Health pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but it is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expense.

The number of employees as at 30 June includes full-time and part-time employees measured on a full-time equivalent (FTE) basis (reflecting Minimum Obligatory Human Resource Information (MOHRI) based on the fortnight ending 2 July 2021). The number of employees does not include the chair, deputy chair and board members unless employed concurrently by Central West Health. Key management personnel and remuneration expense disclosures are detailed in Note E2.

**B2-2 HEALTH SERVICE EMPLOYEE EXPENSES**

	2021 \$'000	2020 \$'000
<b>Department of Health</b>		
Health service employees	<u>42,969</u>	<u>43,779</u>

Central West Health through service arrangements with the Department of Health has engaged 356 (2020: 362) full-time equivalent persons at 30 June 2021. As well as direct payments to the department, premium payments made to WorkCover Queensland representing compensation obligations are included in this category 2021: \$326,088 (2020: \$370,080).

In accordance with the Act section 67, the employees of the Department of Health are referred to as Health Service Employees. Under this arrangement the department provides employees to perform work for Central West Health and acknowledges and accepts its obligations as the employer of these employees. Central West Health is responsible for the day to day management of these departmental employees and reimburses the department for the salaries and on-costs of these employees. This is disclosed as health service employee expenses.

<b>B2-3 SUPPLIES AND SERVICES</b>	2021 \$'000	2020 \$'000	<b>Accounting Policy – Inventories consumed</b>
Building services	1,283	1,252	All inventories held for distribution in hospital and health facilities are expensed at the time of issue. Stock held and available for use in the wards and other facilities, at 30 June is recorded as inventory in the Statement of Financial Position where material.
Computer and communication services	2,506	2,284	
Consultants and contractors			
Medical	6,698	5,527	
Non-medical	600	817	<b>Accounting Policy – Lease expenses</b>
Electricity and other energy	1,066	1,174	
Inventories consumed			
Drugs	860	680	
Clinical supplies	1,726	1,568	<b>Accounting Policy - Consultants and contractors</b>
Catering and domestic supplies	551	581	
Medical practice facility fees	1,065	1,146	
Lease expenses	151	162	
Other	1,468	1,834	Temporary staff employed through employment agencies and consultants engaged for professional services are expensed as services are provided. Payments are categorised as either medical or non-medical based on services provided.
Other travel and vehicle costs	1,591	1,639	
Patient transport	4,604	4,321	
Pathology, blood and parts	1,391	1,180	
Repairs and maintenance	2,847	2,922	
	<u>28,407</u>	<u>27,087</u>	

**Office accommodation and employee housing**

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Housing and Public Works, who has substantive substitution rights over assets used within these schemes. Payments are expensed as incurred and categorised within the building services line item.



**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

**B2-4 OTHER EXPENSES**

	2021 \$'000	2020 \$'000	Accounting Policy - Insurance
Audit expenses*	263	164	Property and general losses above a \$10,000 threshold are insured through the Queensland Government Insurance Fund (QGIF) under the Department of Health's insurance policy. Health litigation payments above a \$20,000 threshold and associated legal fees are also insured through QGIF. Premiums are calculated by QGIF on a risk assessed basis.
Funding expense	600	30	
Inventory written off	76	76	
Lease interest	31	41	
Legal expenses	264	315	
Other expenses	260	160	
Net losses from disposal of property, plant and equipment	3	9	
Services received free of charge	924	887	
Special payments	-	7	Accounting Policy - Special payments
QGIF Insurance	278	261	Special payments represent ex-gratia payments Central West Health is not contractually or legally obliged to make to other parties. During 2021 no special payments were made.
	<u>2,699</u>	<u>1,950</u>	

\*Total audit fees quoted by the Queensland Audit Office relating to the 2021 financial statements are \$160,000 (2020: \$166,000) including out of pocket expenses. Some of these services will be finalised in the 2022 financial year and as such are not included in the above audit fees.

Audit expenses includes both internal and external audit fees. Payments made to other service providers for internal audit services are \$95,000 (2020: \$104,000)

Central West Health receives corporate services support from the Department at no cost. Further information on services provided and their treatment is available at Note B1-3.

Return of funding to the Department of Health for under delivery of targets specified in Table 1 of the Service Agreement is disclosed as funding expense. For further details on the Service Agreement refer B1-2.

**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

**SECTION C**  
**NOTES ABOUT OUR FINANCIAL POSITION**

**C1 CASH AND CASH EQUIVALENTS**

**Accounting Policy - Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Cash on hand	4	4
Cash at bank	1,450	98
Restricted cash*	40	36
	<u>1,494</u>	<u>138</u>

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions and cash debit facility. Central West Health's operational bank accounts form part of the Whole-of-Government banking arrangement with the Commonwealth Bank of Australia and no interest is earned on these accounts by Central West Health.

\*Central West Health receives cash contributions from benefactors in the form of gifts, donations and bequests for stipulated purposes.

These monies are held in a general trust fund bank account held with the Commonwealth Bank of Australia and Queensland Treasury Corporation at call accounts. Cash held in these accounts earn interest at a rate of 0.29% (2020: 1.87%). The use of these funds is restricted, in accordance with the conditions established at the time of the donation.

**Debt facility**

Central West Health has access to a \$1.5 million debt facility approved by Queensland Treasury which was nil at 30 June 2021 (2020: nil).

**C2 RECEIVABLES**

**Accounting Policy - Receivables**

	2021	2020
	\$'000	\$'000
Trade receivables	510	348
Less: Loss allowance	(12)	(3)
	<u>498</u>	<u>345</u>
GST receivable	234	219
GST payable	(17)	(22)
	<u>217</u>	<u>197</u>
	<u>715</u>	<u>542</u>

Receivables are measured at amortised cost which approximates their fair value at reporting date. Trade receivables are recognised at the amount due at the time of sale or service delivery i.e. the agreed purchase/contract price. The recoverability of trade receivables is reviewed at the end of each month at an operating unit level. Trade receivables are generally settled within 60 days. No interest is charged and no security is obtained.

**Disclosure - Receivables**

The closing balance of receivables arising from contracts with customers at 30 June 2021 is \$510,000 (2020: \$348,000).

**C2-1.1 Impairment of receivables**

**Accounting Policy – Impairment of receivables**

The loss allowance for trade and other debtors reflects lifetime expected credit losses. No loss allowance is recorded for receivables owing by Queensland State or Federal Government agencies due to low credit risk exposure i.e. high credit rating.

Where there is no reasonable expectation of recovery of monies owing by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when a third default notice has been issued (greater than 90 days overdue) and debt enforcement activity has ceased. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. If receivables are subsequently recovered, the amounts are credited against other expenses in the Statement of Comprehensive Income when collected.

**Disclosure – Credit risk exposure of receivables**

The maximum exposure to credit risk for receivables at balance date is the gross carrying amount of those assets. No collateral is held as security and no credit enhancements relate to receivables held by Central West Health.

Central West Health uses a provision matrix to measure expected credit losses based on observed historical default rates since 2013. No adjustment has been made changes for macroeconomic indicators as historically, these indicators have not impacted on the collectability of receivables.

**Central West Health**  
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**C2-1.1 Impairment of receivables (continued)****Disclosure – Credit risk exposure of receivables (continued)**

Loss rates are calculated for customer profiles with similar loss patterns, with four groups identified.

- Private patients ineligible for health assistance under Medicare arrangements with the Commonwealth;
- Third party patient treatment - pending legal cases;
- Other private patients and nursing age care fees; and
- Reimbursements of expenses incurred.

Set out below is the credit risk exposure on Central West Health's trade and other receivables broken down by customer groupings as at 30 June.

**Impairment group - Receivables:**

	2021			2020		
	Gross receivables	Loss rate	Expected credit losses*	Gross receivables	Loss rate	Expected credit losses*
		%	\$'000		%	\$'000
Private patients - ineligible	43	23%	10	7	25%	2
Third party patients - legal court cases	1	3%	-	1	4%	-
Other private patients	174	1%	2	106	1%	1
Aged care fees	20	0%	-	15	0%	-
State and federal government agencies	305	0%	-	173	0%	-
Other debtors	184	0%	-	243	0%	-
	<b>727</b>		<b>12</b>	<b>545</b>		<b>3</b>

\* - includes expected default based on historical patterns of objective evidence and impairment of specific debts where the general allowance is exceeded.

**Disclosure - Movement in allowance for impairment of receivables**

	2021	2020
	\$'000	\$'000
Balance at 1 July	3	1
Amounts written off during the year	(5)	-
Increase/(decrease) in allowance recognised in operating result	14	2
<b>Balance at 30 June</b>	<b>12</b>	<b>3</b>

**C3 INVENTORIES**

	2021	2020	Accounting Policy - Inventories held for distribution
	\$'000	\$'000	
Pharmaceutical drugs	209	254	Inventories consist mainly of pharmaceutical and medical supplies held for distribution in hospitals and are provided to patients free of charge except for pharmaceuticals which are provided at a subsidised rate. Inventories are valued at cost, adjusted where applicable, for any loss of service potential. Cost is assigned on a weighted average cost.
Clinical supplies	509	479	
Other	4	13	
	<b>722</b>	<b>746</b>	

Refer to Note B2-4 for information on inventory written off during the year.

**Central West Health**  
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**C4 OTHER ASSETS****Accounting Policy - Other current assets**

	2021 \$'000	2020 \$'000	
<b>Current</b>			Central West Health recognised its right to consideration for services/goods delivered to customers under a contract, but not yet billed, as a contract asset. Contract assets are transferred to receivables when Central West Health's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.
Prepayments	371	192	
Contract assets	433	329	
Other	492	462	
	<u>1,296</u>	<u>983</u>	

Where a right to consideration exists under an agreement (not arising from contracts with customers), and funds have not been receipted or invoiced, accrued revenue is recognised, and disclosed as Other.

**Disclosure - Contract assets**

The Department of Health owed \$697,000 (2020: \$637,000) at 30 June, including \$210,000 (2020: \$179,000) for project management and purchases of additional health activity; and \$487,000 (2020: \$458,000) for mental and general health funding (disclosed as other assets). For further details on the nature of these transactions refer to Note E3 Related Party Transactions.

**Disclosure - Prepayments**

An additional 2 days of leave was granted to all non-executive employees of the Department of Health in November 2020 based on set eligibility criteria as recognition of the effects of the COVID-19 pandemic on staff wellbeing. This leave must be taken within 2 years or eligibility is lost. Health service employee expenses include \$123,000 of COVID-19 leave taken with the remaining balance of \$122,000 paid to the Department of Health and treated as a pre-payment.

**C5 PROPERTY PLANT AND EQUIPMENT****Accounting Policy - Property plant and equipment**

Central West Health holds property, plant and equipment to meet its core objective of providing quality healthcare that Queenslanders value. Items of property, plant and equipment with a cost or other value equal to or more than the following thresholds and with a useful life of more than one year are recognised at acquisition.

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

Items below these values are expensed on acquisition.

Central West Health has an annual maintenance program for its buildings. Expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of the existing asset. This is then depreciated over the remaining useful life of the asset. Maintenance expenditure that merely restores the original service potential (lost through ordinary wear and tear) is expensed.

**Acquisition of assets**

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

Assets under construction are at cost until they are ready for use. The construction of major health infrastructure assets is managed by the Department of Health on behalf of Central West Health. These assets are assessed at fair value upon practical completion by an independent valuer. They are then transferred from the Department of Health to Central West Health via an equity adjustment.

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 as the carrying amount in the books of the other agency immediately prior to the transfer. Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

**Measurement using historical cost**

Plant and equipment is measured at historical cost net of accumulated depreciation and accumulated impairment losses in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector* (NCAP). The carrying amounts for these asset classes at cost should not materially differ from their fair value.



**Central West Health**  
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## **C5 PROPERTY PLANT AND EQUIPMENT (continued)**

### **Measurement using fair value**

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector (NCAP)*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and accumulated impairment losses where applicable. Separately identified components of assets are measured on the same basis as the assets to which they relate. In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

### **Depreciation**

Property, plant and equipment are depreciated on a straight-line basis. Annual depreciation is based on fair values and Central West Health assessments of the useful remaining life of individual assets. Land and artwork is not depreciated as they have an unlimited useful life. Artworks is included in the class plant and equipment for disclosure purposes due to its immaterial value.

*Key judgement:* Straight line depreciation is used reflecting the progressive, and even, consumption of service potential of these assets over their useful life to Central West Health. The useful life could change significantly as a result of a change in use of the asset, technical obsolescence or some other economic event. The impact on depreciation can be significant and could also result in a write-off of the asset.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first used or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property plant and equipment.

Where assets have separately identifiable components, subject to regular replacement, components are assigned useful lives distinct from the asset to which they relate and depreciated accordingly. In accordance with Queensland Treasury's *Non-current Asset Policy Guideline 2*, Central West Health has determined material specialised health service buildings are complex in nature.

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

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

Class	Span of Useful Life
Buildings	6 to 47 Years
Plant and Equipment	5 to 20 Years
Artworks*	100 Years
Right-of-use assets	14 months to 7 Years

\* Artworks is included in the Plant and Equipment class for disclosure as the value is immaterial.

### **Indicators of impairment and determining recoverable amount**

*Key judgement and estimate:* All property, plant and equipment are assessed for indicators of impairment on an annual basis, or where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, management determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

- As a not-for profit entity, certain property, plant and equipment of Central West Health is held for the continuing use of its service capacity and not for the generation of cashflows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. Therefore, AASB 136 does not apply to these assets unless they are measured at cost.

**Central West Health**  
**Notes to the Financial Statements**  
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## **C5 PROPERTY PLANT AND EQUIPMENT (continued)**

### **Indicators of impairment and determining recoverable amount - continued**

• For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal, is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

Any amount by which the assets carrying amount exceeds the recoverable amount is considered an impairment loss. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the Statement of Comprehensive Income as a revaluation decrement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at cost, impairment losses are reversed through income. For assets measured at fair value, to the extent the original decrease was expensed through the Statement of Comprehensive Income, the reversal is recognised as income; otherwise the reversal is treated as a revaluation increase for the class of asset through the asset revaluation surplus. When an asset is revalued using a market valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

### **Revaluation of property measured at fair value**

Land and building classes measured at fair value, are revalued on an annual basis either by comprehensive valuations or by the use of appropriate and relevant indices undertaken by independent qualified valuers. Indices are either publicly available or are derived from market information available to the experts. For financial reporting purposes, the revaluation process for Central West Health is managed by the finance and infrastructure branch.

Comprehensive revaluations are undertaken with sufficient regularity to ensure the carrying value and fair value of the assets do not materially differ, with specific appraisals undertaken triennially for land and a rolling valuation program, spanning a maximum of five years, applied to buildings. However if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practical, regardless of the timing of the last specific appraisal. Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. Central West Health uses indices to provide a valid estimation of the assets' fair values at reporting date. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset warrant revaluation.

The fair values reported by Central West Health are based on appropriate valuation techniques that maximises the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Reflecting the specialised nature of health service buildings for which there is not an active market, fair value is determined using current replacement cost. Current replacement cost is the price that would be received for the asset, based on the estimated cost to a market participant buyer to acquire or construct a substitute asset of comparable utility, adjusted for functional and economic obsolescence. Buildings are measured at fair value by applying either, a revised estimate of individual asset's depreciated replacement cost, or an interim index which approximates movement in market prices for labour and other key resource inputs, as well as changes in design standards as at reporting date. These estimates are developed by independent valuers.

Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent qualified valuer, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided based on Central West Health's own circumstances.

**Central West Health**  
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## **C5 PROPERTY PLANT AND EQUIPMENT(continued)**

### **Revaluation of property measured at fair value - continued**

For assets revalued using a cost valuation method (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after taking into account accumulated impairment losses and changes in remaining useful life. This is generally referred to as the 'gross method'. For assets revalued using a market or income-based valuation approach – accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation.

### **Fair value measurement**

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

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

Significant unobservable inputs used by Central West Health include, but are not limited to, subjective adjustments made to observable data to take account of the specialised nature of health service land, buildings and on hospital-site residential facilities, including historical and current construction contracts (and/or estimates of such costs), and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

### **Fair value measurement hierarchy**

Central West Health does not recognise any financial assets or financial liabilities at fair value (except at initial recognition).

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

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

Refer to the table in Note C5-1 *Balances and reconciliation of carrying amount* for disclosure of categories for assets measured at fair value. None of Central West Health's valuation of assets are eligible for categorisation into level 1 fair value hierarchy.

### **Significant valuation inputs and impact on fair value**

#### *Land and residential buildings*

Effective date of last specific appraisal	30 June 2020 by APV Valuers & Asset Management
Valuation approach	Market based assessment
Fair value hierarchy	Level 2
Inputs	Publicly available data on sales of similar land and buildings in nearby localities obtained from PDSLIVE. Where market evidence was limited or new sales were yet to be processed in PDSLIVE, additional enquiries were made with local real estate agents. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restrictions for each individual land parcel or building.



**Central West Health**  
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## **C5 PROPERTY PLANT AND EQUIPMENT (continued)**

### *Buildings - specialised for delivery of health services*

Effective date of last specific appraisal	Comprehensive revaluations are undertaken as part of a rolling valuation spanning a maximum of four years by APV Valuers & Asset Management. - Blackall and Barcaldine regions valued 30 June 2021; - Longreach and Boulia regions valued 30 June 2020; and - All other buildings at 30 June 2018.
Valuation approach	Current replacement cost (CRC)
Fair value hierarchy	Level 3
Inputs	Replacement cost is estimated through the use of APV's construction cost database which uses local construction/or purchase prices paid, recent construction projects across the region, and construction cost guidelines such as Rawlinson's and Cordell. Key cost drivers include the asset type (Hospital, Multipurpose Health Service etc), the standard of the facility (basic, standard or superior), construction material type and the gross floor area (GFA) or building footprint.  The estimate has been compiled by measuring quantities using drawings obtained from Central West Health and verified on site or by completing a site measurement. Cost estimates are benchmarked against other valuations. Fair value has been determined by calculating for each major building component its remaining service potential at valuation date, based on a consumption rating. Significant judgement is used to assess the remaining service potential of the facility, given local climatic and environmental conditions and records of the current condition of the facility. Physical site inspections by APV, combined with refurbishment history, local knowledge of asset performance, obsolescence and future planned asset replacement programs were used to inform these assumptions. Valuations assume a nil residual value.

### **C5-1 Property, Plant and Equipment - Balances and Reconciliations of Carrying Amount**

	Land at fair value	Buildings at fair value	Plant and equipment	Capital works in progress	Total
	(Level 2)	(Level 3)	at cost	at cost	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>					
Gross	1,073	185,310	11,829	3,245	201,457
Less: Accumulated depreciation	-	(94,257)	(6,753)	-	(101,010)
<b>Carrying amount at 30 June 2021</b>	<b>1,073</b>	<b>91,053</b>	<b>5,076</b>	<b>3,245</b>	<b>100,447</b>
<i>Represented by movements in carrying amount:</i>					
Carrying amount at 1 July 2020	1,073	90,084	4,906	476	96,539
Acquisitions	-	252	1,087	3,205	4,544
Donations	-	-	28	-	28
Disposals	-	(1)	(15)	-	(16)
Transfers in/(out) from other Queensland Government Entities	-	18,595	79	-	18,674
Transfers between classes of assets	-	420	16	(436)	-
Revaluation decrement to asset revaluation surplus	-	(10,477)	-	-	(10,477)
Depreciation/amortisation	-	(7,820)	(1,025)	-	(8,845)
<b>Carrying amount at 30 June 2021</b>	<b>1,073</b>	<b>91,053</b>	<b>5,076</b>	<b>3,245</b>	<b>100,447</b>



**Central West Health**  
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**C5 PROPERTY PLANT AND EQUIPMENT (continued)**
**C5-1 Property, Plant and Equipment - Balances and Reconciliations of Carrying Amount (continued)**

	Land at fair value (Level 2) \$'000	Buildings at fair value (Level 3) \$'000	Plant and equipment at cost \$'000	Capital works in progress at cost \$'000	Total \$'000
<b>2020</b>					
Gross	1,073	158,743	11,891	476	172,183
Less: Accumulated depreciation	-	(68,659)	(6,985)	-	(75,644)
<b>Carrying amount at 30 June 2020</b>	<b>1,073</b>	<b>90,084</b>	<b>4,906</b>	<b>476</b>	<b>96,539</b>
<i>Represented by movements in carrying amount:</i>					
Carrying amount at 1 July 2019	1,368	78,938	4,613	609	85,528
Acquisitions	-	299	1,247	853	2,399
Disposals	-	(7)	(2)	-	(9)
Transfers in/(out) to other Queensland Government entities	-	12,914	-	-	12,914
Transfers between classes of assets	-	986	-	(986)	-
Revaluation decrement in operating deficit	(138)	-	-	-	(138)
Revaluation increment/(decrement) to asset revaluation surplus	(157)	1,538	-	-	1,381
Depreciation	-	(4,584)	(952)	-	(5,536)
<b>Carrying amount at 30 June 2020</b>	<b>1,073</b>	<b>90,084</b>	<b>4,906</b>	<b>476</b>	<b>96,539</b>

**Impact from valuation program**

All land holdings were comprehensively revalued at 30 June 2020 by independent valuers APV Valuers and Asset Management (APV). In 2021, APV developed indices to approximate movement in market values for eight properties (86% of total land by value) at 30 June 2021. The balance of property values remain unchanged from their comprehensive market appraisal in 2020, as there is not sufficient sales evidence to support a movement up or down.

In 2020 Central West Health commenced its four-year rolling building valuation program (2020 to 2023). As part of this program, independent valuers APV were engaged to comprehensively revalue all buildings with a replacement cost exceeding \$300,000, with an annual index for cost escalation applied to other buildings.

Seventeen buildings were comprehensively revalued in 2021, resulting in a decrement of \$10.477 million (2020: increment \$1.538 million) to the carrying amount of buildings, with the remaining buildings subject to valuation via indexation. This reflects revisions to replacement strategies with remaining useful life declining from 27 to 5 years for a number of older buildings on the Barcaldine hospital site following identification of significant structural and functional issues in 2021.

**C6 PAYABLES**
**Accounting Policy - Payables**

	2021 \$'000	2020 \$'000	
Trade creditors	4,675	1,925	Payables are recognised for amounts to be paid in the future for goods and services received. Trade creditors are measured at the purchase/contract price, net of applicable trade and other discounts. The amounts are unsecured and generally settled in 30 - 60 days.
Department of Health - accrued labour	423	1,836	
	<b>5,098</b>	<b>3,761</b>	

Payables of \$3.352 million (2020: \$2.474 million) were owing to the Department of Health at 30 June, including trade creditors \$2.925 million (2020: \$638,000), and accrued labour \$423,000 (2020: \$1.836 million). For further details on the nature of these transactions refer to Note E3 Related Party Transactions.

**C7 ACCRUED EMPLOYEE BENEFITS**
**Accounting policy - Accrued employee benefits**

	2021 \$'000	2020 \$'000	
<b>Current</b>			Liabilities for annual leave, long service leave and the QSuper defined benefit scheme are held on a whole-of-government basis and reported in the Whole-of-Government financial statements pursuant to AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> .
Wages outstanding	167	476	
Superannuation contributions payable	5	21	
	<b>172</b>	<b>497</b>	

**Central West Health**  
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**C8 OTHER LIABILITIES**

	2021 \$'000	2020 \$'000	Accounting policy - Unearned revenue and funding repayable
<b>Current</b>			
Funding repayable - Department of Health	620	30	Monies received in advance for services yet to be provided are represented as unearned revenue. Contract liabilities arise from contracts with customers where conditions have not been met for revenue recognition.
Contract liability - Commonwealth	6	-	
	<u>626</u>	<u>30</u>	

Central West Health had one contract liability at 30 June 2021.

General purpose funding from the Department of Health, is recorded as revenue when received. Where funding is repayable this is recognised as an expense and other liability.

**C9 RIGHT OF USE ASSETS AND LEASE LIABILITIES****C9-1 LEASES AS LESSEE**

	2021			2020		
	Buildings	Plant and equipment	Total	Buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Right-of-use assets</b>						
Gross	1,903	790	2,693	1,585	790	2,375
Less: Accumulated depreciation	(970)	(263)	(1,233)	(479)	(132)	(611)
<b>Carrying amount at 30 June</b>	<u>933</u>	<u>527</u>	<u>1,460</u>	<u>1,106</u>	<u>658</u>	<u>1,764</u>
<i>Represented by movements in carrying amount:</i>						
Opening balance at 1 July	1,106	658	1,764	1,030	790	1,820
Additions	463	-	463	560	-	560
Remeasurement - change in terms	(86)	-	(86)	(5)	-	(5)
Depreciation	(550)	(131)	(681)	(479)	(132)	(611)
<b>Balance at 30 June</b>	<u>933</u>	<u>527</u>	<u>1,460</u>	<u>1,106</u>	<u>658</u>	<u>1,764</u>

	2021 \$'000	2020 \$'000	Accounting policy - Leases as lessee
<b>Lease liabilities</b>			
Current	573	623	Right-of-use assets are initially recognised at cost comprising the following: - amount of the initial measurement of the lease liability - lease payments made at or before the commencement date, less any lease incentive received - initial direct costs incurred, and the initial estimate of restoration costs.
Non-current	858	1,098	
	<u>1,431</u>	<u>1,721</u>	

Right-of-use assets are subsequently depreciated over the lease term and are subject to impairment testing on an annual basis.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

Central West Health measures right-of-use assets from concessionary leases at cost on initial recognition, and continues to measure right-of-use assets at cost.

Central West Health has elected to not recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

When a contract contains both a lease and non-lease component such as utility costs, contractual payments are allocated to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, Central West Health has elected to not separate lease and non-lease components and instead accounts for them as a single lease component.

Lease liabilities are initially recognised at the present value of the lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that Central West Health is reasonably certain to exercise. Future lease payments in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that Central West Health is reasonably certain to exercise and
- payments for termination penalties, if the lease term reflects the early termination.

For further details on lease interest costs refer to Note B2-4.

**Central West Health**  
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**C9-1 LEASES AS LESSEE (continued)**

When measuring the lease liability, Central West Health uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of Central West Health's leases. To determine the incremental borrowing rate, Central West Health uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

**Disclosures - Leases as lessee***(i) Details of leasing arrangements as lessee*

Central West Health leases clinical office space and residential employee housing in rural and remote areas. Leased clinical space typically run for a period of 5 years with an option to renew the lease for a further 5 year term. In comparison, residential property leases are typically for 12 months with an option to renew a further 2 years. Central West Health assesses at lease commencement whether it is reasonably certain to exercise the renewal options. Historically Central West Health exercises renewal options, with lease terms recognised inclusive of extension options. This is reassessed if there is a significant event or significant change in circumstances within its control.

Residential property lease payments are fixed; clinical office space lease payment are variable reflecting movements in the consumer price index relevant to healthcare facilities in Longreach annually on the anniversary of the contract commencement. As the future rent increases are variable, they are not captured in the right-of-use asset or lease liability until the increases take effect. Central West Health has no option to purchase the leased premises at the conclusion of the lease, although the lease provides for a right of renewal at which time lease terms are renegotiated based on market review or CPI.

Central West Health leases medical equipment over lease term of 7 years. These payments are fixed over the duration of the contract. The option to buy the equipment at the end of the contract forms part of the lease. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

**C10 ASSET REVALUATION SURPLUS BY CLASS**

	2021 \$'000	2020 \$'000	Accounting policy - Asset revaluation surplus
<b>Land</b>			
Balance at 1 July	-	157	Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.
Revaluation increment/(decrement)	-	(157)	
<i>Balance at the end of the financial year</i>	<u>-</u>	<u>-</u>	
<b>Buildings</b>			
Balance at 1 July	32,734	31,196	The asset revaluation surplus represents the net effect of revaluation movements in assets.
Revaluation increment/(decrement)	(10,477)	1,538	
<i>Balance at the end of the financial year</i>	<u>22,257</u>	<u>32,734</u>	
<b>Total</b>	<u>22,257</u>	<u>32,734</u>	

**Central West Health**  
**Notes to the Financial Statements**  
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**SECTION D**  
**NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES**

**D1 FINANCIAL RISK DISCLOSURE**

**D1-1 FINANCIAL INSTRUMENTS CATEGORIES**

Central West Health has the following categories of financial assets and financial liabilities:

	<i>Note</i>	2021 \$'000	2020 \$'000
<b>Financial assets</b>			
Cash and cash equivalents (fair value)	C1	1,494	138
Receivables (amortised cost)	C2	715	542
		<u>2,209</u>	<u>680</u>
<b>Financial liabilities</b>			
Payables (amortised cost)	C6	5,098	3,761
Lease liabilities (amortised cost)	C9	1,431	1,721
		<u>6,529</u>	<u>5,482</u>

**Accounting Policy - Financial instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Central West Health becomes a party to the contractual provisions of the financial instrument. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

**D1-2 RISKS ARISING FROM FINANCIAL INSTRUMENTS**

Central West Health's activities expose it to a variety of financial risks - credit risk and liquidity risk. Financial risk management is implemented pursuant to Government and Central West Health's policy. Central West Health's policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of Central West Health.

Central West Health measures risk exposure using a variety of methods as follows:

<i>Risk exposure</i>	<i>Measurement method</i>
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by active management of accrual accounts

Credit risk is further discussed in Note C2-1 Receivables.

**Liquidity risk**

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

Central West Health is exposed to liquidity risk through its trading in the normal course of business and aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. An approved debt facility of \$1.5 million (2020: \$500,000) under Whole-of-Government banking arrangements to manage any short term cash shortfalls has been established.

All financial liabilities are current in nature and will be due and payable within twelve months. As such no discounting has been applied.

**Interest risk**

Central West Health is exposed to interest rate risk on its 24-hour call deposits, however there is no significant interest risk on its cash deposits. The health service does not undertake any hedging in relation to interest rate risk. Changes in interest rate have a minimal effect on the operating result of Central West Health.



**Central West Health**  
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**D1-3 LIQUIDITY RISK - CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES**

The following tables set out the liquidity risk of financial liabilities held by Central West Health. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

<i>Financial liabilities</i>	<b>2021</b>				<b>2020</b>			
	Contractual maturity				Contractual maturity			
	<i>Total</i>	< 1 Yr	1-5 Yrs	> 5 Yrs	<i>Total</i>	< 1 Yr	1-5 Yrs	> 5 Yrs
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Payables	5,098	5,098	-	-	3,761	3,761	-	-
Leased liabilities	1,445	580	865	-	1,795	653	1,108	34
	<b>6,543</b>	<b>5,678</b>	<b>865</b>	<b>-</b>	<b>5,556</b>	<b>4,414</b>	<b>1,108</b>	<b>34</b>

**D2 CONTINGENCIES**

As at 30 June 2021, there was one case filed in the Supreme court naming the State of Queensland acting through the Central West Hospital as defendant. Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). As of 30 June 2021, there is one settled medical indemnity claim and one open general liability claim managed by QGIF, which may never be litigated or result in payment of claims. Central West Health's maximum exposure is limited to an excess per insurance event up to \$20,000. Central West Health's net exposure is not material.

**D3 COMMITMENTS**
**Capital expenditure commitments**

Capital expenditure commitments inclusive of non-recoverable GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	<i>2021</i>	<i>2020</i>
	<i>\$'000</i>	<i>\$'000</i>
<i>Buildings</i>		
Within twelve months	968	2,977
Twelve months or longer and not longer than five years.	3,332	-
<i>Plant and equipment</i>		
Not later than 1 year	23	542
	<b>4,323</b>	<b>3,519</b>

**Central West Health**  
**Notes to the Financial Statements**  
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**SECTION E**  
**OTHER INFORMATION**

**E1 FIDUCIARY TRUST TRANSACTIONS AND BALANCES**

Central West Health acts in a custodial role in relation to patient trust accounts. Although patient funds are not controlled, trust activities are included in the audit performed annually by the Auditor-General of Queensland and disclosed below for information purposes.

	2021	2020
	\$'000	\$'000
<b>Patient Trust receipts</b>		
Winton Patient Trust	84	74
Longreach Patient Trust	1	1
Barcaldine Patient Trust	30	29
<b>Total receipts</b>	<u>115</u>	<u>104</u>
<b>Patient Trust related payments</b>		
Winton Patient Trust	135	75
Longreach Patient Trust	1	-
Barcaldine Patient Trust	22	30
<b>Total payments</b>	<u>158</u>	<u>105</u>
<b>Trust assets</b>		
Current assets - cash	<u>48</u>	<u>91</u>
<b><i>Represented by patient trust deposits</i></b>		
Winton Patient Trust	22	74
Longreach Patient Trust	-	-
Barcaldine Patient Trust	26	17
<b><i>Total current assets</i></b>	<u>48</u>	<u>91</u>

**Central West Health**  
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## E2 KEY MANAGEMENT PERSONNEL DISCLOSURES

In accordance with AASB 124 *Related Party Disclosures*, Central West Health's responsible Minister (Minister for Health and Ambulance Services) and persons in positions with authority and responsibility for planning, directing and controlling the activities of the health service during the year are identified as Central West Health's Key Management Personnel (KMP). This includes its Board members. Details on non-ministerial KMP positions, responsibilities and KMP remuneration policies are detailed below. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management and the Board.

The following details for non-Ministerial key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Central West Health during 2021. Further information on key management personal positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities
Health Service Chief Executive	Responsible for the efficient and effective management of Central West Health and to support and implement the Board's strategic plans for the improved health care of Central West residents and visitors.
Executive Director, Medical Services	Responsible for safe and effective delivery of medical and allied health services, including recruitment, retention and development of workforce, and leads clinical governance within the Health Services.
Executive Director, Nursing and Midwifery Services	Oversees the safe and efficient operations of all hospitals and health centres, maternity and community health services and provides leadership to the nursing streams.
Executive Director, Workforce, Governance and Information Management	Responsible for all aspects of workforce, governance and information management within Central West Health.
Executive Director, Finance, Infrastructure and Support Services (EDFISS)	Responsible for budget planning and forecasting, financial control and performance, statutory compliance and supporting effective business decision making within Central West Health.
Executive Director, Indigenous Health	Responsible for strategic leadership and operation of multidisciplinary programs to promote Aboriginal and Torres Strait Islander health and wellbeing.
General Manager, Primary Health Services	Responsible for operational management of Primary Health Care facilities with oversight of community health, mental health, maternity and child health, allied health, telehealth and specialist outpatients.
General Manager, Acute Health Services	Responsible for operational management of facilities including Longreach, Winton, Barcaldine, Alpha and Blackall with oversight of site-specific in-patients, surgical and emergency care, medical imaging, oral health, aeromedical and patient transport programs.
Chief Information Officer, Rural and Remote	Responsible for operational and strategic leadership of the eHealth and Communication Technology portfolio within rural and remote hospital and health services. The role is hosted by eHealth Queensland and proportionally on-charged to each of the rural and remote hospital and health services.

### Remuneration policies

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

Section 74 of the *Hospital and Health Board Act 2011* (the Act) provides the contract of employment for health executive staff must state the term of employment, the person's functions and any performance criteria as well as the person's classification level and remuneration package.

**Central West Health**  
**Notes to the Financial Statements**  
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## **E2 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)**

The remuneration policy for Central West Health Service Chief Executive is set by a direct engagement common law employment contract setting out the remuneration and other terms of employment including noon-salary benefits such as motor vehicle and remote area housing.

Remuneration of other key executive management personnel are determined by their awards and industrial agreements determined by the Department of Health. In response to the COVID pandemic, the Queensland Government deferred wage increases in 2020-21 that were otherwise scheduled. These increases will occur in 2022.

Remuneration packages for key management personnel comprise the following components:

Short-term employee expenses include:

- salaries, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position.
- non-monetary expenses – consisting of provision of remote area housing, motor vehicles and applicable fringe benefits tax benefits.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned. Post employment expenses include amounts expensed in respect of employer superannuation obligations. Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination.

There were no performance bonuses paid in the 2021 financial year (2020: nil).

**1 July 2020 - 30 June 2021**

<b>Position</b>	<b>Short Term Employee Expenses</b>		<b>Long term expenses</b>	<b>Post employee expenses</b>	<b>Total expenses</b>
	<b>Monetary expenses \$'000</b>	<b>Non-monetary expenses</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Health Service Chief Executive	258	50	6	24	338
Acting Health Service Chief Executive (17/12/2020 to 28/2/2021)	36	-	1	3	40
Executive Director, Medical Services	452	-	10	34	496
Executive Director, Nursing and Midwifery Services	226	26	5	21	278
Acting Executive Director, Nursing and Midwifery Services (1/4/2021 to 30/6/2021)	71	7	1	4	83
Executive Director, Workforce, Governance and Information Management	157	27	3	18	205
Executive Director, Finance, Infrastructure and Support Services (appointed 7/12/2020)	115	14	2	12	143
Executive Director, Indigenous Health (appointed 9/2/2021)	61	12	1	7	81
General Manager Primary Health Services	140	17	3	15	175
Acting General Manager Primary Health (17/12/2020 to 28/3/2021)	83	-	2	5	90
General Manager Acute Health Services	98	14	2	11	125
Acting General Manager Acute Health Services (17/12/2020 to 28/2/2021)	38	-	1	4	43
Acting General Manager Acute Health Services (1/3/2021 to 30/6/2021)	60	-	1	5	66
Chief Information Officer, Rural and Remote	29	-	-	-	29



**Central West Health**  
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**E2 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)**

1 July 2019 - 30 June 2020

Position	Short Term Employee Expenses		Long term expenses	Post employee expenses	Total expenses
	Monetary expenses \$'000	Non-monetary expenses \$'000	\$'000	\$'000	\$'000
Health Service Chief Executive	294	54	6	29	383
Executive Director, Medical Services (acting 01/07/2019 to 26/01/2020; appointed 27/01/2020)	607	-	14	43	664
Executive Director, Nursing and Midwifery Services (resigned 06/10/2019)	60	6	1	5	72
Executive Director, Nursing and Midwifery Services (appointed 27/01/2020)	120	11	3	10	144
Acting Executive Director, Nursing and Midwifery Services (23/9/2019 to 26/01/2020)	66	-	1	3	70
Acting Executive Director, Workforce, Governance and Information Management (01/07/2019 to 30/06/2020)	155	25	3	18	201
General Manager Primary Health Services	187	17	4	20	228
General Manager Acute Health Services	148	18	3	17	186
Acting General Manager Acute Health Services (31/01/2020 to 02/03/2020; 9/03/2020 to 22/03/2020)	24	-	-	2	26
Chief Information Officer, Rural and Remote	25	-	-	-	25

**Board remuneration**

Central West Health is independently and locally controlled by the Hospital and Health Board (the Board). Board appointments are for one or three-year terms.

Remuneration arrangements for the Central West Health Board are approved by the Governor in Council and the chair, deputy chair and members are paid in annual fee calculated in accordance with the guidance statement issued by the Department of Premier and Cabinet, titled "*Remuneration procedures for part-time chairs and member of Queensland Government bodies*". Under the procedure, Hospital and Health Services are 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.

**Responsibility**

The Board decides the objectives, strategies and policies to be followed by Central West Health and ensure it performs its functions in a proper, effective and efficient way. The Board appoints the Health Service Chief Executive and exercises significant responsibilities at a local level, including controlling the financial management of the Service and the management of the Service's land and buildings (Section 7 *Hospital and Health Boards Act 2011*).

**Central West Health**  
**Notes to the Financial Statements**  
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## E2 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

### Appointment authority

Appointments are under the provisions of the *Hospital and Health Boards Act 2011* by Governor in Council. Notice published in the Queensland Government Gazette.

Position and Name	Date of initial appointment
Board Chair, Jane Williams	Appointed 1/7/2012
Deputy Chairperson, David Arnold	Appointed 1/7/2012
Board member, William Ringrose	Appointed 1/7/2012 - 17/5/2021; re-appointed 10/06/2021
Board member, Elizabeth Fraser	Appointed 18/5/2016
Board member, Leisa Fraser	Appointed 18/5/2016
Board member, Dr Clare Walker*	Appointed 18/5/2016 - 17/5/2021; re-appointed 10/06/2021
Board member, Jonathan Repine	Appointed 18/5/2018
Board member, Kieran Chilcott	Appointed 18/5/2021

\*Board members who are employed by either Central West Health or the Department of Health are not paid board fees.

Remuneration paid or owing to board members during 2021 was as follows:

Board Member	Short Term Employee Benefits		Post employee expenses	Total Expenses
	Monetary expenses \$'000	Non-monetary expenses \$'000	\$'000	\$'000
Jane Williams	72	-	7	79
David Arnold	42	-	4	46
William Ringrose	37	-	4	41
Elizabeth Fraser	41	-	4	45
Leisa Fraser	39	-	4	43
Jonathan Repine	43	-	4	47
Kieran Chilcott	4	-	1	5

Remuneration paid or owing to board members during 2020 was as follows:

Board Member	Short Term Employee Benefits		Post employee expenses	Total Expenses
	Monetary expenses \$'000	Non-monetary expenses \$'000	\$'000	\$'000
Jane Williams	73	-	7	80
David Arnold	42	-	4	46
William Ringrose	40	-	4	44
Elizabeth Fraser	39	-	4	43
Leisa Fraser	39	-	4	43
Jonathan Repine	40	-	4	44

**Central West Health**  
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### E3 RELATED PARTY TRANSACTIONS

#### Transactions with Queensland Government Controlled Entities

Central West Health is controlled by its ultimate parent entity, the State of Queensland. All State of Queensland controlled entities meet the definition of a related party in AASB 124 *Related party Disclosures*. The following table summarises significant transactions with Queensland Government controlled entities.

Category	2021 \$'000	2020 \$'000
<i>Entity - Department of Health</i>		
Revenue	85,225	78,750
Expenditure	52,463	51,754
Asset	870	609
Liability	3,972	2,504
<i>Entity - Department of Energy and Public Works including Qfleet and Building and Asset Services</i>		
Expenditure	5,460	2,909
Asset	65	-
Liability	93	169

#### *Department of Health*

Central West Health's primary source of funding is provided by the Department of Health, with payments made in accordance with a service agreement. The signed service agreements are published on the Queensland Government website and are publicly available. Revenue under the service arrangement was \$82.5 million for the year ended 30 June 2021 (2020: \$75.9 million). For further details on the purchase of health services by the Department refer to Note B1-2.

Central West Health, through service arrangements with the Department of Health, has engaged 356 (2020: 362) full time equivalent persons. In accordance with the *Hospital and Health Boards Act 2011*, the employees of the Department of Health are referred to as health service employees. In 2021, \$42.6 million (2020: \$43.4 million) was paid to the department for health service employees. The terms of this arrangement are fully explained in Note B2-2.

The Department of Health centrally manages, on behalf of Hospital and Health Services, a range of services including pathology testing, pharmaceutical drugs, clinical supplies, telecommunications and technology services. These services are provided on a cost recovery basis. In 2021, these services totalled \$8.0 million (2020: \$7.5 million). In addition, Central West Health receives corporate services support from the Department at no cost. Corporate services received include payroll services, financial transactions services (including accounts payable and banking services), administrative services and information technology services. In 2021, the fair value of these services was \$924,000 (2020: \$887,000).

Any associated receivables or payables owing to the Department of Health at 30 June 2021 are separately disclosed in Note C2, C4, C6 and Note C8. No impairment has been applied to these balances.

The Department of Health also provides funding from the State as equity injections to purchase property, plant and equipment. All construction of major health infrastructure is managed and funded by the Department of Health. Upon practical completion of a project, assets are transferred from the Department to Central West Health. Where departmental funded capital projects are managed by Central West Health, revenue is received from the Department of Health at the value of costs incurred. This revenue is recognised as sales of goods and services. In 2021, \$1.1 million (2020: \$1.6 million) in revenue was recognised for these services. Refer to Note B1-1 for more detail. Throughout the year, funding received to cover the cost of depreciation is offset by a withdrawal of equity by the State for the same amount. For further details on equity transactions with the Department refer to the Statement of Changes in Equity.

#### *Department of Energy and Public Works (including Qfleet and Building and Asset Services)*

Department of Energy and Public Works – Central West Health pays rent to the Department of Energy and Public Works for a number of properties. In addition, Central West Health pays the Department of Energy and Public Works for vehicle fleet management. Further details on these arrangements are outlined in B2-3. During 2021, Building and Asset Services (commercial business unit of the department) was engaged to undertake construction and repairs valued at \$4.0 million (2020: \$1.5 million).

There are no other material transactions with other Queensland Government controlled entities.

#### Transactions with People/Entities Related to KMP

All transactions in the year ended 30 June 2021 between Central West Health key management personnel, including their related parties were on normal commercial terms and conditions and were immaterial in nature.

**Central West Health**  
**Notes to the Financial Statements**  
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## **E4 TAXATION**

Central West Health is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The Australian Taxation Office has recognised the Department of Health and the sixteen Hospital and Health Services as a single taxation entity for reporting purposes. All FBT and GST reporting to the Commonwealth is managed centrally by the department, with payments/ receipts made on behalf of the Central West Health reimbursed on a monthly basis. GST credits receivable from, and GST payable to the ATO, are recognised on this basis. Refer to Note C2.

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

## **E5 CLIMATE RISK DISCLOSURE**

### *Climate Risk Assessment*

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

Central West Health has not identified any material climate related risks relevant to the financial report at the reporting date, however Central West Health constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

## **E6 FIRST YEAR APPLICATION OF NEW STANDARDS OR CHANGE IN POLICY**

### **Accounting standards applied for the first time**

Central West Health applied AASB 1059 *Service Concession Arrangements*: Grantors for the first time in 2020-21. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities. Central West Health does not currently have any arrangements which would fall within the scope of AASB 1059.

No other accounting standards or interpretations that apply to Central West Health for the first time in 2021 have any material impact on the financial statements.

### **Accounting standards early adopted**

No Australian Accounting Standards have been early adopted for 2021.

## **E7 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE**

All Australian accounting standards and interpretations with future effective dates are either not applicable to Central West Health's activities or have no material impact.



**Central West Health**  
**Notes to the Financial Statements**  
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## **E8 SIGNIFICANT FINANCIAL IMPACTS FROM COVID-19 PANDEMIC**

The following significant transactions were recognised by Central West Health during the 2021 financial year in response to the COVID-19 pandemic.

	2021 \$'000	2020 \$'000
<b>Operating Statement</b>		
<i>Significant expense items arising from COVID-19</i>		
Operation of the health emergency operating centre and fever clinics	266	530
Additional testing, diagnostics and essential equipment	237	276
Planning, administration and delivery of vaccination program	692	-
Workforce management	15	89
	<u>1,210</u>	<u>895</u>
<i>Significant revenue items arising from COVID-19</i>		
Funding public health services - supplement costs of COVID-19	1,193	895
Temporary increase to Residential and Home Care Viability support for loss of revenue	-	128
	<u>1,193</u>	<u>1,023</u>

### **Balance Sheet**

There were no significant changes to assets, liabilities and equity arising from COVID-19.

#### *Market based valuations*

All land holdings were comprehensively revalued at 30 June 2020 by independent valuers APV Valuers and Asset Management (APV). In 2021 to assess the effect of the COVID-19 pandemic on the fair value of assets assessed at market, APV conducted research into the available sales evidence within areas covered by Central West Health's network. During the pandemic there have been incidences of short-term fluctuation, or aberration, compared to long-term values, but the correction of most markets was quick with no significant decreases in property markets due to the COVID-19 pandemic noted.

#### *Current replacement cost valuations*

Similarly current replacement cost valuations of public infrastructure and specialised buildings, based on the data obtained has shown almost no change in value because of COVID-19. The pandemic can be attributed to the halt of construction cost increases over the period, but not a decrease. A lot of construction work has paused, meaning that there is less data available to make judgements, but what is available suggests no movement in construction costs due to COVID-19. For accumulated depreciation, the condition and useful life of these long-lived assets is unlikely to change due to the virus.

Central West Health's financial statements are expected to be impacted by the COVID-19 programs beyond 30 June 2021, although the actual impacts cannot be reliably estimated at the reporting date.

## **E9 GOING CONCERN**

These accounts have been prepared on a going concern basis which assumes the entity realises its assets and discharges its liabilities as and when they fall due in the ordinary course of business. Central West Health has a current year surplus and a small accumulated loss as at 30 June 2021. Central West Health has received support from the Department of Health in the past, and will continue to received on-going support. On this basis the application of the going concern basis is appropriate.

## **E10 EVENTS AFTER THE BALANCE DATE**

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect Central West Health's operations, the results of those operations, or Central West Health's state of affairs in future financial years.

**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

**SECTION F**  
**NOTES ON OUR PERFORMANCE TO BUDGET**

This section discloses Central West Health's original published budgeted figures for 2021 compared to actual results, with explanations of major variances, in respect of Central West Health's Statement of Comprehensive Income. Note original published budget from the Service Delivery Statement (SDS) has been reclassified to improve transparency and analysis by remapping particular budgeted transactions on the same basis as reported in actual financial statements.

**F1 BUDGET TO ACTUAL COMPARISON - STATEMENT OF COMPREHENSIVE INCOME**

	Variance Notes	Actual 2021 \$'000	Budget 2021 \$'000	Variance \$'000
<b>Income</b>				
User charges and fees	A1	6,737	7,608	(871)
Funding public health services	A2	82,501	74,759	7,742
Grants and other contributions		3,189	3,321	(132)
Other revenue		473	383	90
<b>Total Income</b>		<b>92,900</b>	<b>86,071</b>	<b>6,829</b>
<b>Total income</b>		<b>92,900</b>	<b>86,071</b>	<b>6,829</b>
<b>Expenses</b>				
Employee expenses	A3	9,154	9,685	(531)
Health service employee expenses	A3	42,969	45,089	(2,120)
Supplies and services	A4	28,407	22,798	5,609
Depreciation and amortisation	A5	9,526	6,528	2,998
Other expenses	A6	2,699	1,971	728
<b>Total Expenses</b>		<b>92,755</b>	<b>86,071</b>	<b>6,684</b>
<b>Operating surplus/(deficit)</b>		<b>145</b>	<b>-</b>	<b>145</b>
<b>Other comprehensive income</b>				
Items not reclassified to operating result				
Increase in asset revaluation surplus		(10,477)	-	(10,477)
<b>Other comprehensive income for the year</b>		<b>(10,477)</b>	<b>-</b>	<b>(10,477)</b>
<b>Total comprehensive income</b>		<b>(10,332)</b>	<b>-</b>	<b>(10,332)</b>

Materiality for notes commentary is based on the calculation of the line item's actual value percentage of the group total. A note is provided for where the variance percentage is 5% or greater for Employee expenses, Health service employee expenses, Supplies and services, and Property, plant and equipment and 10% or greater for others.

**Central West Health**  
**Notes to the Financial Statements**  
for the year ended 30 June 2021

**BUDGET VS ACTUAL COMPARISON**

For the purposes of these comparatives the "Original Budget" refers to the budget entered in December 2020 as part of the Service Delivery Statements (SDS) process which reflected the budget at that point in time. Since then there have been numerous adjustments to funding including, but not limited to enterprise bargaining agreements and new funding for programs and initiatives per the Service Agreement.

**Explanation of major variances**

*Statement of Comprehensive Income*

- A1 User charges were \$6.737 million compared to budget forecasts of \$7.608 million. The decline primarily reflects lower revenue from managing capital projects of \$0.639 million, and reduced demand for private patient services. Declines were partially offset by higher Pharmaceutical Benefit Scheme Reimbursements (PBS) and nursing home fees.
- A2 The increase relates to additional funding provided through amendments to the Service Agreement between Central West Health and the Department of Health. Additional initiatives approved to expand service delivery post the budget totalled \$4.744 million, including Central West Health's ongoing response to the COVID-19 pandemic and rollout of the vaccination program. Funding of depreciation expense also increased \$2.998 million above original forecasts. Refer A5 for further information.
- A3 Employee and Health service employee expenses were \$52.123 million at 30 June 2021 compared to \$54.774 million in the budget. The decline reflects higher vacancy rates in full time equivalent staff during 2021 and lower average salaries. Items not fully captured at the time of the budget included:
- deferral of wage increases otherwise scheduled under enterprise bargaining agreements by the Queensland Government in response to the COVID-19 pandemic;
  - vacancies in frontline staff with ongoing recruitment difficulties to rural and remote locations experienced in 2021; and
  - capitalisation of wages to construction projects not forecast at budget.
- A4 Supplies and services expenditure exceeded budget by \$5.609 million due predominately to the impact of the COVID-19 pandemic, not captured at the time of the budget. In particular:
- higher than estimated levels of staff leave and increased demand for nursing services. Employment of additional temporary medical staff to backfill vacancies, staff on leave, and positions currently engaged in the COVID-19 vaccination program added \$4.925 million to expenses.
  - aeromedical service costs increased as availability of service providers in 2021 shifted to an increased use of higher cost jet flights; and
  - direct costs associated with the COVID-19 pandemic to maintain health services and rollout the vaccination program, including additional testing, diagnostics, supplies and workforce management.
- Higher costs were partially offset by reductions in costs associated with managing capital projects on behalf of the Department of Health.
- A5 Depreciation expense exceeded budget by \$2.998 million reflecting changes to useful life assumptions for a number of buildings and depreciation on twenty new right-of-use assets acquired post budget. Recent upgrades in Barcaldine noted the hospital is deteriorating at an increased rate, resulting in replacement of this facility being brought forward and increasing depreciation charges by \$2.128 million. Revisions to management's planned expected replacement for smaller public health facilities and scheduled demolition in 2022 of older buildings in Alpha and Aramac also contributed to the increase in depreciation.
- A6 Approximately \$600 thousand of funding provided under the service agreement with the Department of Health will be returned as a result of under delivery of targets specified in Table 1 of the agreement. This was not included at the time of the budget.

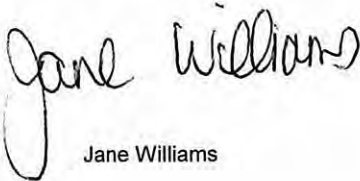
**Central West Health  
Management Certificate**  
for the year ended 30 June 2021

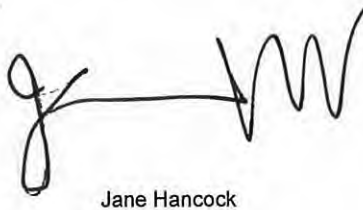
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These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements.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

- the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Central West Hospital and Health Service for the financial year ended 30 June 2021 and of the financial position of Central West Health at the end of that year.

We acknowledge responsibility under sections 7 and 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting through-out the reporting period.

  
Jane Williams

  
Jane Hancock

  
Christopher Sullivan

Board Chair

Central West Health  
26 / 8 / 21

Chief Executive Officer

Central West Health  
26 / 08 / 21

Executive Director  
Finance, Infrastructure and Support  
Services, Central West Health  
26 / 8 / 2021



## INDEPENDENT AUDITOR'S REPORT

To the Board of Central West Hospital and Health Service

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Central West 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 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

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

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

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

#### Key audit matters

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

## Valuation of specialised buildings \$91.1 million

Refer to note C5 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Buildings were material to Central West Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method. Central West Hospital and Health Service performed a comprehensive revaluation over 17 material buildings as part of the rolling revaluation program. All other buildings were assessed using relevant indices. The current replacement cost method comprises:</p> <ul style="list-style-type: none"> <li>gross replacement cost, less</li> <li>accumulated depreciation.</li> </ul> <p>Central West Hospital and Health Service derived the gross replacement cost of its buildings at the balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> <li>identifying the components of buildings with separately identifiable replacement costs</li> <li>developing a unit rate for each of these components, including: <ul style="list-style-type: none"> <li>estimating the current cost for a modern substitute (including locality factors and oncosts)</li> <li>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</li> </ul> </li> </ul> <p>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.</p> <p>Using indexation required:</p> <ul style="list-style-type: none"> <li>significant judgement in determining changes in cost and design factors for each asset type since the previous comprehensive valuation</li> <li>reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used.</li> </ul> <p>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components.</p>	<p>Procedures performed included, but were not limited to:</p> <ul style="list-style-type: none"> <li>assessing the adequacy of management's review of the valuation process and results</li> <li>reviewing the scope and instructions provided to the valuer</li> <li>assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices</li> <li>assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices</li> <li>assessing the competence, capabilities and objectivity of the experts used to develop the models</li> <li>for unit rates associated with buildings that were comprehensively revaluated this year, 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"> <li>modern substitute (including locality factors and oncosts)</li> <li>adjustment for excess quality or obsolescence.</li> </ul> </li> <li>evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices</li> <li>evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> <li>reviewing management's annual assessment of useful lives</li> <li>at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets</li> <li>ensuring that no building asset still in use has reached or exceeded its useful life</li> <li>enquiring of management about their plans for assets that are nearing the end of their useful life</li> <li>reviewing assets with an inconsistent relationship between condition and remaining useful life.</li> </ul> </li> <li>Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.</li> </ul>

## Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial report

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

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

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



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

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

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

## Report on other legal and regulatory requirements

### Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

### Prescribed requirements scope

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

David Toma  
as delegate of the Auditor-General

30 August 2021

Queensland Audit Office  
Brisbane



## Appendix B

## G L O S S A R Y

***Hospital and Health Service***

A Hospital and Health Service is a separate legal entity established by the Queensland Government to deliver public hospital health services and replaced the former health service districts.

***Queensland Government's objectives for the community***

The government's objectives for the community are built around *Unite and Recover – Queensland's Economic Recovery Plan*. The objectives are long-term and can only be achieved by everyone involved working together.

***Western Queensland Primary Health Network***

The Western Queensland Primary Health Network (WQPHN) was formed as an independent not-for-profit company by the three Western Queensland Hospital and Health Services – Central West, South West and North West. The WQPHN fosters partnerships with all founders and service providers with an aim to improve primary healthcare delivery.

***Multi-purpose health services***

The multi-purpose health services program combines funding for aged care services from the Australian Government with state and territory health services. This joint initiative means small regional and remote communities can offer flexible aged care services that meet the needs of their community.

***Royal Flying Doctor Service***

The Royal Flying Doctor Service of Australia is a not-for-profit organisation delivering extensive primary healthcare and 24 hour emergency service to those who live, work and travel throughout Australia.

***Modified Monash Model***

The Modified Monash Model (MMM) is used by the Commonwealth Department of Health to define whether a location is a city, rural, remote, or very remote.

Understanding the MMM classifications helps us distribute the health workforce better in rural and remote areas. MMM classifications are based on the Australian Statistical Geography Standard - Remoteness Areas (ASGS-RA) framework.

***Care in the right setting program***

The Care in the right setting program is a State Government initiative to support community-based palliative care services with a focus on rural and remote regional areas of Queensland.

***Australian Council of Healthcare Standards***

The ACHS is an authorised accreditation agency with the Australian Commission on Safety and Quality in Health Care. The ACHS is authorised to accredit healthcare organisations to the NSQHS Standards.

***National Safety and Quality Health Service Standards***

The NSQHS Standards provide a nationally consistent statement of the level of care consumers can expect from health service organisations. The NSQHS Standards were developed by the Australian Government, states and territories, private sector partners, clinical experts, patients and carers with a primary aim to protect the public from harm and improve the quality of health service provision.

***My health, Queensland's future: Advancing health 2026***

Queensland already has a health system that performs well and provides high-quality services. However, like health systems everywhere, it is facing significant challenges. These include an ageing population, increases in the incidence of chronic diseases and the need for smarter healthcare delivery. Advancing Health 2026 has been produced to outline aspirations for how the entire Queensland Health system can support Queenslanders to maintain and improve health and wellbeing into the future.

***Telehealth***

Queensland's telehealth system enables patients to receive quality care closer to home via telecommunication technology, improving access to specialist healthcare for people in regional communities and reducing the need to travel for specialist advice.

***Queensland Aboriginal and Islander Health Council***

The Queensland Aboriginal and Islander Health Council is a leadership and policy organisation. It was established in 1990 and is the peak organisation representing all Aboriginal and Torres Strait Islander Community Controlled Health Organisations in Queensland at both a state and national level.

***National Reconciliation Week***

National Reconciliation Week is a time for all Australians to learn about shared histories, cultures and achievements and to explore how each of us can contribute to achieving reconciliation in Australia.

***North and West Remote Health***

North and West Remote Health is a not-for-profit provider of community and outreach based allied health, aged care, wellbeing, and disability services across regional, rural and remote Australia.

## Appendix C

**COMPLIANCE CHECKLIST**

Summary of requirement		Basis for requirement	Annual report reference
<b>Letter of compliance</b>	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	2
<b>Accessibility</b>	Table of contents Glossary	ARRs – section 9.1	3, 83
	Public availability	ARRs – section 9.2	Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	Inside front cover
	Copyright notice	Copyright Act 1968 ARRs – section 9.4	Inside front cover
	Information Licensing	QGEA – Information Licensing ARRs – section 9.5	Inside front cover
<b>General information</b>	Introductory Information	ARRs – section 10.1	6, 7, 8, 9
<b>Non-financial performance</b>	Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	4, 5
	Agency objectives and performance indicators	ARRs – section 11.3	10, 11, 12, 13
	Agency service areas and service standards	ARRs – section 11.4	14, 37, 38
<b>Financial performance</b>	Summary of financial performance	ARRs – section 12.1	39, 40
<b>Governance – management and structure</b>	Organisational structure	ARRs – section 13.1	24, 25, 26, 27, 28, 29
	Executive management	ARRs – section 13.2	18, 19, 20, 21, 22, 23
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	16, 17
	Public Sector Ethics	Public Sector Ethics Act 1994	35
	Human Rights	ARRs – section 13.4	35
	Queensland public service values	ARRs – section 13.6	9
<b>Governance – risk management and accountability</b>	Risk management	ARRs – section 14.1	28, 32
	Audit committee	ARRs – section 14.2	28
	Internal audit	ARRs – section 14.3	28, 32
	External scrutiny	ARRs – section 14.4	28, 33
	Information systems and recordkeeping	ARRs – section 14.5	34
	Information security attestation	ARRs – section 14.6	34
<b>Governance – human resources</b>	Strategic workforce planning and performance	ARRs – section 15.1	30, 31
	Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	31
<b>Open Data</b>	Statement advising publication of information	ARRs – section 16	Inside front cover
	Consultancies	ARRs – section 33.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Overseas travel	ARRs – section 33.2	Nil
	Queensland Language Services Policy	ARRs – section 33.3	Nil
<b>Open Data</b>	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	78
	Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	79, 80, 81, 82

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

