

ANNUAL REPORT 2021–2022



ACCESSIBILITY

Information about consultancies, overseas travel, and the Queensland language services policy is available at the Queensland Government Open Data website (<https://data.qld.gov.au>). During 2021-2022, Central West Hospital and Health Service has nil overseas travel and Queensland language services expenditure to report.

An electronic copy of this report is available at 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.



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_Interpreter@health.qld.gov.au and we will arrange an interpreter to effectively communicate the report back to you.

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ACKNOWLEDGMENT OF TRADITIONAL CUSTODIANS

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.

RECOGNITION OF AUSTRALIAN SOUTH SEA ISLANDERS

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

09 September 2022

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 2021–2022 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 is provided at page 95 of this Annual Report.

Yours sincerely

A handwritten signature in black ink that reads "Jane Williams." The signature is written in a cursive, flowing style.

Jane Williams

Chair

Central West Hospital and Health Board

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Statement on Queensland Government objectives for the community

*Unite and Recover
– Queensland's Economic
Recovery Plan*

Central West Hospital and Health Service (Central West HHS) Strategic Plan 2021-2025 (the Strategic Plan) details its priorities and specifically acknowledges the impacts of the ongoing COVID-19 pandemic and is aligned with the requirements of the Financial Accountability Act 2009.

Central West Hospital and Health Service contributes to the government's objectives for the community built around Unite and Recover by:

Safeguarding our health:

adhering to the highest safety and quality standards and delivering priority vaccinations to our widespread and diverse vulnerable populations. The success of the COVID-19 vaccination rollout program across our communities was a testament to the agile, responsive, and positive engagement of staff, community and external partners. Our partnership with the Royal Flying Doctor Service and the Queensland Ambulance Service was instrumental in delivering the vaccination program to our most remote communities.

Growing our regions:

by enabling Central West Queensland to have access to appropriate, safe, quality healthcare services. Central West HHS recognises the role that access to safe, quality, and reliable healthcare services plays in the attraction of people and skill sets to the region. This in turn enables improved economic sustainability and prosperity of our communities.

Supporting jobs:

by sustaining an organisational culture which attracts a workforce that supports the 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.

From the Chair and the Chief Executive

As we entered the third year of the COVID-19 pandemic, demand for healthcare services continued to grow. Our partnerships with external stakeholders and district wide disaster management groups continued to strengthen. The response to the COVID-19 vaccination program across all our communities is a testament to their confidence in our health service. We sincerely thank our communities for keeping each other safe.

This year has been an incredibly challenging year for our staff and their families in the face of the tangible impacts of the clinical and workforce challenges posed by the pandemic. We acknowledge and sincerely thank the collective efforts of all our staff, across all streams and all facilities in playing their part in caring for those who needed it this year.

Significant work and engagement with our Aboriginal and Torres Strait Islander community members across the district has led to the development of our draft Health Equity Strategy. The Strategy aims to design and deliver improved health services to achieve life expectancy parity by 2031 for First Nations communities.

Central West HHS is proud to have implemented an approach to support rural patients flown to a major hospital outside of our region for emergency treatment. The rural and remote patient QR code armband provides helpful prompts and information to assist patients with their discharge from hospital, possible accommodation requirements and transport options for return to their home. This initiative has supported many consumers, providing peace of mind and promoting advocacy and awareness for consumers.

Following extensive service planning and successful recruitment efforts, oral health services across Central West HHS have further expanded to provide consistent access for eligible patients across our communities.

We acknowledge recruitment of suitably qualified medical and nursing staff is a challenge, in particular for regional and remote health services. Central West HHS is working with its strategic partners to respond to this. Engaging with local government agencies to examine the issue of appropriate access to quality housing has been a key focus. We continue to review and refine the approach to attract a skilled workforce. We recognise that it is not only the basis of providing safe, quality healthcare but also the foundation of supporting our rural and remote communities and ensuring future sustainability.

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. Their contributions inspire improvements in the delivery of safe, quality, consumer-focused healthcare services to our far-reaching communities.

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. This plan supports the organisation to achieve its priorities and ensure integrity, safety, inclusivity, diversity, and innovation are present in our decision making and planning processes.

Central West HHS is supported by the strength and expertise of our staff in rural and remote service delivery, the relationships we have with our diverse communities, and the partnerships we forge to maximise our impact.

Our strategic priorities recognise the need to maintain a flexible and innovative approach to fulfilling our obligations to respond to the COVID-19 pandemic whilst continuing to provide access to safe, quality and appropriate healthcare services.

The key strategic priorities for the Central West HHS 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

Populations of Central West communities have decreased during the five years to 2020 and are ageing and being more socioeconomically disadvantaged.

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 therefore need to be people-centred to ensure the opportunity for improved health outcomes is achieved in spite of these challenges.

NON-FINANCIAL PERFORMANCE REPORTING

Priority – Design a workforce which empowers individuals to be safe, accountable contributors to a positive organisational culture.	
Culture, staff and consumer surveys and feedback reflect continued improvement.	<p>Staff culture and engagement remain critical in the provision of an engaged and valued workforce. The Central West HHS has continued to develop its approach to how this is conducted through the Working for Queensland Survey, which saw a response rate of 39 percent while identifying key areas for organisational improvement. The Central West HHS recognises there are areas for improvement as a result of process, and through consultation and broad ranging engagement it looks forward to reviewing organisational performance through the survey in 2022.</p> <p>Central West HHS continues to engage with consumers through our Consumer Advisory Networks (CANs), which are community led forums throughout the wider Central West focused on advocating for the needs of local consumers. Direct consumer engagement is further being incorporated through patient feedback mechanisms such as the Patient reported experience and outcome measures (PREMS). These systems continue to provide valuable feedback to the HHS, although consumer feedback rates remain low compared to other areas across the State. These matters have been addressed as part of a revised and refreshed consumer engagement plan due for release in late 2022.</p> <p>The Central West HHS clinician engagement strategy is in the final stages of renewal and will be published in late 2022. This strategy is further progress towards our commitment to invest in our staff and outlines ways in which clinicians can provide input and direction to the priorities and direction of the health service</p>
Recorded improvement in staff retention rate creating stability across the workforce.	<p>Staff retention has continued to be problematic across the Central West HHS resulting from increased competition in the labour market. Demand for clinical staff because of COVID-19 has resulted in further strains and increased turnover as a result.</p> <p>The Central West HHS looked to improve its approach to attraction and retention across clinical streams through ‘Project R’, which looked to investigate key areas for improvement across the HR (Human Resource) lifecycle looking to find and implement improvements across existing processes. This review has found opportunities to improve efficiencies across human resource processes which will increase staff satisfaction. Implementation of these project deliverables are ongoing with benefit from this investment expected to be realised in the next reporting period.</p> <p>The Central West HHS continues to provide a range of learning opportunities both internal and external to the health service with extensive utilisation of online resources and the availability of professional development leave. Central West HHS, in partnership with Clinical Excellence Queensland, has provided a range of training opportunities to support and develop staff throughout the year.</p>
Participation of Aboriginal and Torres Strait Islanders in the workforce is greater than 6 percent.	<p>Aboriginal and Torres Strait Islander representation throughout the Central West HHS is now 6.87 percent, exceeding our target participation rate.</p> <p>This representation can be attributed to increased data capture within our human resources management system and increased Aboriginal and Torres Strait Islander practices in support of the First Nations Health Equity Strategy Team.</p>
There is better safety, health and wellbeing outcomes for all staff achieved over the next five years.	<p>The Central West HHS continues to operate throughout a geographically dispersed and isolated workforce. We continue to engage our workforce to identify areas where we can improve our approach to health, safety and a positive organisational culture using both a variety of strategies.</p> <p>A review of workplace health and safety management has occurred throughout 2022 and will lead to further enhancements to worker safety. Furthermore, investment in the infrastructure of our remote facilities is occurring to improve physical security systems in place for the safety of staff.</p>

Priority – Integrated planning and design of sustainable primary and acute healthcare delivery which maximise opportunity for improved health outcomes.	
Alliance contracting is achieved, and benefit is demonstrated.	<p>Central West HHS have worked closely with The Western Queensland Primary Health Network, Royal Flying Doctors Service and all seven Local Government Areas, District Disaster Management Group and Local Disaster Management Group in a two-way, collaborative approach to managing the COVID-19 response which included our successful vaccination program.</p> <p>The Central West HHS work in strong partnership with Metro North Hospital and Health Service in the co-design, delivery and implementation of a range of clinical and non-clinical services to enhance our ability to deliver safe, quality and efficient care.</p> <p>Clinical services achievements include:</p> <p>Improved access to respiratory services including sleep and pulmonary rehabilitation:</p> <ul style="list-style-type: none"> • Respiratory outpatient service provided weekly via telehealth from RBWH (Royal Brisbane and Womens Hospital) and on-site clinics every three months (commenced November 2021) <p>A successful trial pilot of virtual pulmonary rehabilitation was completed</p>
Relevant actions from the 2020-2025 Health Service Plan are on track or completed.	<p>During the first twelve months (up to December 2021) of the 2020-2025 Health Service Plan implementation, 4 of the 16 actions were completed, 1 with more than 50 per cent progress, 4 with less 50 per cent progress, 5 not started and 2 not reported against.</p> <p>The reporting against 12-36 months actions commenced in January 2022 with 9 being completed, 4 with more than 50 per cent progress, 5 with less than 50 per cent progress, 16 not started and 3 not reported against.</p> <p>A review of the the Health Service Plan is currently underway to ensure that actions are appropriate following operating changes in response to the COVID-19 pandemic.</p>
Emergency, outpatient and elective surgery performance targets are met or exceeded.	<p>Central West HHS is pleased to report that all emergency department presentation targets were met or exceeded. This shows that the people of Central West Queensland continued to be supported appropriately when at their most vulnerable.</p> <p>The healthcare access performance indicators demonstrate a continued trust in the safe, quality, and accessible care that is provided in all the Health Service's inpatient and outpatient facilities during the pandemic. It is recognised that professional and capable clinical leadership and messaging contributed to this successful result.</p>
The objectives of Making Tracks that support the health equity agenda are achieved.	<p>Significant work and engagement with our Aboriginal and Torres Strait Islander community members across the district has assisted with the development of the draft Health Equity Strategy.</p> <p>Making Tracks objectives have resulted in achievements including formalised referral pathways being developed and socialised through standard committees and induction to connect First Nations consumers with right care.</p> <p>The successful development of Bi-monthly "Making Tracks in the outback" to inform community members of new staff, upcoming programs and events, upcoming outreach clinics and development of the health equity strategy.</p>

Priority – Sustainable delivery of safe, quality healthcare services.	
Balanced budget	<p>The CWHHS posted a \$2.67M deficit for the 2021/22 financial year. The primary driver of the deficit position for 2021/22 has been the structural issues with funding, where activity has been growing at a higher rate than funding over the last five years.</p> <p>Over the last 12 months, workforce challenges (recruitment and retention) have further amplified the financial challenge. Underscoring this is the relatively flat growth in FTE's, and the significant increase in "Premium Employment Costs", resulting in a higher cost per FTE to get staff on the ground and continue to deliver services.</p> <p>CWHHS has also seen a significant increase in costs relating to:</p> <ul style="list-style-type: none"> • Patient travel. • Attraction and retention of staff to keep services running (e.g. staff travel, advertising costs, operating leases for accommodation). • Other cost drivers such as Communication & Computers, Motor Vehicle Costs, Pathology Charges, Postage and freight.
Increased use of transparent Patient reported Outcome Measures	<p>Community consultation conducted during the development of the First Nations Health Equity Strategy strengthened the relationships and communications with Consumer Advisory Networks and assisted in promoting the objectives of health communication and encouraged feedback from consumers promoting "Have Your Say" and Patient Reported Experience Measures Surveys.</p> <p>These results continue to be monitored through our quality assurance systems with experiences being shared at all levels of the organisation including through the Board.</p> <p>A key achievement resulting from consumer feedback was the implementation of an approach to support rural patients flown to a major hospital outside of our region for emergency treatment.</p> <p>The rural and remote patient QR code armband provides helpful prompts and information to assist patients with their discharge from hospital, possible accommodation requirements and transport options for return to their home. This initiative has supported many consumers, providing peace of mind and promoting advocacy and awareness for consumers.</p>
Revenue is appropriately maximised	<p>Early 2021 Central West HHS engaged a consultancy firm to review revenue practices across Central West HHS. In response to the report recommendations, Central West HHS expanded our own-source revenue function to address compliance risks, embed improved own-source revenue processes, and support increased generation of own-source revenue.</p> <p>This work has ensured Central West HHS has strategies in place to maximise revenue opportunities available.</p> <p>The newly recruited revenue manager has delivered on a range of initiatives to optimise current capacity, including increased recognition and capture of eligible Council of Australia Governments services, establishment of previously unrealised own-source revenue streams and increased compliance with health service directives in Private practice in the Queensland public health sector (QH-HSD-044:2020) and Fees and charges for health care services (QH-HSD-045:2016).</p>
Rural and remote digital health strategy is delivered, and infrastructure projects are completed on time and on budget.	<p>Central West HHS contributes to the implementation of the Digital Health Strategy for Rural and Remote Healthcare through participation in statewide governance that oversees the implementation the strategy. In alignment, the HHS endorsed the implementation of an ICT Governance and Decision Making Framework which aligns with the Health Service Directives and Digital Policies.</p> <p>An achievement for this financial year was the migration of Patient Flow Manager from end of life infrastructure to eHealth Queensland hosted, supported, resilient and maintained environment and the equivalent project to migrate Medical Director/PracSoft is in flight and on track to be implemented by 30 September 2022.</p> <p>Significant upgrades to the fibre-optic infrastructure of our network have been completed with an increase in bandwidth implemented.</p> <p>A project to upgrade all resuscitation bays has commenced to improve critical and emergency telehealth capabilities in facilities.</p>

ABORIGINAL AND TORRES STRAIT ISLANDER HEALTH

Central West HHS recognises the importance in the development of sustainable models of healthcare delivery to 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.

In 2021-2022, the Aboriginal and Torres Strait Islander Health team have undertaken a strategic planning renewal under the new Health Equity legislative requirements. A formal review of referral pathways and management of clinical documents has progressed. This review will ensure the Aboriginal and Torres Strait Islander Health workforce is operating within the appropriate scope of practice. The team further recruited two new Aboriginal and Torres Strait Islander Health Workers in Bedourie and Longreach.

Indigenous respiratory and cardiac outreach programs (IROC & ICOP) previously operating from Metro North Hospital and Health Service (Metro North HHS), have now moved to the Specialist Outpatients Department. This change will better coordinate patient referrals and ensure clients are being engaged before clinics.

Central West HHS consulted with representatives of the Queensland Aboriginal and Islander Health Council (QAIHC) in May 2021 regarding Health Equity Strategy. Following this, a local Health Equity team was appointed to consult and develop the Central West Health Equity Strategy. Community consultation across the district helped develop a draft strategy to outline strategic priorities for First Nations communities. It is expected the Central West First Nations Health Equity Strategy will be launched in October 2022. An expression of interest was called for submissions for development of a health service artwork to be used in the launch of the First Nations Health Equity Strategy and Tambo artists and proud Bidjara women, Ann Russell and Deann Frousheger, were successful with their artwork - "Coming Together". The artwork illustrates the fine line connection that runs between the local communities linked by the river system and the medical professionals that visit the Central West.

As detailed in the *Central West HHS Consumer Engagement Strategy 2020-2023*, there is priority work occurring to explore the opportunity for Aboriginal and Torres Strait Islander Peoples Consumer Advisory Network groups to be established. Central West HHS has engaged Health Consumers Queensland to undertake some initial consultation work to build capacity in the community.

Cultural celebrations for National Reconciliation Week and NAIDOC week in the Central West in 2022 were marked with both staff and community events across the district.

Central West HHS continued to roll out the Queensland Health Cultural Practice Program during the period and has decided to review the existing program to refresh and revise future delivery.

Central West HHS has continued to build its First Nations workforce with 29 staff in place as of July 2022. Approximately 6.87 per cent of Central West HHS total staffing identify as Aboriginal or Torres Strait Islander, with the target of 8 per cent set by the organisation to have employment in the health service proportionate to local community population. The growth in staff has occurred not just in the additions to the Aboriginal and Torres Strait Islander health department but in nursing and medical streams across the organisation.

Service Summary

Central West HHS provides a network of community, primary and hospital-based services to enable our diverse communities 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 located in Longreach, Barcaldine, Blackall and Winton with outreach General Practitioner visits 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, supplementing the allied health services provided by Central West HHS.

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, Strategy and Governance 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.

Governance

LEADERSHIP STRUCTURE

Board Membership

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 with the reappointment of three of our existing members. The Board's diverse skills 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.

Board members:

Jane Williams

29/06/2012

18/05/2016 (*Chair*)

01/04/2022-31/03/2026

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 Queensland, particularly those in rural and remote areas.

Having lived and worked in various communities in the Central West for thirty 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 qualifications in Management and Community Services Coordination and 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.

David Arnold

29/06/2012

21/10/2021 (*Deputy Chair*)

18/05/2021 – 31/03/2024

Mr David Arnold, Deputy Chair, is the Chief Executive Officer of the Central Western Qld Remote Area Planning and Development Board, a regional organisation of councils and regional development agency. Through this role he successfully oversees the administration of a range of government programs, advocates to the Federal and State Government, and partners with the Central Wests seven Local Governments, to understand and respond to the economic, social, and environmental needs of these communities. He is also a committee member of Regional Development Australia Central and Western Qld, as well as being Chair of Remote EmSQ Plus a 50 per cent indigenous owned and controlled organisation which delivers the Federal Governments community development program across the Central West and South West regions of Qld

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 completed many corporate governance training programs, including through the Australian Institute of Company Directors and he holds a Graduate Certificate of Science in Strategic Foresight, a Bachelor of Business and an Associate Diploma of Applied Science.

Board members:

William Ringrose

29/06/2012

10/06/2021 – 31/03/2024

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 member on the Board of the Central West Hospital and Health Service, Bill brings his knowledge to the fore as a member 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.

Elizabeth Fraser

18/05/2016

18/05/2021 – 31/03/2024

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 community 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 effecting public service innovation, collaboration and performance improvements have enhanced her capabilities to provide strategic oversight and development of the Central West Hospital and Health Service through her role as Board member. Liz actively champions the importance of stakeholder engagement and fostering inclusive practices. 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 is also the Board's nominee member to the Western Queensland Primary Health Network Board. 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, is an Executive Fellow of the Australian New Zealand School of Government and a graduate of the Australian Institute of Company Directors.

Board members:

Dr Clare Walker

18/05/2016

01/04/2022-31/03/2026

Dr Clare Walker is a medical practitioner practicing in Longreach providing a combination of private General Practice and Senior Medical Officer care. 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 member'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. Clare was also a past president of the Rural Doctors Association of Queensland.

Leisa Fraser

18/05/2016

18/05/2021 – 31/03/2024

Ms Leisa Fraser has more than twenty-five 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 as the Executive Manager for Service Provider Commissioning. 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's other experience has been as the Business Manager of the Pittsworth Friendly Society Hospital as well as working for a number of Aged Care Providers in the Profit and Not for Profit sector. Leisa has in excess of ten years of experience in working in the area of Aboriginal and Torres Strait Islander 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 member 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), a Certificate IV in Business Administration as well as being a Commissioner of Declarations and Member of the Australian Institute of Company Directors

Board members:

Jonathan (Blake) Repine

18/05/2018

01/04/2022-31/03/2026

Mr Blake Repine is a senior executive with more than 20 years' experience in providing vision, leadership and strategic management. Blake is passionate about health equality for those living in rural and remote regions. In addition to the Central West HHS Board, Blake serves on the Board of Yumba Bimbi Support Services and CHRRUP. He is a founding member of the Central Highlands Social Enterprise Alliance and a member of the Aging Central Highlands Initiative. He is active in his community and is an auxiliary firefighter with Queensland Fire and Rescue Service and is the President and head coach of a weightlifting club. Blake holds a Bachelor of Science and a Master's in Management and Leadership from Liberty University, a Master of Business Administration from Norwich University and a Certificate in Disruptive Strategy from Harvard Business School. Blake is a member of the Australian Institute of Company Directors, a Member of the Institute of Public Accountants, a Fellow of the Institute of Managers and Leaders Australian and New Zealand and a Certified Professional with the Australian Human Resources Institute.

Kieran Chilcott

18/05/2021

18/05/2021-31/03/2024

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 over 15 years. He is also a board member of the Gold Coast Primary Health Network and CheckUp Ltd and founding director and current 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.

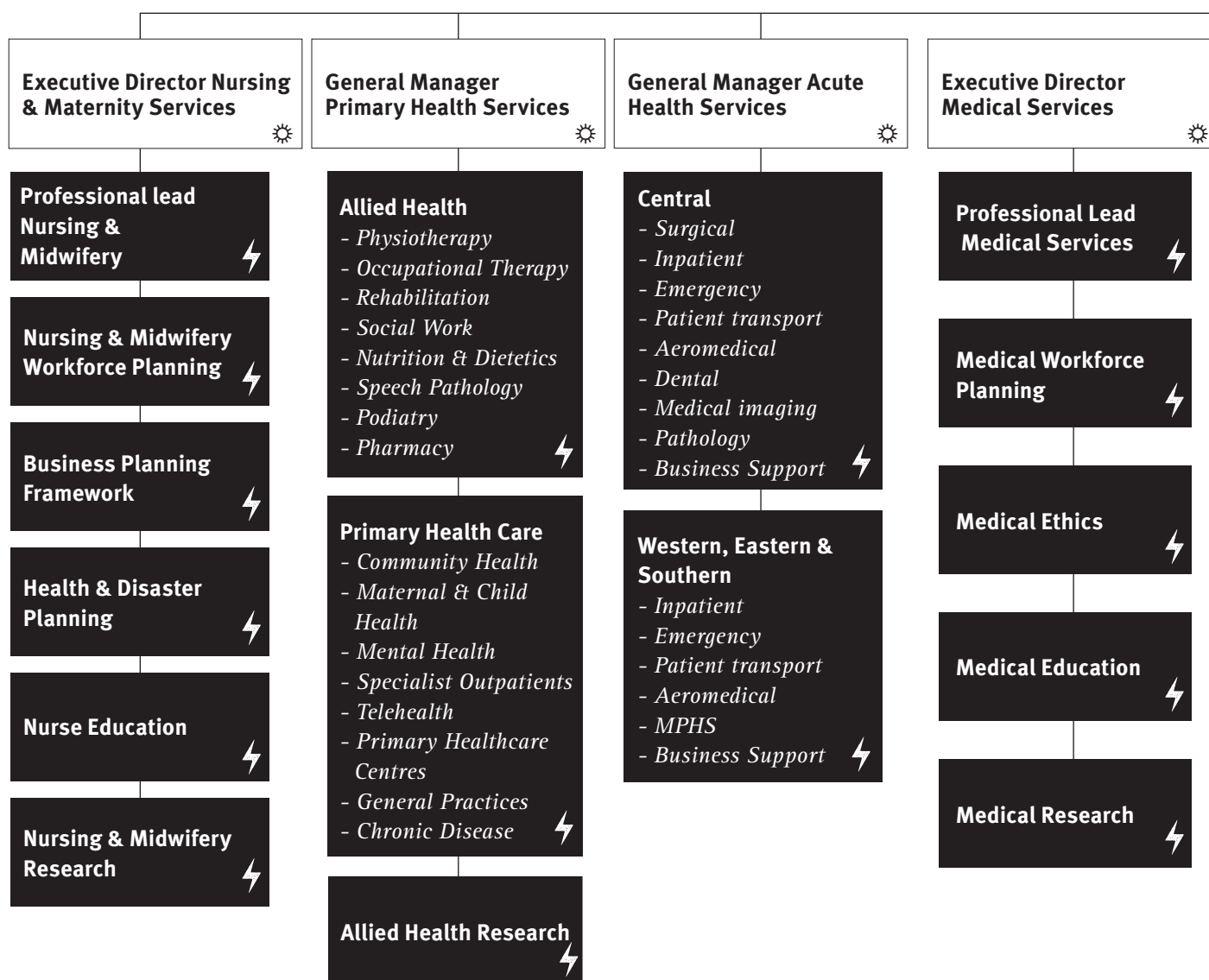
Kieran attained a Bachelor of Education majoring in behaviour management from Griffith University in 2006. In addition to his education degree Kieran has completed a range of other tertiary qualifications including; Diploma of Management, the Australian Institute of Company Directors Company Directors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

Central West Hospital and Health Service					
Act or instrument: <i>Hospital and Health Boards Act 2011</i>					
Achievements: During 2021-2022, Central West HHS had its largest ever intake of new nurse graduates since 2012. Central West HHS launched a program using QR Code armband to support rural patients retrieved outside the region for emergency treatment. In August 2021, Central West HHS launched its first ever diagnostic sleep testing service in partnership with Metro North HHS.					
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 <i>Financial and Performance Management Standard 2009</i> . The Central West HHS 2021-2022 Annual Financial Statements are appendices to this report.					
Remuneration					
Position	Name	Meeting attendance ¹	Approved annual fee	Approved sub-committee fee	Actual fees received
Chair	Jane Williams	10-Board 5-Executive Committee 5-Safety and Quality Committee	\$68,243	\$2,500	\$78,918
Deputy Chair	David Arnold	10-Board 5-Executive Committee 4-Audit and Risk Committee	\$35,055	\$2,000	\$43,454
Member	William Ringrose	10-Board 8-Finance Committee 4-Audit and Risk Committee	\$35,055	\$2,000	\$42,842
Member	Elizabeth Fraser	11-Board 5-Executive Committee 4-Safety and Quality Committee	\$35,055	\$2,000	\$43,348
Member	Dr Clare Walker	11-Board 4-Audit and Risk Committee 4-Safety and Quality Committee	\$0	\$0	\$0
Member	Leisa Fraser	11-Board 7-Finance Committee 4-Audit and Risk Committee	\$35,055	\$2,000	\$43,348
Member	Jonathan (Blake) Repine	8-Board 7-Finance Committee 4-Audit and Risk Committee 4-Safety and Quality Committee	\$35,055	\$2,000	\$45,462
Member	Kieran Chilcott	10-Board 5-Executive Committee 5-Finance Committee 5-Safety and Quality Committee	\$35,055	\$2,000	\$44,761
Number of scheduled meetings					
Board - 11					
Total out of pocket expenses	Out of pocket expenses totalling \$4802.60 were recorded during the period 1 July 2021 to 30 June 2022. 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 <i>Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies</i> .				

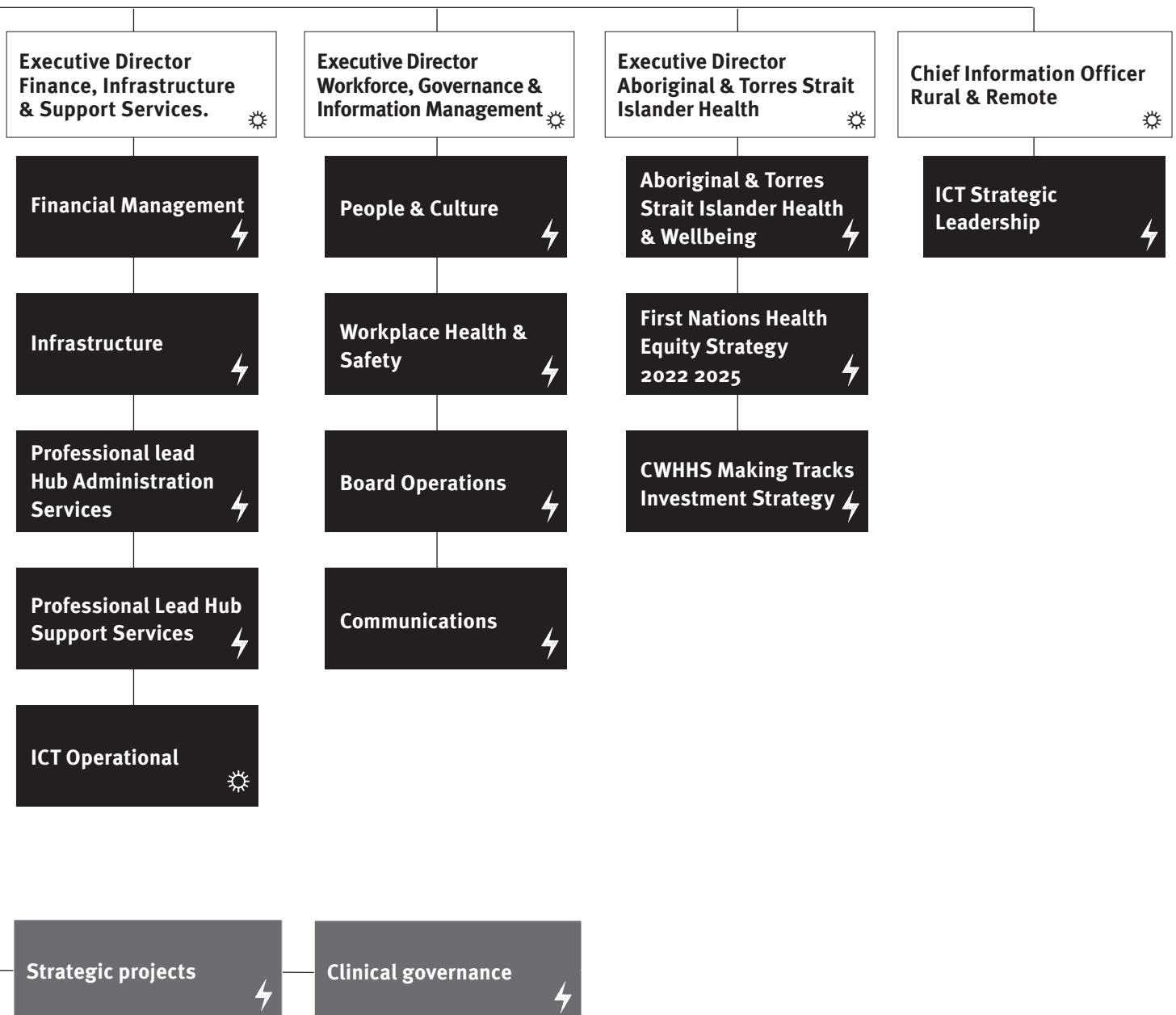
EXECUTIVE STRUCTURE

Indicating Functional Alignment

☀ Denotes Position ⚡ Denotes Function



Health Service Chief Executive



Acting Health Service Chief Executive

Christopher Sullivan

The Health Service Chief Executive is responsible and accountable for the day-to-day management of the health service and for operationalising the Board's strategic vision and direction. The Health Service Chief Executive is appointed by and reports to the Board.

Christopher (Chris) Sullivan is an experienced health care leader who commenced with Central West HHS in December 2020 as the Executive Director of Finance, Infrastructure and Support Services. Since March 2022, Chris has been the Acting Health Service Chief Executive.

Prior to joining Central West HHS, Chris was the Director of Operations and Finance Effectiveness with PwC Australia, Chris enjoyed the opportunity to inform transformational change in the health industry working with both public and private health services across Australia. In another previous role, as the Director of Business, Surgical and Acute Care, Cancer and Neurosurgical Services at Mater Health, Chris was a critical lead in the setting of strategic direction and implementation, monitoring and reporting of operational and performance management targets and initiatives.

Chris brings his significant experience in the leadership of organisational change programs and improving healthcare to design and develop sustainable service models for the future. He 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 a Graduate of the Australian Institute of Company Directors, an Associate Fellow of the Australian College of Health Services Management and a Member of the Institute of Chartered Accountants Australia.

Acting Executive Director Finance, Infrastructure and Support Services

Joseph Byrne

The Executive Director Finance, Infrastructure and Support Services provides strategic oversight and leadership of Finance, Building, Engineering and Maintenance and ICT.

Joseph (Joe) Byrne has been acting in the Executive Director Finance, Infrastructure and Support Services role since March 2022. Joe is an experienced financial professional with over 12 years' experience in leadership roles, most recently as Finance Manager of QEII Hospital.

He has extensive experience delivering financial services, leading projects and providing strategic analysis and advice in large and complex organisations, having previously held roles with Children's Health Queensland, Metro North HHS and the Department of Housing and Public Works.

Joe is also a member of CPA Australia and holds a Bachelor of Business majoring in Human Resource Management.

General Manager Acute Health Services

Karen McLellan

Provides operational and strategic oversight and executive leadership for Acute Health Services, Medical Imaging, Aged Care and Dental

Karen McLellan has been acting in the role of General Manager Acute Health Services since March 2021, 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.

Karen has over 35 years' experience across nursing, midwifery, management and project management roles. Karen began her nursing career at Longreach Hospital as a Registered Nurse in 1987 after completing her nursing training at the Princess Alexandra Hospital in Brisbane and then her Midwifery training at the Mater Mothers Brisbane in 1989. Karen is an Adjunct Senior Lecturer with Mt Isa Centre for Rural & Remote Health in recognition of her long-standing association with James Cook University.

General Manager Primary Health Services

Anthony West

Provides operational and strategic oversight and executive leadership for Primary Health Services, Maternity and Child Health, Mental Health, Community Health, Allied Health, Telehealth and Specialist Outpatients.

Anthony West is a physiotherapist with over 30 years' experience in the health care 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, prevention and promotion, mental health, community health, maternal and child health, and sexual and reproductive health. Anthony currently sits on the Executive of the Queensland Clinical Senate as the rural and remote representative. He is proud of being the co-founder of the Old Thomson River Rd parkrun in Longreach, providing a great opportunity for the community to engage in both 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.

Executive Director Workforce Governance and Information Management

Lorelle Coombe

Provides strategic oversight and executive leadership of human resources, workplace health and safety, and corporate and support services.

Lorelle Coombe has been in the role of Executive Director Workforce, Governance and Information Management for over four years leading, influencing and planning the execution of the health service's organisational and human resource strategies. This position also holds accountability for consumer engagement and non-clinical learning and development initiatives.

Lorelle joined Central West Hospital and Health Service in 2015 as the Director, People and Culture. She brings 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.

Lorelle provides innovative thinking, strategic advice and change management expertise to develop and promote Central West Health as an organisation that is focused on its people and culture.

Lorelle holds a Bachelor of Business (Accounting) and a Master of Business Administration majoring in human resource management.

Executive Director Medical Services

David Walker

Provides strategic oversight and executive leadership for medical and clinical workforce.

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.

David has lived within the Longreach Community for 12 years and previously worked for five years as Director of Medical Services in Longreach, before stepping up to the role of providing professional leadership for the medical workforce 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 health care as close to home as possible.

David has completed bachelor's 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.

Executive Director Nursing and Midwifery Services

Lyndal Cordaro

Provides strategic oversight and executive leadership for nursing and midwifery workforce and the education of the nursing and midwifery workforce.

Lyndal Cordaro has been acting Executive Director Nursing and Midwifery Services since 2021. She is an experienced nursing and midwifery leader with over 25 years' experience in the healthcare sector. Lyndal comes to the Central West from the Gold Coast where she was the Project Director for the first of its kind in Australia, Mental Health Crisis Stabilisation Service.

Lyndal began her nursing career in 1987 at the Princess Alexandra Hospital in Brisbane and midwifery career at the Royal Brisbane and Women's Hospital. She is a qualified lawyer and mediator with 12 years' experience as a Company Director.

Lyndal holds a Bachelor of Nursing from Queensland University of Technology, a Juris Doctor Law Degree, Graduate Diploma of Legal Practice and Certificate in Mediation from Bond University on the Gold Coast. She is an Adjunct Associate Professor from the Centre for Rural and Remote Health, James Cook University and a Member of the Australian Institute of Company Directors.

Executive Director Aboriginal and Torres Strait Islander health

Daniel Carter

Provides strategic oversight and executive leadership for Aboriginal and Torres Strait Islander workforce management, cultural practices, consumer engagement and consumer liaison.

Daniel Carter is the Executive Director of Aboriginal and Torres Strait Islander Health for the Central West Hospital and Health Service. A Ngarrindjeri/ Wergaia man, Daniel grew up in Melbourne and brings a strong passion for Aboriginal and Torres Strait Islander Health to his role. Before joining Central West Hospital and Health Service, Daniel was Director of Aboriginal and Torres Strait Islander Health at the largest health service in Victoria, Monash Health.

Daniel has over 10 years' experience working in Aboriginal and Torres Strait Islander community health, engagement and policy development. Daniel has a Bachelor of Health Science and Master of Public Health qualification from Monash University. This includes experience working in local and state government and in non- government organisations. Daniel also sits on the Board of the Director of Aboriginal community Controlled Health Service First Peoples health and Wellbeing

Chief Information Officer - Rural and Remote

Helen Murray

Provides a strategic view of Digital Health, Information and Communications Technology (ICT), and is operationally and strategically responsible for the Chief Information Officer, Rural and Remote three western hospital and health services.

Helen led the highly successful, 'The Viewer' program which has won awards such as the 2015 Excellence in eGovernment Award for the Gov2.0 category, 2013 and 2014 Australia Day Award, and 2012 Queensland iAwards State Merit Recipient.

As one of the founding members of the National E-Health Transition Authority (now Australian Digital Health Agency), Helen was instrumental in establishing many of the key building blocks necessary for My Health Record and has held senior roles in private industry delivering some of Australia and New Zealand's first nurse-led triage call centres after spending several years with NHS Scotland.

In recognition of her commitment to better healthcare through innovative technology she was the recipient of the 2011 Women in Technology Professional Award and in 2014 Women in Technology Outstanding ICT Achievement award and named as the Women in Technology ICT Ambassador for 2014.

Originally from the Darling Downs, Helen is a practising Registered Nurse of over 35 years with both hospital-based and tertiary qualifications, including a Bachelor of Nursing and a Graduate Certificate of Information Technology. Helen brings extensive experience as a Company Director having served on several not-for-profit Boards and is a Graduate of the Australian Institute of Company Directors.

Central West Hospital and Health Service Governance Structure

The current Central West Hospital and Health Service governance structure is designed to support decision making and implementation of governance documents in alignment with the foundations of public sector governance. The foundations of this governance structure incorporate the following attributes:

Accountability

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

Transparency/openness

Having clear roles and responsibilities, and clear procedures for making decisions and exercising power.

Integrity

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

Stewardship

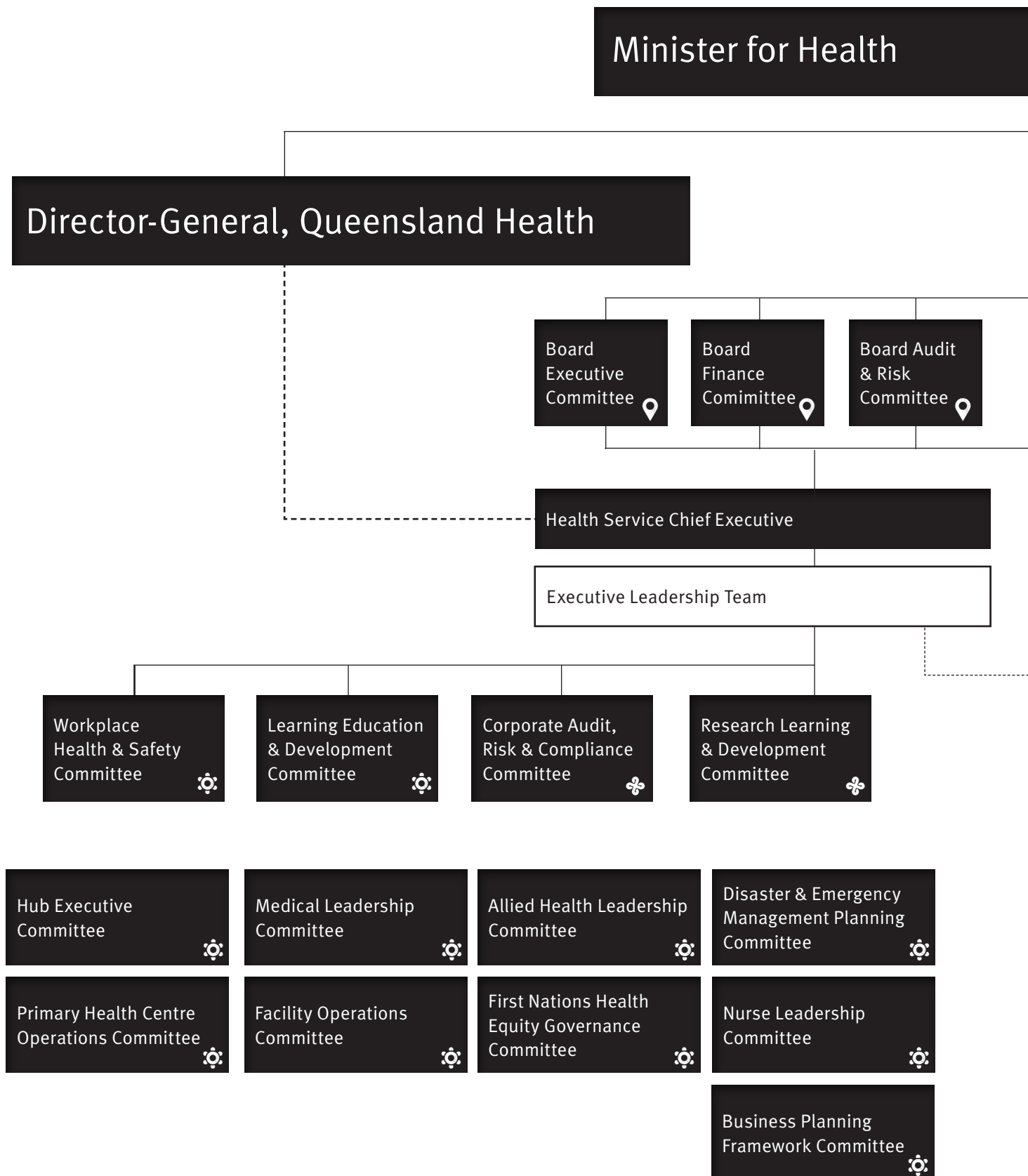
Using every opportunity to enhance the value of the public assets and institutions that have been entrusted to their care.

Efficiency

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







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

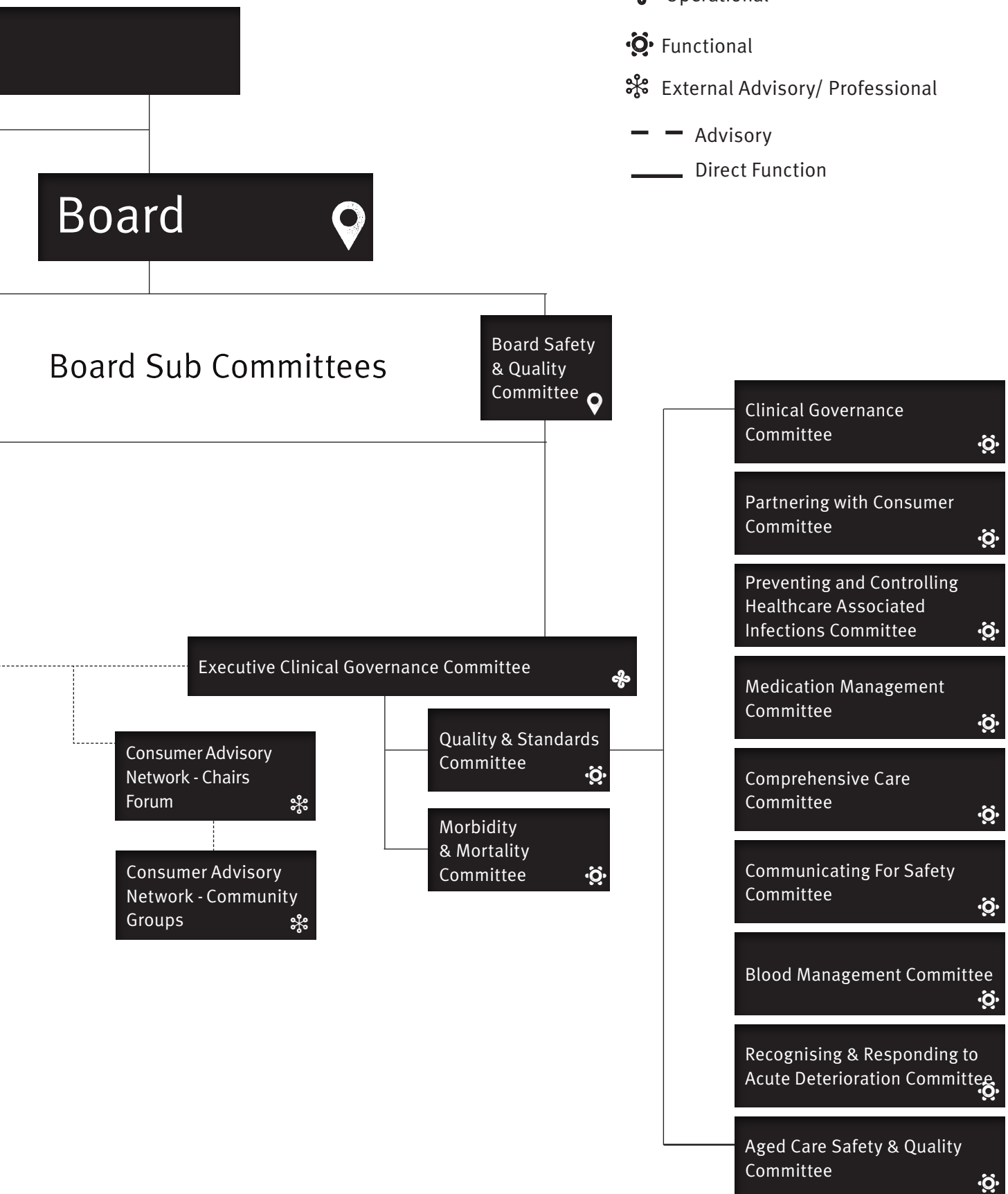
CENTRAL WEST HOSPITAL AND HEALTH SERVICE GOVERNANCE COMMITTEE STRUCTURE



Functional committees report as required per their terms of reference to relevant operational level committees .
The list of functional committees including in this structure is not exhaustive.
Current as at June 2022

Legend

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



COMMITTEES

Board Committees

The Board maintained its monthly meeting schedule and the Board committee meetings continued to meet its responsibilities under the Act and supporting Hospital and Health Boards Regulations 2012 and other regulatory instruments during the continuing pandemic.

The forward work plan of the following prescribed committees supports each to deliver on their defined purpose and function as detailed in individual terms of reference noting that the functions of prescribed committees are set out in the legislations including an annual review of performance.

The membership of each of the Board committees is reviewed and updated by the Board regularly. 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 enable them to exchange information and learning with colleagues from across the state.

Executive Committee

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

The Committee met five 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.

The Committee received reports which support the provision of assurance and inform 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
- Health Equity Strategy

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.

Safety and Quality Committee

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, Mr Kieran Chilcott and Ms Jane Williams in its membership.

The Safety and Quality Committee met five 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.

Other assurance reports provided to the Safety and Quality Committee during the 2021-2022 period include:

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

In October 2021, Central West Hospital and Health Service was accredited for further three years based on the onsite health service wide accreditation assessment conducted in June and September 2021.

Audit and Risk Committee

The Audit and Risk Committee of the Board is chaired by Mr Blake Repine with Dr Clare Walker, Ms Leisa Fraser, Mr Bill Ringrose and Mr David Arnold in its membership.

The Audit and Risk Committee met four times during the current period at timing which aligns with the approved 2021-2022 Audit Plan. Each meeting of the Audit and Risk Committee is attended by representatives of contracted internal and external auditors and the 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. 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 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.

Outcomes of an internal audit of the Central West HHS Clinical Inventory Supplies Management and Financial Assurance processes provided recommendations for improvements.

The Committee is establishing a renewed three year forward strategic internal audit plan which will deliver assurance across risk areas across clinical, operational, and administrative functions.

Finance Committee

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

The Finance Committee has met eight times during the current period 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. 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 liabilities and commitments being reported are comprehensive and appropriate.

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.

OUR PEOPLE

Workforce Profile

The Central West Hospital and Health Service continues to enhance service delivery through increased investment in frontline staff. This investment has seen an increased MOHRI FTE in 2021-2022 across most occupation streams.

	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22
Medical staff^a	22	24	24	24	22*
Nursing staff^a	162	165	161	155	169
Allied Health staff^a	27	25	27	36	44

Table 1: Clinical Workforce – More frontline staff

Note: *This amount is exclusive of 1.58 non MOHRI FTE., which can be attributed to external labor sourced throughout period.

	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22
Persons identifying as being First Nations^b	23	25	19	18	27

Table 2: Greater diversity in our workforce*

Note: * Workforce is measured in MOHRI – Full-Time Equivalent.

Note: * Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end, period ending 26 June 2022.

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

Strategic Workforce Planning and performance

Central West HHS had an approved budgeted FTE of 397 for the 2021-2022 period.

Challenges

The 2021-2022 period saw significant challenges in attracting and retaining a stable workforce across all occupation streams. Challenges extended beyond traditional issues associated with the level of remoteness to encompass low unemployment and COVID-19 related staffing challenges. These factors further impacted on the ability to appoint contingent staff arrangements such as locum medical practitioners and agency nursing staff due to widespread labour shortages being experienced.

In response to these challenges, Central West HHS has sought to actively manage these risk areas through conducting a range of internal and external reviews. This has seen the health service embark on strategies to increase performance at each stage of the employee lifecycle. Central West HHS aims to stand apart as an employer of choice for our current and future workforces by investing in streamlined, engaging and supportive organisational design, recruitment and staffing retention practices.

The following specific strategies have been put in place to address recruitment and retention challenges being experienced:

- Implementation of contemporary attraction and retention strategies through *Project R* and other related projects, including investment through marketing at key forums such as the Rural Doctors Association of Queensland
- The incorporation of flexible, agile and responsive workplace design including remote working arrangements where appropriate to access and retain talent
- Continued staff engagement programs such as increased access to HHS Executive through online forums, training opportunities (through Clinical Excellence Queensland and other providers), and reward and recognition systems
- Enhanced workforce opportunities through the graduate nurse program, with increased opportunities across all major facilities to increase service delivery and expose junior staff to opportunities in the Central West

- Presence in this year's Resident Medical Office campaign for Principal House Officers seeking a year-long rural generalist experience.

The Central West HHS has witnessed increased diversity representation across all workforce streams, including with First Nations representation (target 5.22 percent, achieved 6.87 percent) and non-English speaking background (target 5.22 percent, achieved 5.98 percent).

The Central West HHS currently employs 2.7 percent of staff with a disability against a target of 3.3 percent.

Code of Conduct Training

Code of Conduct training as required by the *Public Sector Ethics Act 1994* is a condition of employment in the Central West HHS.

This module is a 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 2022, 72 per cent of Central West HHS staff have completed the module with a focus on increasing this compliance currently underway.

Early Retirement, Redundancy and Retrenchment

No redundancy, early retirement or retrenchment packages were paid during the period. There was one employee granted ill health retirement during the year in line with Chapter 5, Part 7 of the *Public Service Act 2008*.

Open Data

Central West HHS has Open Data to report on consultancies and the data can be found on the Queensland Government Open Data Portal (<https://data.qld.gov.au>).

Central West HHS has no Open Data to report on Overseas Travel or the Queensland Language Services Policy.

RISK MANAGEMENT AND ACCOUNTABILITY

Risk Management

The effective identification and active management of strategic and operational risks is a critical element of 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 are 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 2022, 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 as a result 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 are provided 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 2021-2022 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 documentation governance.

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 2021-2022 External Audit Plan as approved by the Board. 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.

Information Systems and Record Keeping

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 6782 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 2172 retained for destruction later and 4438 archived files from this and previous periods were destroyed.

During the 2021-2022 financial year, the Central West HHS have an informed opinion that information security risks were actively managed and assessed against the Central West HHS's risk appetite with appropriate assurance activities undertaken in line with the requirements of the Queensland Government Enterprise Architecture (QGEA) information security policy (IS18:2018)

Central West HHS contributes to the implementation of the Digital Health Strategy for Rural and Remote Healthcare through participation in statewide governance that oversees the implementation of the strategy. In alignment, the HHS endorsed the implementation of an ICT Governance and Decision Making Framework which aligns with the Health Service Directives and Digital Policies.

An achievement for this financial year was the migration of Patient Flow Manager from end of life infrastructure to eHealth Queensland hosted, supported, resilient and maintained environment and the equivalent project to migrate Medical Director/PracSoft is in flight and on track to be implemented by 30 September 2022.

During the mandatory annual Information Security compliance 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.

Central West continues to monitor, manage and improve its application of health technology and infrastructure investment to deliver quality, consumer focused services. Central West has re-homed several critical clinical applications to secure, supported, resilient infrastructure in collaboration with eHealth Queensland. The Hospital and Health Service has appointed its first ICT Manager and soon to also appoint an Applications Specialist.

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* 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.

Human Rights

Since the implementation of the *Human Rights Act 2019* Central West HHS has been working with system wide colleagues to support integration of the objectives into its everyday activities. Activities have included the engagement 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 30 June 2022 have resulted in nil content change requirements to meet these standards.

Reporting templates have been updated to support the opportunity to identify any possible human rights impacts. This has provided assurance to the Board that its planning and decision-making processes are considerate of possible impacts on human rights.

The Queensland Health Human Rights staff education module is included in the Central West HHS's online learning platform – CWLearn. This module is a 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 2022, 74 per cent of Central West HHS staff have completed the module with a focus on increasing this compliance currently underway.

Nil Human Rights were received during the reporting period.

Confidential Information

The Hospital and Health Board Act 2011, section 160 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.

Performance

SERVICE STANDARD

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 2 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.

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 is a contributing factor in this result.

KEY ACHIEVEMENTS FOR 2021-2022

During 2022, the Central West HHS welcomed its largest ever intake of new nurse graduates since 2012. The growing number of graduates applying for positions indicates Central West HHS is being regarded as an increasingly attractive area for new registered nurses and midwives to launch their careers.

In late 2021, Central West Health launched a trial program using QR code armbands to help support rural patients who had been flown to a major hospital outside the region for emergency treatment. The Patient Advocacy armband program provides information that can be scanned and used by staff at a receiving hospital to help make appropriate arrangements to return patients to their home locations. The armband program is a highly innovative solution to an ongoing issue with appropriate repatriation of patients medically retrieved from rural and remote locations. The trial may lead to the program's adoption for patients being retrieved from other rural and remote locations of the state. Monitoring and evaluation of the program is ongoing. Feedback from key stakeholders along the retrieval pathway, consumers and families so far indicates positive impacts. The trial will continue and additional arm bands have been ordered to ensure supply.

Central West Health launched a campaign in early 2022 to remind travellers in remote western regions to carry adequate stocks of their usual prescription medications. The campaign involved a press article, social media posts and individual information posters for travellers. As well as carrying adequate prescription medicines when travelling in remote areas where pharmacies are unavailable, the campaign also encouraged people to make a health and medication check list to have with them. The aim of the campaign was to reduce the number of people attending remote primary health centres for medication requirements that could be avoided with better planning.

In August 2021, Central West Health launched its first ever diagnostic sleep testing service in partnership with the Metro North HHS and The Prince Charles Hospital Sleep Disorders Centre. The new service is designed to allow many patients to undergo diagnostic sleep testing closer to home. Without the service, patients would previously have had to travel to Brisbane and spend several days away from home and work. developed many close links with Metro North HHS over the years. The diagnostic sleep testing service is one of a growing number of partnerships with Metro North HHS.

Previously, Central West Health has partnered with Metro North HHS to deliver a tele-chemotherapy service to the region which started in 2018, as well as a cardiac stress testing service that started in 2016 and was expanded to include holter monitoring and 24-hour blood pressure monitoring. The partnerships with Metro North HHS are an excellent example of a small rural health service working with a major metropolitan health service to improve and expand services to rural and remote communities.

Table 3: Service Standards – Performance 2021-22

Central West Hospital and Health Service	2021-2022 Target	2021-2022 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes¹		
Category 1 (within 2 minutes)	100%	100%
Category 2 (within 10 minutes)	80%	98%
Category 3 (within 30 minutes)	75%	97%
Category 4 (within 60 minutes)	70%	98%
Category 5 (within 120 minutes)	70	100%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department ¹	80%	94%
Percentage of elective surgery patients treated within the clinically recommended times²		
Category 1 (30 days)	98%	92%
Category 2 (90 days) ³	..	81%
Category 3 (365 days) ³	..	94%
Median wait time for treatment in emergency departments (minutes) ¹	..	1
Median wait time for elective surgery treatment (days) ²	..	147
Efficiency measure		
Not identified		
Other measures		
Number of elective surgery patients treated within clinically recommended times²		
Category 1 (30 days)	41	48
Category 2 (90 days)	..	43
Category 3 (365 days)	..	115
Number of Telehealth outpatients service events ⁴	4,300	3,824
Total weighted activity units (WAU)⁵		
Acute Inpatient	2,343	2,160
Outpatients	1,833	1,859
Sub-acute	281	238
Emergency Department	969	1,061
Mental Health	105	46
Prevention and Primary Care	150	198
Ambulatory mental health service contact duration (hours) ⁶	2,016	2,056
Staffing ⁷	386	397

1. During the COVID-19 pandemic Emergency Departments across Queensland were presented with demand from both COVID-19 and regular patients. In response many public Emergency Departments established fever clinics to assess and treat suspected COVID-19 cases in a safe and effective manner. As fever clinic services represent an extension of regular operational services and as a result, the 2021-2022 Actual includes some fever clinic activity. Emergency Department performance (including POST) has been impacted by the increased patient treatment time and resources required to manage COVID-19 precautions.

2. In response to the COVID-19 pandemic the delivery of planned care services has been impacted. This has resulted from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives.

3. As the system focuses to manage the backlog of deferred care patients, treated in time performance will continue to be impacted. As a result, the continuation of treat in time performance targets for category 2 and 3 patients applicable for 2021-2022 will be carried forward into 2022-2023.

4. Telehealth 2021-2022 Actual is as of 18 August 2022.

5. The 2021-2022 Actual is below target due to a decrease in routine care services resulting from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives. The 2021-2022 Target varies from the published 2021-2022 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q24. The 2021-2022 Actual figures are as of 22 August 2022. As the Hospital and Health Services have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to the Target can occur.

6. Ambulatory Mental Health service contact duration 2021-2022 Actual is as of 16 August 2022.

7. 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. 2021-2022 Actual is for pay period ending 26 June 2022.

FINANCIAL SUMMARY

Central West Health has posted a \$2.673 million operating deficit for the year ending 30 June 2022 reflective of increased cost pressures from the COVID 19 pandemic, increased demand for medical services and difficulties in recruiting to vacant positions requiring the use of high cost agency and locum staff.

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 including vaccination.

Continued closure of Australia's international borders for a significant part of the year, and a tight internal labour market has contributed to:

- 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 5.1 per cent from what was received in 2020-2021 with \$97.7 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
Funding public health services	85,577
User charges and fees	8,835
Grants and other contributions	2,858
Other revenue	395
TOTAL	97,665
Expenses	
Labour costs	54,034
Supplies and services	35,722
Depreciation	7,119
Other expenses	3,463
TOTAL	100,338

Figure 1 shows the breakdown of funding types and expenditure incurred in 2021-2022.

Total expenses reported provide an average of \$274,899 a day to deliver health services across our 18 communities. Just over 54 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 46 per cent covers the cost of supplies, temporary medical staff, services and depreciation charges.

Where the money goes	%
General hospital services	52%
General medical services	15%
Mental health including community services	6%
Nursing and convalescent home services	3%
Patient transport	3%
Community and public health services	16%
Health administration	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, \$5.4 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 2022-2023 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 2022, Central West HHS had reported anticipated maintenance of \$7.4 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.

Financial Statements

Central West Health Financial Statements
For the Year Ended 30 June 2022

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Central West Health

Statement of Comprehensive Income

Year ended 30 June 2022

		2022 \$'000	2021 \$'000
	Notes		
Income			
User charges and fees	B1-1	8,835	6,737
Funding for public health services	B1-2	85,577	82,501
Grants and other contributions	B1-3	2,858	3,189
Other revenue	B1-4	395	473
Total Income		97,665	92,900
Expenses			
Employee expenses	B2-1	8,869	9,154
Health service employee expenses	B2-2	45,165	42,969
Supplies and services	B2-3	35,722	28,407
Depreciation and amortisation	C5 & C9	7,119	9,526
Other expenses	B2-4	3,463	2,699
Total Expenses		100,338	92,755
Operating surplus/(deficit)		(2,673)	145
Other comprehensive Income			
<u>Items that will not be reclassified to operating result</u>			
Increase/(decrease) in asset revaluation surplus		5,694	(10,477)
Other comprehensive income for the year		5,694	(10,477)
Total comprehensive income		3,021	(10,332)

The accompanying notes form part of these financial statements

Central West Health
Statement of Financial Position
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	C1	(208)	1,494
Receivables	C2	474	715
Inventories	C3	746	722
Other assets	C4	2,059	1,296
Total current assets		3,071	4,227
Non-current assets			
Property, plant and equipment	C5	101,920	100,447
Right-of-use assets	C9	1,539	1,460
Total non-current assets		103,459	101,907
Total assets		106,530	106,134
Current liabilities			
Payables	C6	6,457	5,098
Accrued employee benefits	C7	136	172
Other liabilities	C8	1,279	626
Lease liability	C9	611	573
Total current liabilities		8,483	6,469
Non-current liabilities			
Lease liability	C9	856	858
Total non-current liabilities		856	858
Total liabilities		9,339	7,327
Net assets		97,191	98,807
Equity			
Contributed equity		72,250	76,887
Accumulated surplus/(deficit)		(3,010)	(337)
Asset revaluation surplus	C10	27,951	22,257
Total equity		97,191	98,807

The accompanying notes form part of these financial statements

Central West Health
Statement of Changes in Equity
for the year ended 30 June 2022

	Accumulated surplus/ (deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
Balance as at 1 July 2020	(482)	32,734	62,451	94,703
Operating result	145	-	-	145
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus - buildings	-	(10,477)	-	(10,477)
Total Comprehensive Income for the year	145	(10,477)	-	(10,332)
Transactions with Owners as Owners:				
Net assets received	-	-	18,674	18,674
Equity injections - cash	-	-	5,288	5,288
Equity withdrawals - depreciation	-	-	(9,526)	(9,526)
Net transactions with Owners as Owners	-	-	14,436	14,436
Balance at 30 June 2021	(337)	22,257	76,887	98,807
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2021	(337)	22,257	76,887	98,807
Operating result	(2,673)	-	-	(2,673)
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus - buildings	-	5,694	-	5,694
Total Comprehensive Income for the Year	(2,673)	5,694		3,021
Transactions with Owners as Owners:				
Net assets received	-	-	39	39
Equity injections - cash	-	-	2,445	2,445
Equity withdrawals - depreciation	-	-	(7,121)	(7,121)
Net Transactions with Owners as Owners	-	-	(4,637)	(4,637)
Balance at 30 June 2022	(3,010)	27,951	72,250	97,191

The accompanying notes form part of these financial statements

Central West Health
Statement of Cash Flows
Year ended 30 June 2022

		2022	2021
	Notes	\$'000	\$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and fees		8,766	6,422
Funding for public health services		78,513	73,752
Grants and other contributions		1,817	2,080
GST input tax credits from ATO		2,243	1,970
GST collected from customers		102	87
Other receipts		385	450
<i>Outflows:</i>			
Employee expenses		(8,905)	(9,478)
Health service employee expenses		(45,031)	(44,383)
Supplies and services		(34,558)	(25,865)
GST paid to suppliers		(2,267)	(1,985)
GST remitted to ATO		(113)	(92)
Other		(2,150)	(1,692)
Net cash from/(used by) operating activities	CF-1	<u>(1,198)</u>	<u>1,266</u>
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		12	13
<i>Outflows:</i>			
Payments for property, plant and equipment		(2,205)	(4,544)
Net cash (used by) investing activities		<u>(2,193)</u>	<u>(4,531)</u>
Cash flows from financing activities			
<i>Inflows:</i>			
Equity Injections		2,445	5,288
<i>Outflows:</i>			
Lease payments	CF-2	(756)	(667)
Net cash from financing activities		<u>1,689</u>	<u>4,621</u>
Net increase/(decreased) in cash and cash equivalents		<u>(1,702)</u>	<u>1,356</u>
Cash and cash equivalents at the beginning of the financial year		1,494	138
Cash and cash equivalents at the end of the financial year	C1	<u>(208)</u>	<u>1,494</u>

The accompanying notes form part of these financial statements

Central West Health

Statement of Cash Flows

Year ended 30 June 2022

NOTES TO THE STATEMENT OF CASH FLOWS

CF-1 Reconciliation of operating result to net cash from operating activities

	2022	2021
	\$'000	\$'000
Operating result	(2,673)	145
Non-cash items:		
Depreciation and amortisation expense	7,119	9,526
Non-cash equity withdrawal - depreciation and amortisation funding	(7,121)	(9,526)
Net losses on disposal of property, plant and equipment	47	3
Impairment losses	76	66
Donated assets received	-	(28)
Change in assets and liabilities:		
(Increase)/decrease in receivables	242	(186)
(Increase)/decrease in contract assets and other assets	(762)	(313)
(Increase)/decrease in inventories	(102)	(29)
Increase/(decrease) in payables	1,359	1,337
Increase/(decrease) in contract liabilities and unearned revenue	653	596
Increase/(decrease) in accrued employee benefits	(36)	(325)
Net cash from operating activities	(1,198)	1,266

CF-2 Changes in liabilities arising from financing activities

	2022	2021
	\$'000	\$'000
Lease liabilities		
Balance at 1 July	1,431	1,721
Non-cash items:		
New leases acquired	817	463
Remeasurement	(25)	(86)
Cash flows:		
Lease payments	(756)	(667)
Balance at 30 June	1,467	1,431

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 2022

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.

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 2021*, 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 2020–21 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 2022

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 2022, Central West Health received funding from WQPCC, primarily under the Diamantina Primary Health Service Agreement, totalling \$610,000 (2021: \$545,000). No payments were made to WQPCC during 2022 (2021: nil) by Central West Health.

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

SECTION B

NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 USER CHARGES AND FEES

	2022 \$'000	2021 \$'000	Accounting Policy - Revenue from contracts with customers (User charges)
Revenue - contracts with customers			
Medical practice receipts	3,862	3,553	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	3,661	1,782	
Hospital fees	831	967	
Pharmaceutical benefits scheme	480	435	
	8,835	6,737	

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.
Sales of goods and services		
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
Hospital fees		
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 2022

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 FOR PUBLIC HEALTH SERVICES

Accounting Policy - Public health services

	2022 \$'000	2021 \$'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	32,612	53,655	
Depreciation funding	7,121	9,526	
General purpose funding	45,844	19,320	
	85,577	82,501	

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 2022

Ordinarily, funding is recognised as public health services are delivered. However, due to the impact of COVID-19, the Commonwealth extended its Minimum Funding Guarantee to 30 June 2022, covering 45% of funding. State funding was guaranteed for four months, covering the period of the Omicron outbreak. For the balance of the year, State's share of funding (55%) is adjusted for under delivery against funding targets. 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 2022.

B1-3 GRANTS AND OTHER CONTRIBUTIONS

Accounting Policy - Grants and contributions

	2022 \$'000	2021 \$'000	
Revenue from contracts with customers			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	460	437	
Rural and remote primary care	452	513	
	912	951	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.
Other grants			
Other specific purpose	740	1,278	
	740	1,278	
	1,652	2,228	
Contributions			
Services received below fair value	1,200	924	
Donations other	5	36	
	1,205	960	
	2,858	3,189	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.

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.

Contributed assets are recognised at their fair value.

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 2022

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

	2022 \$'000	2021 \$'000	Accounting Policy - Other revenue
Recoveries	375	336	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	20	137	
	395	472	

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2022 \$'000	2021 \$'000	Accounting Policy - Employee benefits
Employee benefits			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	7,494	7,923	
Annual leave levy	477	439	
Employer superannuation contributions	542	520	
Long service leave levy	174	171	
Employee related expenses			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	21	18	
Other employee related expenses	160	83	
	8,869	9,154	
No. of Central West Health employees	19	21	

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 the Australian Retirement Trust (the super fund formed through the merger of QSuper and SunSuper in 2022), at rates determined on the advice of the State Actuary. The Australian Retirement Trust 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 the superannuation fund.

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

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 26 June 2022). 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

	2022	2021
	\$'000	\$'000
Department of Health		
Health service employees	<u>45,165</u>	<u>42,969</u>

Central West Health through service arrangements with the Department of Health has engaged 378 (2021: 356) full-time equivalent persons at 30 June 2022. As well as direct payments to the department, premium payments made to WorkCover Queensland representing compensation obligations are included in this category 2022: \$0.383 million (2021: \$0.326 million).

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.

B2-3 SUPPLIES AND SERVICES

	2022	2021	
	\$'000	\$'000	
Building services	1,308	1,283	Accounting Policy – Inventories consumed
Computer and communication services	2,679	2,506	
Consultants and contractors			
Medical	10,195	6,699	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.
Non-medical	1,192	600	
Electricity and other energy	1,085	1,066	
Inventories consumed			Accounting Policy – Lease expenses
Drugs	799	860	Lease expenses include lease rentals for short-term leases, leases of low-value assets and variable lease payments. Refer to Note C9 for other lease disclosures.
Clinical supplies	1,969	1,726	
Catering and domestic supplies	589	551	
Medical practice facility fees	1,056	1,065	Accounting Policy - Consultants and contractors
Lease expenses	208	151	
Other	2,303	1,468	
Other travel and vehicle costs	1,922	1,591	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.
Patient transport	4,336	4,604	
Pathology, blood and parts	1,459	1,391	
Repairs and maintenance	4,622	2,846	
	<u>35,722</u>	<u>28,407</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 Energy 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 2022

B2-4 OTHER EXPENSES

	2022 \$'000	2021 \$'000	Accounting Policy - Insurance
Audit expenses*	244	263	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	1,277	600	
Inventory written off	89	76	
Lease interest	24	31	
Legal expenses	125	265	
Other expenses	175	261	
Net losses from disposal of property, plant and equipment	47	3	
Services received free of charge	1,200	924	Accounting Policy - Special payments
QGIF Insurance	282	278	
	3,463	2,699	

*Total audit fees quoted by the Queensland Audit Office relating to the 2022 financial statements are \$162,000 (2021: \$160,000) including out of pocket expenses. Some of these services will be finalised in the 2023 financial year and as such are not included in the above audit fees.

Special payments represent ex-gratia payments Central West Health is not contractually or legally obliged to make to other parties. During 2022 no special payments were made.

Audit expenses includes both internal and external audit fees. Payments made to other service providers for internal audit services are \$102,000 (2021: \$95,000)

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 2022

SECTION C NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2022	2021
	\$'000	\$'000
Cash on hand	4	4
Cash at bank	(253)	1,431
Restricted cash*	40	59
	<u>(208)</u>	<u>1,494</u>

*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 0.61% (2021: 0.29%). The use of these funds is restricted, in accordance with the conditions established at the time of the donation.

Accounting Policy - Cash and cash equivalents

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, as a result, does not earn interest on surplus funds nor is it charged interest or fees for accessing its approved cash overdraft facility.

Debt facility

Central West Health has access to a \$1.5 million debt facility approved by Queensland Treasury which was \$226,000 at 30 June 2022 (2021: nil).

C2 RECEIVABLES

	2022	2021
	\$'000	\$'000
Trade receivables	230	510
Less: Loss allowance	(7)	(12)
	<u>223</u>	<u>498</u>
GST receivable	257	234
GST payable	(6)	(17)
	<u>251</u>	<u>217</u>
	<u>474</u>	<u>715</u>

Accounting Policy - Receivables

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 2022 is \$230,000 (2021: \$510,000).

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 Notes to the Financial Statements

for the year ended 30 June 2022

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:

	2022			2021		
	Gross receivables	Loss rate	Expected credit losses*	Gross receivables	Loss rate	Expected credit losses*
		%	\$'000	\$'000	%	\$'000
Private patients - ineligible	30	21%	6	43	23%	10
Third party patients - legal court cases	1	3%	-	1	3%	-
Other private patients	57	1%	1	174	1%	2
Aged care fees	8	0%	-	20	0%	-
State and federal government agencies	313	0%	-	305	0%	-
Other debtors	72	0%	-	184	0%	-
	481		7	727		12

* - 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

	2022	2021
	\$'000	\$'000
Balance at 1 July	12	3
Amounts written off during the year	(4)	(5)
Increase/(decrease) in allowance recognised in operating result	(2)	14
Balance at 30 June	7	12

C3 INVENTORIES

	2022	2021	Accounting Policy - Inventories held for distribution
	\$'000	\$'000	
Pharmaceutical drugs	274	209	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	468	509	
Other	4	4	
	746	722	

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

Central West Health Notes to the Financial Statements

for the year ended 30 June 2022

C4 OTHER ASSETS

Accounting Policy - Other current assets

	2022 \$'000	2021 \$'000	
Current			
Prepayments	330	372	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.
Contract assets	988	433	
Other	742	492	
	<u>2,059</u>	<u>1,296</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 \$1.5 million (2021: \$0.697 million) at 30 June, including \$0.771 million (2021: \$0.210 million) for project management and purchases of additional health activity; and \$0.736 million (2021: \$0.487 million) for reimbursement of COVID19 costs 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 by 31 March 2023 or eligibility is lost. Health service employee expenses include \$66,000 (2021: \$123,000) of COVID-19 leave.

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 Notes to the Financial Statements

for the year ended 30 June 2022

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 are 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

for the year ended 30 June 2022

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.

The fair value of general buildings, identified as surplus to requirements and withdrawn from use, are measured at market value where an active sales market exists.

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 Notes to the Financial Statements

for the year ended 30 June 2022

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

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 PDSSLive. Where market evidence was limited or new sales were yet to be processed in PDSSLive, 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 Notes to the Financial Statements

for the year ended 30 June 2022

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. - Jundah, Muttaborra, Windorah and Winton regions valued 30 June 2022; - 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.

Buildings - general

Effective date of last specific appraisal	9 March 2022 by Acumentis Valuers & Property Consultants
Valuation approach	Market based assessment
Fair value hierarchy	Level 2
Inputs	Fair value was based on available sales data for similar properties in nearby localities, adjusted for location, zoning, size and topography of the site, quality of the buildings located thereon, and general market conditions.

Buildings withdrawn permanently from use (surplus to requirements) valued at \$130,000 transferred from level 3 to 2 within the fair value hierarchy during the reporting period, reflecting the assessed market value (previously current replacement cost) in accordance with Queensland Treasury's *Non-Current Asset Policies for Queensland Public Sector - Guideline 3* paragraph 10.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2022

C5 PROPERTY PLANT AND EQUIPMENT (continued)

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

	Land at fair value (Level 2) \$'000	Buildings 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
2022						
Gross	1,073	130	199,447	12,455	1,008	214,113
Less: Accumulated depreciation	-	-	(104,819)	(7,374)	-	(112,193)
Carrying amount at 30 June 2022	1,073	130	94,628	5,081	1,008	101,920
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July 2021	1,073	-	91,053	5,076	3,245	100,447
Acquisitions	-	-	1	613	1,591	2,205
Disposals	-	-	(51)	(8)	-	(59)
Transfers in/(out) from other Queensland Government Entities	-	-	-	39	-	39
Transfers between fair value hierarchy levels	-	130	(130)	-	-	-
Transfers between classes of assets	-	-	3,358	470	(3,828)	-
Revaluation increment/decrement to asset revaluation surplus	-	-	5,694	-	-	5,694
Depreciation/amortisation	-	-	(5,297)	(1,109)	-	(6,406)
Carrying amount at 30 June 2022	1,073	130	94,628	5,081	1,008	101,920
2021						
Gross	1,073	-	185,310	11,829	3,245	201,457
Less: Accumulated depreciation	-	-	(94,257)	(6,753)	-	(101,010)
Carrying amount at 30 June 2021	1,073	-	91,053	5,076	3,245	100,447
<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) other Queensland Government entities	-	-	18,595	79	-	18,674
Transfers between classes of assets	-	-	420	16	(436)	-
Revaluation increment/(decrement) to asset revaluation surplus	-	-	(10,477)	-	-	(10,477)
Depreciation	-	-	(7,820)	(1,025)	-	(8,845)
Carrying amount at 30 June 2021	1,073	-	91,053	5,076	3,245	100,447

Impact from valuation program

All land holdings were comprehensively revalued at 30 June 2020 by independent valuers APV Valuers and Asset Management (APV). In 2022, APV developed indices to approximate movement in market values for all properties at 30 June 2022. 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 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. Sixteen buildings were comprehensively revalued with the remaining buildings subject to valuation via indexation in 2022, resulting in a net increment of \$5.694 million or 6% (2021: decrement \$10.477 million) to the carrying amount of buildings from growth in construction costs.

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

C6 PAYABLES

	2022	2021	Accounting Policy - Payables
	\$'000	\$'000	
Trade creditors	5,899	4,675	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.
Queensland Health - accrued labour	558	423	
	6,457	5,098	

Payables of \$3.568 million (2021: \$3.352 million) were owing to the Department of Health at 30 June, including trade creditors \$3.029 million (2021: \$2.925 million), and accrued labour \$540,000 (2021: \$423,000). For further details on the nature of these transactions refer to Note E3 Related Party Transactions.

C7 ACCRUED EMPLOYEE BENEFITS

	2022	2021	Accounting policy - Accrued employee benefits
	\$'000	\$'000	
Current			
Wages outstanding	129	167	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> .
Superannuation contributions payable	7	5	
	136	172	

C8 OTHER LIABILITIES

	2022	2021	Accounting policy - Unearned revenue and funding repayable
	\$'000	\$'000	
Current			
Funding repayable - Department of Health	1,276	621	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 - other	3	6	
	1,279	626	

Central West Health had one (2021: one) contract liability at 30 June 2022.

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

	2022			2021		
	Buildings	Plant and equipment	Total	Buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	2,678	790	3,468	1,903	790	2,693
Less: Accumulated depreciation	(1,534)	(395)	(1,929)	(970)	(263)	(1,233)
Carrying amount at 30 June	1,144	395	1,539	933	527	1,460

Represented by movements in carrying amount:

Opening balance at 1 July	933	527	1,460	1,106	658	1,764
Additions	817	-	817	463	-	463
Remeasurement - change in terms	(25)	-	(25)	(86)	-	(86)
Depreciation	(581)	(132)	(713)	(550)	(131)	(681)
Balance at 30 June	1,144	395	1,539	933	527	1,460

	2022	2021	Accounting policy - Leases as lessee
	\$'000	\$'000	

Lease liabilities			
Current	611	573	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; and - initial direct costs incurred, and the initial estimate of restoration costs.
Non-current	856	858	
	1,467	1,431	

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

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

C9-1 LEASES AS LESSEE (continued)

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 reasonable 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.

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.

Central West Health Notes to the Financial Statements

for the year ended 30 June 2022

C10 ASSET REVALUATION SURPLUS BY CLASS

	2022 \$'000	2021 \$'000	Accounting policy - Asset revaluation surplus
<i>Buildings</i>			
Balance at 1 July	22,257	32,734	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)	5,694	(10,477)	
<i>Balance at the end of the financial year</i>	<u>27,951</u>	<u>22,257</u>	
Total	<u>27,951</u>	<u>22,257</u>	

The asset revaluation surplus represents the net effect of revaluation movements in assets refer to Note C5-1.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2022

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>	<i>2022</i> \$'000	<i>2021</i> \$'000
Financial assets			
Cash and cash equivalents (fair value)	C1	(208)	1,494
Receivables (amortised cost)	C2	474	715
		266	2,209
Financial liabilities			
Payables (amortised cost)	C6	6,457	5,098
Lease liabilities (amortised cost)	C9	1,467	1,431
		7,924	6,529

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 (2021: \$1.5 million) 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 Notes to the Financial Statements

for the year ended 30 June 2022

D1-3 LIQUIDITY RISK - CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

The following tables sets 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>	2022				2021			
	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	6,457	6,457	-	-	5,098	5,098	-	-
Leased liabilities	1,508	623	885	-	1,445	580	865	-
	7,965	7,080	885	-	6,543	5,678	865	-

D2 CONTINGENCIES

As at 30 June 2022, 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). 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>2022</i>	<i>2021</i>
	<i>\$'000</i>	<i>\$'000</i>
<i>Buildings</i>		
Within twelve months	734	968
Twelve months or longer and not longer than five years.	71	3,332
<i>Plant and equipment</i>		
Not later than 1 year	193	23
	998	4,323

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

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.

	2022	2021
	\$'000	\$'000
Patient Trust receipts		
Winton Patient Trust	125	84
Longreach Patient Trust	1	1
Barcaldine Patient Trust	17	30
Total receipts	143	115
Patient Trust related payments		
Winton Patient Trust	121	135
Longreach Patient Trust	1	1
Barcaldine Patient Trust	43	22
Total payments	165	158
Trust assets		
Current assets - cash	26	48
Represented by patient trust deposits		
Winton Patient Trust	26	22
Longreach Patient Trust	-	-
Barcaldine Patient Trust	-	26
Total current assets	26	48

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

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 2022. 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	Provides a strategic view of Digital Health, Information and Communications Technology (ICT), and is operationally and strategically responsible for the three western hospital and health services. Hosted by eHealth Queensland and funded 50%, the remaining 50% is proportionally on-charged to each of the western 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
for the year ended 30 June 2022

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 occurred 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 2022 financial year (2021: nil).

1 July 2021 - 30 June 2022

Position	Short Term Employee Expenses		Long term expenses	Post employee expenses	Total expenses
	Monetary expenses \$'000	Non-monetary expenses	\$'000	\$'000	\$'000
Health Service Chief Executive (1/7/2021 - 4/11/2021)	100	41	2	9	152
Acting Health Service Chief Executive (22/11/2021 - 14/3/2022)	73	21	2	7	103
Acting Health Service Chief Executive (15/3/2022 - 30/6/2022)	66	8	2	7	83
Executive Director, Medical Services	441	-	10	35	486
Executive Director, Nursing and Midwifery Services (1/7/2021 - 11/9/2021)	42	6	1	3	52
Acting Executive Director, Nursing and Midwifery Services (13/12/2021 - 30/6/2022)	124	13	3	12	152
Executive Director, Workforce, Governance and Information Management	169	16	4	18	207
Acting Executive Director, Workforce, Governance and Information Management (21/10/2021 - 25/2/2022)	60	8	1	6	75
Executive Director, Finance, Infrastructure and Support Services (1/7/2021 - 14/3/2022)	135	6	3	13	157
Acting Executive Director, Finance, Infrastructure and Support Services (28/3/2022 - 30/6/2022)	56	2	1	5	64
Executive Director, Indigenous Health	159	23	4	18	204
General Manager Primary Health Services	128	14	3	14	159
Acting General Manager Primary Health Services (3/1/2022 - 3/4/2022)	43	3	1	5	52
General Manager Acute Health Services (4/10/2021 - 7/11/2021)	23	1	-	4	28
Acting General Manager Acute Health Services (1/7/2021 - 30/6/2022)	222	-	5	18	245
Chief Information Officer, Rural and Remote	29	-	-	-	29

Central West Health Notes to the Financial Statements

for the year ended 30 June 2022

E2 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

1 July 2020 - 30 June 2021

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	258	50	6	24	338
Acting Health Service Chief Executive (17/12/2020 - 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 - 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 - 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 - 28/2/2021)	38	-	1	4	43
Acting General Manager Acute Health Services (1/3/2021 - 30/6/2021)	60	-	1	5	66
Chief Information Officer, Rural and Remote	29	-	-	-	29

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

for the year ended 30 June 2022

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 - 31/3/2026
Deputy Chairperson, David Arnold	Appointed 1/7/2012 - 31/3/2024
Board member, William Ringrose	Appointed 1/7/2012 - 17/5/2021; re-appointed 10/06/2021 -31/3/2024
Board member, Elizabeth Fraser	Appointed 18/5/2016 - 31/3/2024
Board member, Leisa Fraser	Appointed 18/5/2016 -31/3/2024
Board member, Dr Clare Walker*	Appointed 18/5/2016 - 17/5/2021; re-appointed 10/06/2021 - 31/3/2026
Board member, Jonathan Repine	Appointed 18/5/2018 - 31/3/2026
Board member, Kieran Chilcott	Appointed 18/5/2021 - 31/03/2024

*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 2022 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	71	-	7	78
David Arnold	39	-	4	43
William Ringrose	38	-	4	42
Elizabeth Fraser	39	-	4	43
Leisa Fraser	39	-	4	43
Jonathan Repine	42	-	4	46
Kieran Chilcott	40	-	4	44

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

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

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	2022 \$'000	2021 \$'000
<i>Entity - Department of Health</i>		
Revenue	89,873	85,225
Expenditure	55,921	52,463
Asset	1,621	870
Liability	4,845	3,972
<i>Entity - Department of Energy and Public Works including Qfleet and Building and Asset Services</i>		
Expenditure	5,704	5,460
Asset	-	65
Liability	641	93

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 \$85.6 million for the year ended 30 June 2022 (2021: \$82.5 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 378 (2021: 356) 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 2022, \$44.8 million (2021: \$42.6 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 2022, these services totalled \$8.9 million (2021: \$8.0 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 2022, the fair value of these services was \$1.2 million (2021: \$0.9 million).

Any associated receivables or payables owing to the Department of Health at 30 June 2022 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 2022, \$3.1 million (2021: \$1.1 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 2022, Building and Asset Services (commercial business unit of the department) was engaged to undertake construction and repairs valued at \$4.3 million (2021: \$4.0 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 2022 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

for the year ended 30 June 2022

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

Whole-of Government Climate Reporting

The State of Queensland, as the ultimate parent of Central West Health, has published a wide range of information and resources on climate change (accessible via <https://qld.gov.au/environment/climate-change>) including the following whole-of-Government publications in relation to climate risk, strategy and action:

- Climate Adaptation Strategy accessible via <https://qld.gov.au/environment/climate-change/adapting/strategy>
- Climate Transition Strategy accessible via <https://qld.gov.au/environment/climate-change/transition/queensland-climate-transition-strategy>
- Climate Action Plan 2030 accessible via <https://www.des.qld.gov.au/climateaction>
- Queensland Sustainability Report accessible via <https://www.treasury.qld.gov.au/programs-and-policies/esg/>

Climate Risk Assessment - Central West Health Financial Statements

Central West Health considers specific financial impacts relating to climate related risks by identifying and monitoring material accounting judgements and estimates used in preparing the financial report. This includes the potential for changes in asset useful lives, changes in the fair value of assets, provisions or contingent liabilities and changes in 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 continues to monitor the emergence of such risks under the Queensland Government's *Climate Transition Strategy* and the *Climate Action Plan 2030*.

Current year impacts

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

No accounting standards or interpretations that apply to Central West Health for the first time in 2022 have any material impact on the financial statements.

In March 2021 IFRIC's issued an agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement*, clarifying the treatment of costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement. Consideration of where the software code resides, whether it is identifiable and whether Central West Health has the power to both obtain economic benefits from the software and restrict the access of others to those benefits is required. This agenda decision has not impacted Central West Health - no software or associated costs of configuration has been capitalised in the past. Future purchases of services will be assessed in light of the agenda decision.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2022.

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

for the year ended 30 June 2022

E8 SIGNIFICANT FINANCIAL IMPACTS FROM COVID-19 PANDEMIC

The following significant transactions were recognised by Central West Health during the 2022 financial year in response to the COVID-19 pandemic.

	2022	2021
	\$'000	\$'000
Operating Statement		
<i>Significant expense items arising from COVID-19</i>		
Operation of the health emergency operating centre and fever clinics	1,366	266
Additional testing, diagnostics and essential equipment	1,222	237
Planning, administration and delivery of vaccination program	1,984	692
Workforce management	68	15
Minor equipment, hire facilities and general clinical consumables	707	-
	5,347	1,210
<i>Significant revenue items arising from COVID-19</i>		
Funding public health services - supplement costs of COVID-19	4,640	1,193
Reimbursements of minor capital costs	698	-
	5,338	1,193

Balance Sheet

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

Assets - Land market based valuations

All land holdings were comprehensively revalued at 30 June 2020 by independent valuers APV Valuers and Asset Management (APV). In 2022 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 change in property markets due to the COVID-19 pandemic noted.

Assets - Buildings current replacement cost valuations

Growth in construction costs across the majority of buildings is above average movement over a twelve month period. This has been an indirect result of the COVID pandemic and how it has affected the construction industry. During 2020-21 a lot of construction work was paused, with a significant bounce back in the construction sector and increased prices experienced in 2021-22. The increase in construction costs has been driven by strong growth in residential house construction and a spike in the cost of steel. For accumulated depreciation, the condition and useful life of these long-lived assets are 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 2022, 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 deficit and accumulated losses of \$3.012 million as at 30 June 2022. The Board and management of Central West Health believe the terms and conditions of its funding arrangements under its Service Agreement with the Department of Health will provide Central West Health with sufficient cash resources to meet its financial obligations for at least the next financial year. 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 2022 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 2022

SECTION F

NOTES ON OUR PERFORMANCE TO BUDGET

This section discloses Central West Health's original published budgeted figures for 2022 compared to actual results, with explanations of major variances, in respect of Central West Health's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. 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.

A budget to actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity or "movements in asset revaluation surplus", as major variances relating to that statement have been addressed in explanations of major variances for other statements.

Materiality for notes commentary is based on the calculation of the line item's actual value percentage of the group total. Where a line item contributes 5% or greater to the associated sub-total, it is deemed to be material to the Statement. A note is provided 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.

F1 BUDGET TO ACTUAL COMPARISON - STATEMENT OF COMPREHENSIVE INCOME

	Variance Notes	Actual 2022 \$'000	Budget 2022 \$'000	Variance \$'000
Income				
User charges and fees		8,835	8,141	694
Funding public health services	A1	85,577	78,000	7,577
Grants and other contributions		2,858	3,405	(547)
Other revenue		395	392	3
Total Income		97,665	89,938	7,727
Total income		97,665	89,938	7,727
Expenses				
Employee expenses		8,869	9,328	(459)
Health service employee expenses		45,165	44,281	884
Supplies and services	A2	35,722	26,873	8,849
Depreciation and amortisation		7,119	7,388	(269)
Other expenses		3,463	2,068	1,395
Total Expenses		100,338	89,938	10,400
Operating surplus/(deficit)		(2,673)	-	(2,673)
Other comprehensive income				
Items not reclassified to operating result				
Increase in asset revaluation surplus		5,694	-	5,694
Other comprehensive income for the year		5,694	-	5,694
Total comprehensive income		3,021	-	3,021

Central West Health

Notes to the Financial Statements

for the year ended 30 June 2022

F2 BUDGET TO ACTUAL COMPARISON - STATEMENT OF FINANCIAL POSITION

	Variance Notes	Actual 2022 \$'000	Budget 2022 \$'000	Variance \$'000
Current assets				
Cash and cash equivalents	A3	(208)	934	(1,142)
Receivables		474	515	(41)
Inventories		746	768	(22)
Other assets	A4	2,059	445	1,614
Total current assets		3,071	2,662	409
Non-current assets				
Property, plant and equipment		101,920	102,427	(507)
Right-of-use assets		1,539	710	829
Total non-current assets		103,459	103,137	322
Total assets		106,530	105,799	731
Current liabilities				
Payables	A5	6,457	4,279	2,178
Accrued employee expenses		136	438	(302)
Other liabilities	A6	1,279	-	1,279
Lease liability	A7	611	332	279
Total current liabilities		8,483	5,049	3,434
Non-current liabilities				
Lease liability	A7	856	422	434
Total non-current liabilities		856	422	434
Total liabilities		9,339	5,471	3,868
Net assets		97,191	100,328	(3,137)
Equity				
Contributed equity		72,250	78,224	(5,974)
Accumulated surplus/(deficit)		(3,010)	(483)	(2,527)
Asset revaluation surplus		27,951	22,587	5,364
Equity		97,191	100,328	(3,137)

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2022

F3 BUDGET TO ACTUAL COMPARISON - STATEMENT OF CASH FLOWS

	Variance Notes	Actual 2022 \$'000	Budget 2022 \$'000	Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
User charges and fees		8,766	8,133	633
Funding public health services	A1	78,513	70,612	7,901
Grants and other contributions		1,817	2,494	(677)
GST input tax credits from ATO		2,243	1,848	395
GST collected from customers		102	-	102
Other receipts		385	392	(7)
<i>Outflows:</i>				
Employee expenses		(8,905)	(9,626)	721
Health service employee expenses		(45,031)	(43,948)	(1,083)
Supplies and services	A2	(34,558)	(26,779)	(7,779)
GST paid to suppliers		(2,267)	(1,850)	(417)
GST remitted to ATO		(113)	-	(113)
Other		(2,150)	(1,067)	(1,083)
Net cash from/(used by) operating activities		(1,198)	209	(1,407)
Cash flows from investing activities				
<i>Inflows:</i>				
Sales of property, plant and equipment		12	(11)	(23)
<i>Outflows:</i>				
Payments for property, plant and equipment	A8	(2,205)	-	(2,205)
Net cash from/(used by) investing activities		(2,193)	(11)	(2,182)
Cash flows from financing activities				
<i>Inflows:</i>				
Equity Injections	A9	2,445	560	1,885
<i>Outflows:</i>				
Lease payments	A7	(756)	(560)	(196)
Net cash from/(used by) financing activities		1,689	-	1,689
Net increase/(decreased) in cash and cash equivalents		(1,702)	198	(1,900)
Cash and cash equivalents at the beginning of the financial year		1,494	736	758
Cash and cash equivalents at the end of the financial year		(208)	934	(1,142)

Central West Health Notes to the Financial Statements

for the year ended 30 June 2022

BUDGET VS ACTUAL COMPARISON

For the purposes of these comparatives the “Original Budget” refers to the budget entered in May 2021 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.

In analysing these financial statements it should be noted that while the Statement of Comprehensive Income and the Statement of Financial Position are prepared based on accrual concepts, the Statement of Cash Flows discloses cash inflows and outflows of Central West Health. This will cause some differences in amounts recorded under each line on the different statements

Explanation of major variances

Statement of Comprehensive Income

- A1 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 \$7.577 million, including Central West Health's ongoing response to the COVID-19 pandemic and rollout of the vaccination program \$4.738 million.
- Cash inflows for public health services funding increased by \$7.901 million with key contributors largely consistent with the reasons set out above adjusted for a variance in accrued Service Agreement adjustments.
- A2 Supplies and services expenditure exceeded budget by \$8.849 million due predominately to the ongoing 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 medical services. Employment of additional temporary medical staff to backfill vacancies, staff on leave, and positions currently engaged in the COVID-19 vaccination program added \$4.794 million to expenses including associated oncosts such as travel;
 - 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 \$2.394 million; and
 - aeromedical service costs continued to increase with more frequent use of higher cost jet flights due to the availability of providers.
- Cash outflows for supplies and services increased by \$7.779 million, with key contributors largely consistent with the reasons set out above, adjusted for a difference in movements between forecasts and actuals for accrued payables and to a lesser extent, inventories and prepayments.

Statement of Financial Position

- A3 Cash and cash equivalents decreased \$1.142 million from \$0.934 million at the time of the budget, reflecting changes in the timing of receipts and payments for operating activities and higher net costs of service provision during the year.
- Purchases of goods/services for Queensland Health's capital program, costs of managing the covid response and vaccination rollout are reimbursed by the department in arrears. In June, expenditure for these services exceeded forecasts by \$1.328 million (reimbursed in July).
- A4 Central West Health is entitled to additional funding of \$0.989 million for incentive payments and supplementation under an agreed end of year technical adjustment to the 2022 Service Agreement. Contract revenue for managing capital projects on behalf of the department and the associated costs in June have also risen \$0.427 million, and prepayments for COVID response leave and software subscriptions were \$0.127 million higher. These adjustments were not forecast at the time of the budget and are recorded as other assets.
- A5 The increase relates to additional services engaged to manage the COVID-pandemic with higher consultancies, temporary medical staff and associated travel costs contributing \$1.417 million to payables in June.
- Monies owing to the department for payroll services also rose as full time staff employed increased 3% along with average wage growth exceeding estimates used in the budget by 4%. Back posting of the first pay in 2023 (payroll fortnight ended 26 June) to creditors reallocated \$0.310 million from estimates previously included in accrued employee benefits.
- A6 High workforce demands due to managing the COVID-19 response, combined with procurement and recruitment difficulties in the central west region, hindered performance in meeting conditions attached to a number of specific funding initiatives. In addition, the Nursing EB11 agreement was not ratified in 2022. Funds provided for these purposes are now repayable and form part of an agreed end of year technical adjustment of \$1.276 million to the 2022 Service Agreement.

Central West Health Notes to the Financial Statements

for the year ended 30 June 2022

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- A7 Central West Health leases residential employee housing in rural and remote areas with property lease agreements typically for twelve months with an option to renew a further two years. During 2022, seventeen lease agreements were renewed or new leases signed. No allowance for the renewal/acquisition of new leases was included in the budget.

Lease repayments increased \$0.196 million, capturing the additional lease obligations arising from agreements approved post budget.

Statement of Cash Flows

- A8 The budget presented all payments for property, plant and equipment as part of the department's capital delivery program, with assets transferred to Central West Health. Cash payments for property plant and equipment totalling \$2.205 million were made during the year, on behalf of the department, and reimbursed. Purchases included \$0.613 million for medical equipment and \$1.591 million on refurbishments to the Longreach hospital, security upgrades across the public health centres and a number of smaller capital projects.
- A9 Cash flows from equity injections increased \$1.885 million, a result of higher funding approvals by the department during the year to meet the repayment of leases, infrastructure projects, and purchases of equipment refer A7 & A8. This was not included at the time of budget estimates. Cash funding for purchases of property plant and equipment (PPE) are made by the department one month in arrears. This timing difference represents the variation between purchases of PPE and equity injections at 30 June 2022.

Central West Health Management Certificate

for the year ended 30 June 2022

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 2022 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



Board Chair

Central West Health

29/8/22

Christopher Sullivan




Digitally signed by Chris Sullivan, a/Health Service Chief Executive
Date: 2022.08.29 15:53:45 +10'00'

A/Chief Executive Officer

Central West Health

/ /

Joseph Byrne



Digitally signed by Joseph Byrne - A/Executive Director Finance, Infrastructure and Support Services
Date: 2022.08.29 17:25:35 +10'00'

A/Executive Director
Finance, Infrastructure and Support
Services, Central West Health

/ /

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 2022, 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 2022, 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 (\$94.76 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.</p> <p>Central West Hospital and Health Service performed a comprehensive revaluation of approximately 15.5% of its building assets this year 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"> gross replacement cost, less accumulated depreciation. <p>Central West Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> identifying the components of buildings with separately identifiable replacement costs developing a unit rate for each of these components, including: <ul style="list-style-type: none"> estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre) identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. <p>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.</p> <p>Using indexation required:</p> <ul style="list-style-type: none"> significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used. 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> assessing the adequacy of management's review of the valuation process and results reviewing the scope and instructions provided to the valuer assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices assessing the competence, capabilities and objectivity of the experts used to develop the models for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: <ul style="list-style-type: none"> modern substitute (including locality factors and oncosts) adjustment for excess quality or obsolescence evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> reviewing management's annual assessment of useful lives at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets testing that no building asset still in use has reached or exceeded its useful life enquiring of management about their plans for assets that are nearing the end of their useful life reviewing assets with an inconsistent relationship between condition and remaining useful life. <p>Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.</p>

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 2022:

- 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.



D J Toma
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

Glossary

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.

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	2
Accessibility	Table of contents Glossary	ARRs – section 9.1	3, 92-93
	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	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover
	Information Licensing	QGEA – Information Licensing ARRs – section 9.5	Inside front cover
General information	Introductory Information	ARRs – section 10	6-7
Non-financial performance	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 11.2	8-12
	Agency service areas and service standards	ARRs – section 11.3	43
Financial performance	Summary of financial performance	ARRs – section 12.1	44-46
Governance – management and structure	Organisational structure	ARRs – section 13.1	22-23
	Executive management	ARRs – section 13.2	22-26
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	17-21
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	35
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	39
	Queensland public service values	ARRs – section 13.6	9
Governance – risk management and accountability	Risk management	ARRs – section 14.1	33, 36
	Audit committee	ARRs – section 14.2	33
	Internal audit	ARRs – section 14.3	36
	External scrutiny	ARRs – section 14.4	37
	Information systems and recordkeeping	ARRs – section 14.5	37
	Information Security attestation	ARRs – section 14.6	38
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	34
	Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	35
Open Data	Statement advising publication of information	ARRs – section 16	Inside front cover
	Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	87
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	88-91

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

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