ANNUAL REPORT
2015–2016

Central West Hospital and Health Service

Queensland Government

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27 September 2015

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

Dear Minister

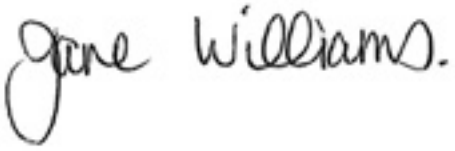
I am pleased to present the Annual Report 2015–2016 and financial statements for Central West Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found at page 57 of this annual report or accessed at https://www.health.qld.gov.au/services/centralwest/

Yours sincerely



Jane Williams

Board Chair
Central West Hospital and Health Service

CHAIR'S INTRODUCTION

As we move into our fifth year of operation, I was humbled and delighted to be appointed Chair of the Central West Hospital and Health Service (CWHHS) in May 2016.

I would like to begin by thanking past Board Members, Edward Warren, Bruce Scott and Dr John Douyere for their commitment and dedication to improve health services in Western Queensland, during the first four years of Board operations. I would also like to farewell and thank Michel Lok Chief Executive, for his tireless efforts and contribution to the CWHHS and its development. We wish him well in Torres and Cape Hospital and Health Service.

May 2016 saw the appointment of new vibrant and enthusiastic Board members who bring a varied and increased skill mix to the board table. Welcome Dr Clare Walker, Dr Nikola Stepanov, Elizabeth Frazer and Leisa Frazer.

It was a pleasure to welcome the Minister for Health and Ambulance Services the Honourable Cameron Dick to the Barcaldine Hospital in May 2016, to display and discuss infrastructure planning and developments throughout the Central West.

The health status of communities and individuals is driven by numerous determining factors. Rural and remote areas carry a higher health burden when comparing death rates, hospitalisation rates and risk profiles. The ongoing drought has crippled eighty percent of the state of Queensland and continues to affect the burden of chronic disease and the health of our communities on many levels, including financially, emotionally and psychologically. The mental health and wellbeing of individuals and communities are also at the forefront of health concerns. The burden of chronic disease and health outcomes for people of rural and remote Queensland continues to be an ever-increasing challenge.

Challenges are more achievable when met head on with a collaborative approach. The CWHHS continues to foster and develop opportunities with State and Federal Government, Local Government in the Central West and our Health Service providers – Western Queensland Primary Health Network (PHN), Rural Flying Doctors Service (RFDS), James Cook University (JCU), North and West Remote Health (NWRH), the Regional Shire Councils within the Remote Area Planning and Development (RAPAD) group, Queensland Ambulance Service (QAS), Queensland Police Service (QPS) and Queensland Rural Fire and Emergency Services (QRFES). Working together we strive to identify the needs of our communities by maximising service delivery, avoiding waste, offering training, education and workforce opportunities, developing stronger alliances and therefore stronger, healthier communities. Although working together builds strength, participation from individuals to show responsibility for their actions relating to their own health continues to be a priority and should lead to the increased overall health of our communities.

I extend a personal thank you to all members of the CWHHS team and our supporting auxiliary members. It continues to be a privilege to work with my Board Colleagues, Acting Chief Executive Jane Hancock and Executive Management team.

The rains of recent months have produced hope for brighter days. Brown, parched, desolate open country has been turned into fields of green, covered with bright yellow flowers. Should you stop for a moment, you would notice a sweet fragrance

permeating the air. I like to think, and use the analogy, that the seeds that have lain dormant for so long, the seeds that have been embedded and planted that go into the health service today, will continue to grow and flourish, to provide the people and communities of Central Western Queensland with excellence in health care for many years ahead. Together as a Health Service, as service providers, as individuals and as community we can make it happen.

I am pleased to present the, 2015–16 Central West Hospital and Health Service Annual Report.

Jane Williams.

Jane Williams
Board Chair

Front row: ***Bill Ringrose, Jane Williams (Chair), David Arnold, Elizabeth Fraser***
Back row: ***Michel Lok (HSCE) Leisa Fraser, Dr Nikola Stepanov, Dr Clare Walker, Peter Skewes***

CHIEF EXECUTIVE'S REPORT

It is with great pleasure that I present my report of the Health Service's operations and reflect on what has been another successful year for Central West Health.

2015–16 has seen the Health Service continue to focus on wellbeing, integrating primary and acute care services and delivering more services locally. The Health Service attracted additional funding over the year, growing the budget by a further eight percent to $66.9 million, adding additional service capability to the region. Our health workforce also increased to over 390 doctors, nurses, health professionals and support staff.

During 2015–16 we delivered 64,877 health care occasions of service. 14,451 people presented to our Accident and Emergency Departments, the frontline of our hospitals; 536 surgical procedures were performed; 6,985 beds were occupied over the year and 80 babies were birthed through the Health Service. 12,734 dental consultations were provided; visiting specialists completed 5,259 episodes of care; and 2,376 telehealth services were arranged – an impressive 74 percent increase on last year.

Patient wait times in our emergency departments, theatres and dental clinics consistently met and were often better than clinically recommended guidelines.

The Health Service also exceeded targets for state wide Quality Improvement Payments associated with improving childhood immunisation rates, supporting smoking cessation pathways, enabling cardiac rehabilitation and ensuring staff in contact with our patients are immunised.

The Health Service maintained its commitment to safety and quality for our patients and staff with a number of external reviews and surveys showing high standards of care and high levels of staff commitment. These included compliance with the National Mental Health Service Standards, home support standards for aged care and AS/NZ 4801.2001 for safety management.

We received very high praise from our community in a state-wide survey of patient experiences in emergency departments and also received overwhelmingly positive feedback from our patients and clients about their care in our hospitals and health centres. This is a resounding tribute to our professional health service staff.

The Health Service continued to press the Government to improve regional health infrastructure and currently has more than $34 million of capital works projects approved or in progress. We celebrated the comissioning of the state's first co-located hospital and emergency services precinct in Alpha and have approval to replace the Aramac primary health centre and look forward to modernising facilities in Longreach, Barcaldine and Boulia. We hope to achieve a similar outcome for the replacement to the Blackall Hospital in the very near future.

As this will be my final report as Chief Executive for Central West Health, I wish to express my thanks to current and past members of the Board for their confidence in me over the past four years; and to thank my executive colleagues and all of the staff of the Health Service for their support and their commitment to quality and patient centred care in our region.

Michel Lok

Chief Executive

ABOUT CENTRAL WEST HEALTH

Central West Hospital and Health Service (Central West Health) was established as an independent statutory body on 1 July 2012 under the provisions of the *Hospital and Health Boards Act 2011* (the Act). As an independent statutory body a local health board oversees Central West Health.

Central West Health is responsible for providing public hospital and health services. Hospital services include accident and emergency, inpatient care, general and elective surgery, medical imaging and maternity services. Other healthcare services include a range of community and primary healthcare services such as; immunisation, child and maternal health, chronic disease, allied health and mental health services.

Central West Health covers some 396,650 square kilometres, which is 33 percent of the state and includes the communities of remote central western Queensland from Tambo, in the southeast, to Boulia in the northwest.

Central West Health serves a population of 12,400 persons and as well as an ever increasing large number of visitors seeking an outback experience during the winter months.

At June 2011:

- 8.3 percent of the service's population identified as of Aboriginal or Torres Strait Islander origin;
- 5.8 percent of the total population were born overseas and
- 19.5 percent of those born overseas speak a language other than English at home.

The model of service delivery is based on five hospital hubs in Alpha, Barcaldine, Blackall, Longreach and Winton with satellite primary health clinics at Aramac, Bedourie, Birdsville, Boulia, Isisford, Jericho, Jundah, Muttaburra, Tambo and Windorah.

Region-wide services for child and maternal health, Aboriginal and Torres Strait Islander health and chronic disease management, together with a range of allied health and community health services are based in Longreach and other service hubs.

Central West Health's doctors also work in general practices across the region under contract arrangements to deliver an integrated approach to primary and acute healthcare.

Central West Health's Strategic Plan was developed following extensive consultation with local communities, councils and healthcare partners. It aims to sustain quality health services in remote Queensland and to reduce health inequality for people living in the bush by integrating and connecting primary and acute care to improve access to specialist care for our residents. The *Central West Hospital and Health Service Strategic Plan 2015–2019* was developed in early 2015 and reflects the incoming government's objectives for the community of delivering quality frontline services and building safe, caring and connected communities.

During 2015–16, Central West Health employed over 390 clinical, administrative and operational staff (full-time, part-time and casual) and spent $66.9 million on healthcare services.

The Health of Central West

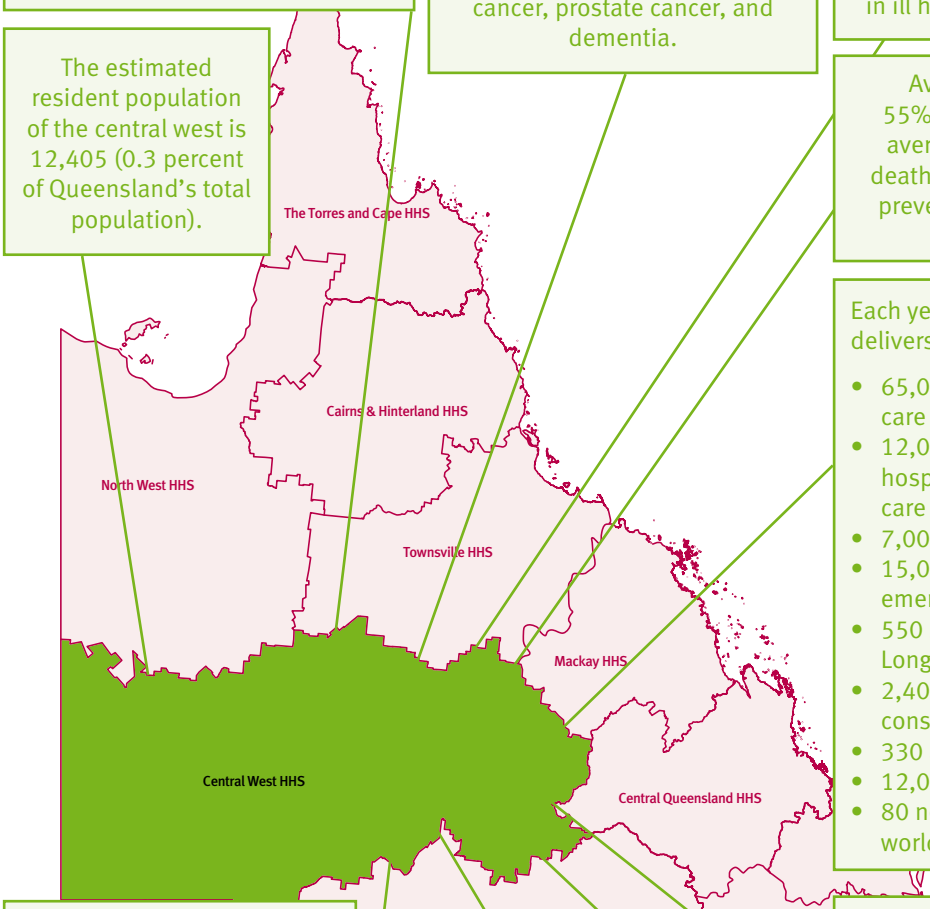
Aboriginal and Torres Strait Islander people represent 8% of the population (twice the Queensland average).

The leading causes of death are ischaemic heart diseases (such as heart attack), cerebrovascular diseases (such as stroke), lung cancer, prostate cancer, and dementia.

Central West residents typically lived almost two years less than their Queensland counterparts and spent ten years of their life in ill health and/or disability.

The estimated resident population of the central west is 12,405 (0.3 percent of Queensland's total population).

Avoidable deaths are 55% higher than the state average, with three in ten deaths avoidable, two in ten preventable and one in ten treatable.



Each year Central West Health delivers around

- 65,000 episodes of patient care
- 12,000 bed nights in hospital and residential aged care
- 7,000 nights in acute care
- 15,000 presentations in our emergency departments
- 550 surgical procedures in Longreach
- 2,400 telehealth consultations
- 330 aeromedical transfers
- 12,000 dental treatments
- 80 newborn welcomed to the world.

Injury and poisoning caused the highest rate of hospitalisation over the last five years.

Six in ten residents report as overweight or obese with only half meeting national physical activity guidelines.

Potentially preventable hospitalisations account for 13% of all admissions (8% state-wide).

The cancer mortality rate is 31% higher than the Queensland rate.

Although 91% of residents rated their quality of life as very good or good:

- 1 in 3 adults have high blood pressure
- 1 in 4 adults have high cholesterol
- 1 in 5 residents are 'daily smokers'
- 1 in 7 adults had risky levels of alcohol consumption
- 1 in 10 adults have diabetes/high blood sugar.

Central West Health employs 390 employees, including 22 doctors, 176 nurses, 21 dental and allied health professionals and 172 operational and administrative support staff.

Almost 97% of 5 year-old children were fully immunised, exceeding the state-wide target of 95%. The region's Aboriginal and Torres Strait Islander children have one of the highest immunisation rates in Australia.

Sources:
Australian Bureau of Statistics Australian Demographic Statistics, June 2013. Cat. No. 3101.0. ABS: Canberra; 2013.

OUR VISION AND VALUES

Central West Health's Strategic Plan 2015–19 outlines the health board's vision and strategic objectives for the delivery of healthcare in the central west, aligns with the government's health priorities and key performance indicators for service delivery. In developing the plan, the Board established its strategic intent to reduce health inequality for people living in the bush; integrate primary and acute care and focus on wellness and chronic disease management; and repatriate services locally.

Our Vision

Excellence in healthcare for remote Queenslanders

Purpose

To deliver a service system that keeps our residents healthy and acts swiftly and with safety to treat ill-health. In order to achieve this purpose, Central West Health builds partnerships to enhance coordination efforts and embrace technologies that will promote its vision.

Our Values

- Patient centred care – we support our patients through their care journey, involve patients in decisions about their care and learn from their experience(s) when in our care
- Quality and safety – we put safety first in the care of our patients and build quality into what we do each day.
- Integrity – we have a culture of mutual respect, fair dealing, ethical behaviour and transparency.
- Investing in staff – we support ongoing learning, planned development and career advancement to attract and retain a happy, secure and competent workforce
- Innovation and change – we encourage ideas, evaluate opportunities, consult with those affected, weigh up the risks, implement with purpose, and celebrate improvements.

My health, Queensland's future: Advancing health 2026

Advancing health 2026 was developed to respond to the challenges and opportunities we face in Queensland.

Advancing health 2026 establishes a common purpose and a framework for the health system in Queensland. It seeks to bring together government agencies, service providers and the community to work collaboratively to make Queenslanders among the healthiest people in the world.

Five principles underpin this vision, directions and strategic agenda.

1. Sustainability

We will ensure available resources are used efficiently and effectively for current and future generations.

2. Compassion

We will apply the highest ethical standards, recognising the worth and dignity of the whole person and respecting and valuing our patients, consumers, families, carers and health workers.

3. Inclusion

We will respond to the needs of all Queenslanders and ensure that, regardless of circumstances, we deliver the most appropriate care and service with the aim of achieving better health for all.

4. Excellence

We will deliver appropriate, timely, high quality and evidence-based care, supported by innovation, research and the application of best practice to improve outcomes.

5. Empowerment

We recognise that our healthcare system is stronger when consumers are at the heart of everything we do, and they can make informed decisions.

Patient centred care is about listening and responding to the needs of the patient and considering their environment which includes family, work and leisure.

OUR OBJECTIVES

Central West Health's strategic objectives for 2015–16 were identified by the Board as priority areas for action and were confirmed by central western communities through consultation and engagement activities.

These strategic priorities are open to on-going community consultation regarding emphasis, prioritisation and future refinement.

These strategic objectives are to:

- Ensure patients have access to safe and high quality healthcare
- Integrate primary and acute care services to support patient wellbeing
- Deliver more services locally where it is safe and sustainable to do so
- Attract, retain and develop a motivated healthcare workforce to meet our communities' future needs
- Involve our communities and stakeholders in the planning, design and delivery of services in our unique region
- Provide responsible governance and effective leadership of the healthcare system in the central west.

OUR ENVIRONMENT

While the infrastructure through which we deliver many of our healthcare services has been relatively fixed for many years, the models of healthcare and the expectations of our patients and communities are constantly changing.

In common with other very remote parts of Queensland, health services in the Central West face a number of challenges associated with distance and isolation, increasing levels of chronic disease, workforce retention, and providing sustainable services to a small and geographically remote population.

At a national level, healthcare is expected to continue to be a significant component of national gross domestic product due to the ageing population, increases in chronic diseases, co-morbidity complexities and health technology development.

It is a key expectation that the Central West Health Board exercises financial prudence and business acumen to enable Central West Health to meet the healthcare needs of its communities within the funding available in its service agreement. The Central West Health Board has conducted public meetings in order to actively listen to the community when developing the priorities for action of its strategic plan. It has committed to leverage technologies and partnerships that will best deliver healthcare services in a financially responsible manner.

OUR FACILITIES

Hospitals

Longreach, Barcaldine, Blackall, Winton and Alpha

Central West Health operates five public hospitals delivering 24-hour accident and emergency care, acute inpatient services, pharmacy, physiotherapy and radiology services and outpatient clinics. Longreach Hospital, as the region's procedural hub, offers surgical and elective procedures as well as gynaecological and obstetric services through its regional maternity service. Three of our hospitals provide high care residential aged care services under a multipurpose health service model.

Alpha MPHS

Primary Health Centres

Aramac, Bedourie, Birdsville, Boulia, Isisford, Jericho, Jundah, Muttaburra, Tambo and Windorah

In smaller communities, Central West Health operates primary health centres providing 24-hour accident and emergency services, local nursing and primary healthcare and regular visiting medical, community, allied and mental health services. Each primary healthcare centre operates a hospital-based ambulance supported by volunteer community drivers except for Aramac, which has a Queensland Ambulance Service station, and Jericho, which is a five-day per week community clinic.

Aramac hospital

Jericho clinic

OUR SERVICES AND PARTNERSHIPS

Regional visiting services

Visiting allied and mental health services based in Longreach support all Hospital and Primary Health Centres. They provide outreach support for managing chronic disease, rehabilitation following hospitalisation and community mental health case managers. Doctors from the region's hospitals or the Royal Flying Doctor Service (RFDS) provide visiting medical services. Allied health services are also provided through North and West Remote Health.

Telehealth

All sites are equipped to support telehealth consultations to enable clinicians and consumers to speak with a general practitioner, consult a specialist, and in each hospital, provide Emergency Department support from the Queensland Retrieval Service.

General practice

All doctors employed by Central West Health have rights to private practice and work in private practices or in medical centres operated by Central West Health. This arrangement ensures that communities of the central west continue to have access to Community General Practice services.

Department of Health

A Service Agreement between the Central West Health and the Department of Health identifies the healthcare services to be provided, the funding arrangements for those services and the performance indicators and targets required to ensure the identified outputs and outcomes are being achieved.

Section 19 of the *Hospital and Health Boards Act 2011* sets out the main functions of a Health Service which include:

- ensuring the operations of the service are carried out efficiently, effectively and economically
- complying with Health Service directives that apply to the health service
- aligning heath service plans with state-wide service plans
- improving the quality of health services delivered
- developing local clinical governance arrangements
- engaging with clinicians, health consumers and local communities about the provision of health services
- cooperating with other providers of health services in planning for, and delivering, health services
- managing service performance against the performance measures stated in the service agreement.

Central West Health is responsible under the Service Agreement for the maintenance of healthcare facilities and minor capital works. Titles to land and buildings were transferred to the health service on 1 July 2015.

OUR CHALLENGES

Central West Health's Strategic Plan identifies key risks and challenges, which are considered by the health board when making decisions on issues such as future models of service delivery, workforce capability and infrastructure requirements. These include:

- **lower health status** – in general, central west residents have a shorter life expectancy and have higher rates of smoking, obesity and chronic disease
- **rural drought** – the central west is experiencing an extended drought, in some areas the worst on record with some areas unlikely to recover. mental health support and suicide risk has increased
- **engagement** – consulting with our communities, clinicians and other stakeholders to ensure health services are effectively planned, designed and delivered
- **workforce** – recruiting and retaining a flexible and productive health workforce to reduce reliance on external staffing
- **indigenous health** – eight percent of the central west's population continue to experience greater health inequality as a result of limited access to culturally appropriate health services
- **infrastructure** – many buildings in the central west require renewal or replacement to enable modern healthcare delivery – some are approaching 100 years of age and are costly to maintain to meet service standards
- **ageing population** – the central west has an ageing population placing further demands on health services and limited aged care facilities
- **increasing demand** – large numbers of tourists seek help from the health service each winter whilst mining developments are poised to add significant pressure on local emergency and hospital services
- **health reforms** – funding for the health service will be transitioned in line with the Independent Hospital Pricing Authority's National Efficient Cost (NEC) determination
- **greater autonomy** – additional governance capabilities are needed to become a prescribed employer under the Act.

Photographer: Cameron McPhee, Longreach Photography (2016)

THE YEAR IN REVIEW

Key achievements of 2015–16 include delivering successful outcomes to improve healthcare services, upgrading and maintaining health facilities, building and developing the health workforce and strengthening governance, collaboration and engagement arrangements.

Improved healthcare services

Central West Health delivered more services locally, increased access to specialist and surgical services and exceeded activity targets by 6 percent.

The Dental Hub continued to increase service activity by 4 percent and maintain a zero long waits for general dental care. The majority of patients are now placed on a 12-month care plan.

Telehealth services continued to expand. It offered more clinics to patients, reduced the travel burden for 2,376 residents and included new clinics to support geriatric care, online stress tests and the delivery of virtual medication reviews in our hospitals.

The Health Service appointed a second Director of Nursing in each of its primary care centres to enhance capacity to support chronic disease care outside of major regional towns and support care in the home where needed.

Recognising the high health risks and serious drought conditions in the Central West, the Health Service provided free Q-fever clinics at local general practices to screen and vaccinate local workers with the financial support from the Uniting Church, Longreach Rotary Club and Longreach Lions Club.

The region's first nurse navigator was appointed in June as part of the government's election commitment to revitalise nursing and improve quality and safety in Queensland's hospitals. Five nurse navigators will be in place over the next two years in each of the Health Service's hospitals.

Responding to the challenges of the extended drought, an additional mental health clinician was appointed to undertake mental wellbeing health promotion and suicide prevention activities and education for clinicians as part of the government's strategy to tackle adversity in drought and disaster affected communities.

Upgrading and maintaining health facilities

Central West Health continued to progress health infrastructure priorities with the Department in line with the Health Board's 2013 Infrastructure Strategy and lodged an updated Total Asset Management Plan (TAMP) that outlines strategies the Health Service will take to sustain health facilities.

The new $17.5 million Community Hospital and Emergency Services Project in Alpha was completed on time and within budget, with patient care transferring to the new facility on 7 June 2016.

Design and staging plans were completed for major refurbishments at the Longreach Hospital to establish a new Medical Imaging Department and install a Computer Tomography (CT) Scanner. The works include:

- a new day surgery service
- modernising the maternity ward
- replacing the air conditioning plant
- ducting throughout the hospital.

The Barcaldine Multipurpose Health Service's new Dental Clinic was tendered together with the replacement and upgrade of the hospitals air conditioning plant and handlers. The Dental Clinic, expected to open in February 2017, will add service capacity and include a dental chair for students from James Cook University.

Planning for a new primary health centre in Aramac was completed and expected to proceed to tender in August 2016. The government's June budget also included $2 million to refurbish the Boulia primary health centre.

A fire safety upgrade at Blackall hospital commenced to mitigate low water pressure in the fire hydrants.

The Health Service continued to implement backlog maintenance projects across the region, completing 26 projects valued at $1.2 million and securing a backlog maintenance incentive payment of $0.6 million.

Works included:

- road works and car park to Tambo
- repairs to the Barcaldine Hospital staff accommodation substructure, verandas and carport
- repairs to Barcaldine Hospital ceilings and fire walls fencing in Muttaburra and Tambo
- an upgrade of the entrance to the Winton Private Surgery
- the refurbishment Tambo PHC pharmacy.

Building and developing the health workforce

Central West Health continued to build its healthcare and support workforce and focus on sustainability and quality healthcare services.

The 2015 Working for Queensland survey results provided the Health Service with a confidence boost with an increase across 16 of the 19 factors when compared to the previous year. The Health Service implemented further communication strategies that included a new website , regular e-weekly newsletter and monthly "virtual " town hall meetings on video –conference across all sites.

The Health Service continued to implement the medical workforce redesign bringing the total number of permanent medical officers employed to 22 as at June 2016. Currently there are six vacancies with the potential of four doctors identified for those vacancies. There is an increase of ten full times doctors employed in 2015. In addition, training pathways for four doctors have been established and recruited to.

14 graduate registered nurses commenced their careers in the bush during the year, supported by nurse educators and clinical facilitators to rapidly build on their learning experience.

Collaboration and engagement

Central West Health has established a strong collaboration with North West and South West Hospital and Health Services and the newly formed Western Queensland Primary Health Network (PHN) aimed at strengthening primary health care across western Queensland. The three health services are founding members of the PHN, providing a unique opportunity to better integrate primary and acute care services and eliminate waste and duplication of services and administration.

The PHN and the three health services have drafted a collaboration and integration protocol in line with section 42 of the *Hospital and Health Boards Act 2011* (the Act) which is expected to be published later in 2016.

The Health Service extended its partnership with James Cook University's Mount Isa Centre for Rural and Remote Health with the official opening of the Longreach clinical training centre, offering modern video conferencing and contemporary simulation facilities to expand local training for students and clinicians. The agreement builds on last year's commitment to add a student dental chair at Barcaldine MPHS' new dental clinic.

The Health Board endorsed a revised Consumer and Community Engagement Strategy 2016–19 and an amended Employee and Clinician Engagement Strategy 2016–19 following comprehensive reviews and consultations across the region in late 2015.

The Central West Clinical chapter, chaired by Nursing Director Jen Williams, has been reformed and will make regional contributions to the Western Queensland Clinical Council established by the PHN. The PHN has also established a consumer council, which will include representatives from each health region and local consumers.

The Health Board continued to engage with local communities and councils and convened Board meetings in Jericho, Barcaldine, Jundah, Tambo, Isisford, Longreach and Aramac. Board members also attended community meetings in Alpha, Blackall and Aramac to discuss plans for infrastructure development.

OUR PERFORMANCE

Central West Health Strategic Plan 2014–2018 strategic priorities

Strategic objective one: Ensure patients have access to safe and high quality healthcare services

Strategies:

- Continuous improvement against national health quality and safety standards
- Rigorous investigation of all incidents in a timely manner and dissemination of findings
- Review of patient experiences are reflected in service delivery
- Improvement in continuity of care.

Measures of success:

- Accreditation standards are met or exceeded
- Increased rate of incident reporting
- High level of patient/consumer satisfaction with healthcare
- Health professionals are credentialed for their scope of practice.

Accreditation

An effective patient safety and quality system is a pre-requisite for accreditation as a healthcare service. The system supports effective clinical governance over the workforce, practices, health outcomes achieved and all requirements to maintain a safe and quality health service.

Central West Health is accredited under the Australian Council on Healthcare Standards (ACHS) EQuIP National program (www.achs.org.au), a four-year program designed to meet the Australian Commission on Safety and Quality in Health Care's National Safety and Quality Health Service Standards.

In June 2016 the Health Service hosted seven ACHS assessors to undertake an organisation wide survey of compliance with the national standards, the Equip National standards and the National mental health Service Standards. The Health Service did not demonstrate full compliance with eighteen core actions and is currently finalising work to ensure full compliance.

The Health Service's home and community care programs in Barcaldine, Jericho and the Diamantina were assessed against the Commonwealth Home Care Service Standards in May 2016 and were found to have met all requirements.

An external audit of the health service's workplace health and safety system was undertaken by for compliance with AS/NZ4801.2001 in April 2016.

Central West Health operates three medical practices in Winton, Blackall and Alpha that are accredited to the Royal Australian College of General Practitioners' Standards (www.racgp.org.au). Contracted medical practices in Longreach and Barcaldine are also accredited under the standards.

Incident management

The current reporting mechanism is known as PRIME CI and uses three Severity Assessment Codes, SAC 1 incidents causing death or likely permanent harm, SAC 2 incidents causing temporary harm, SAC 3 incidents causing minimal or no harm. These reports are then the basis for analysis to formulate system responses that will act as barriers to future harm.

A total of 429 Clinical incidents were reported using the PRIME system from 1st July 2015 to 30th June, 2016. These consisted of one (1) SAC 1 (0.2 percent), sixteen (16) SAC 2 (3.7percent) and four hundred and twelve (412) SAC 3 (96percent) incidents.

The more significant incidents were analysed using Root Cause Analysis, HEAPS (human error and patient safety) frameworks and clinical review. Recommendations, lessons learned and other findings have been driving factors in procedural improvements and increased staff awareness.

Queensland bedside audit (QBA)

Central West Health participates in the annual state-wide Queensland Bedside Audit (QBA). This audit collects extensive information on a range of patient safety and quality areas of the National Safety and Quality Health Service Standards. This includes information about; falls, malnutrition, pressure injury, medication safety, patient identification and recognising and responding to the deteriorating patient.

Central West Health made improvements across most areas of the audit and exceeded state wide performance in many areas including patient identification, control of pain, malnutrition screening, falls prevention, compliance with deteriorating conditions guidelines and recording of allergies.

Practitioner credentialing

In addition to registration through the Australian Heath Practitioner Regulation Agency (AHPRA), doctors, specialists, midwives and some health professionals working in Central West Health are required to demonstrate the currency of their qualifications and recent practice experience to an appropriately convened Credentialing Committee.

In 2015–16 Central West Health collaborated with other Rural and Remote Health Services to maintain a central credentialing database for all doctors, specialists and other health professionals through the Rural and Remote Clinical Support Unit hosted by the Torres and Cape Hospital and Health Service. Although this will continue in 2016–17, a mutual recognition framework will be adopted for locum medical practitioners.

During 2015–16, all health professionals working in Central West Health were correctly credentialed.

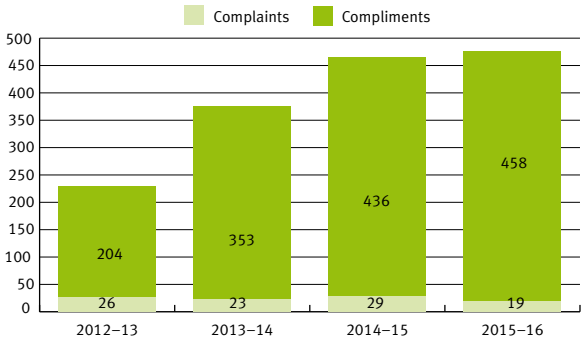
Consumer feedback

Feedback from patients is an important element in improving our services.

Section 219A of the *Public Service Act 2008* requires agencies to maintain a complaints management system to manage the receipt, processing and outcome of customer complaints and publish the number of complaints received, the number resolved with further action and those resulting in no further action.

Although every effort is made to resolve complaints informally, all formal feedback from patients is recorded in the Department of Health's PRIME database. Complaints are required to be acknowledged within five days, investigated and a response provided to the complainant. In 2015–16 Central West Health achieved a five-year high in feedback received at 477, of which 458 were for compliments across all sites, a 2.5 percent increase on last year. There were 19 complaints received, representing 4 percent of total feedback.

Patient feedback



Patient experience surveys

Central West Health participates in a number of state-wide patient experience surveys undertaken on a cyclical basis. In 2014–15 these included a small hospitals survey and a survey of maternity care. In 2015, a Patient Experience Survey was undertaken for Emergency Departments and included the Longreach Hospital for the first time.

The Emergency Department survey involved telephone interviews with 14,737 ED patients from 53 Public Hospitals covering the cause of presentation, triage process, privacy, wait-time, clinician communication and support, dignity and respect, care information, tests and results, pain management, cleanliness, and information on departure. 212 patients from Longreach participated in the survey (53 percent response rate).

Patient satisfaction levels for Longreach Hospital exceeded all state-wide and peer group averages and is a credit to clinicians and support staff at the hospital and demonstrates their commitment to high standards of patient care. Patients ranked Longreach Hospital as the second best Emergency Department in the State with an overall satisfaction rating of 93 percent with only one percent of patients being dissatisfied.

- 100 percent of patient considered the Emergency Department was clean
- 99 percent of patients did not feel bothered or threatened by others
- 97 percent of patients had enough privacy
- 97 percent of patients said staff introduced themselves.

Areas identified for improvement included making sure patients are aware about how to provide feedback; providing patients with enough written information about their condition or care; telling patients about the expected wait time; explaining possible medication side-effects and being available to talk about fears or worries.

Two further state-wide surveys will be undertaken in 2016 – a repeat of the Maternity Patient Experience Survey and the Small Hospital Patient Experience Survey.

Central West Health also participated in an annual "Your Experience of Service" (YES) Consumer Survey that relates to the quality and appropriateness of care, access to services, general satisfaction and service outcomes. There was an increase in responses from 34 percent to 35 percent in the 2015–16 survey, with clients commending the Mental Health Service Team. Some consumers indicated a desire for greater involvement in setting treatment goals and the ability to access a psychiatrist.

Strategic objective 2: Grow and develop a range of healthcare responses in our communities that demonstrate value for money

Strategies:

- Invest in preventative and primary healthcare where it avoids hospital admission/ presentation
- Increase visiting specialist and surgical services, particularly in areas of high patient travel
- Implement recommendations from market testing of radiology services and establish CT scanning services
- Optimise healthcare delivery in line with the government's rural and remote health service framework
- Invest in health infrastructure renewal and maintenance of the region's healthcare facilities.

Measures of success:

- Increased number of patients with healthcare plans
- 10 percent increase in elective surgery services over three years
- CT scanner operating in Longreach
- Upgraded health infrastructure in Aramac, Alpha, Boulia, Blackall and Windorah.

Increasing services

Increasing local health services and access to visiting specialists is a key priority for the health board.

Hospital and healthcare services provide communities of the central west with 24 hour care, seven days per week, including; acute hospitalisation, emergency department and associated radiology, pharmacy and allied health services. Where a patient's care needs extend beyond the clinical service capability of the facility at which they present, patients are referred to a higher level of facility in the service area, or if necessary, are evacuated.

Central West Health was contracted to provide 4,339 weighted activity units, a standardised measure of activity reflecting the cost and complexity of different health interventions. The actual activity achieved was seven percent above target at 4,605 weighted activity units, slightly down from the 4,866 achieved in 2014–15.

In 2015–16, the health service delivered 64,877 health care occasions of service. 14,451 people presented to our accident and emergency departments, the frontline of our hospitals; 536 surgical procedures were performed; 6,985 beds were occupied over the year and 80 babies were birthed through the health service. 12,734 dental consultations were provided; visiting specialists completed 5,259 episodes of care; and 2,376 telehealth services were arranged (an impressive 74 percent increase on last year).

Central West Health Activity Summary 2013–16

	2013–14	2014–15	2015–16
Emergency Department presentations	11,927	13,016	14,451
Outpatient care	26,040	32,426	29,833
Visiting specialist services	2,119	5,534	5,259
Telehealth	737	1,381	2,379
Births	97	91	80
Surgical Procedures	326	500	536
Inpatient separations	3,062	3,069	3,062
Occupied Bed Days (OBD)	7,150	7,765	6,895
Average Length of Stay (ALOS)	2.25 days	2.37 days	2.25 days

Multipurpose Health Services

Multipurpose Health Services (MPHS) are approved by the Australian Government Department of Health and Ageing (DoHA) for a period of three years. In order to continue to receive funding, services must submit an operational plan for the next three years and provide a report on their operation over the past three years.

Multipurpose Health Services offer community and residential care for elderly members of the community and are undertaken in conjunction with home support programs and meals on wheels to ensure rural and remote communities have access to supporting aged and disability care.

The Health Service's facilities and staffing levels mean that they are unable to provide care for aged persons with significant dementia, resulting in a transfer to another town where a bed is available.

	Alpha	Barcaldine	Winton
Available aged beds	5	6	6
Occupancy this year	87%	102%	99%
(Occupancy last year)	(71%)	(100%)	(85%)

Demand for aged care beds has continued to rise as our regional population ages and the ability for frail elderly to safely remain on properties declines. Wait lists are maintained. Unfortunately, the Health Service's facilities and staffing levels mean that they are unable to provide care for aged persons with significant dementia, resulting in a transfer to another town where a bed is available.

Better access to general practice

Central West Health continues to implement its medical workforce and 'one-practice' strategy to improve patient access to rural generalist doctors with advanced skills, enhance the coordination of primary and hospital care and support patients to manage their own care plans wherever they live.

Central West Health operates private general practices in Blackall, Winton and Alpha and has a Service Agreement in place with Outback Medical Services Pty Ltd for the provision of private general practice services in Longreach and Barcaldine. Smaller towns are provided with visiting general practice services of between one and three days each. The outcome is that consultations increased markedly from 48,611 in 2014–15 to 48,990 in 2015–16.

General practices have also moved increasingly towards the development of inter-disciplinary chronic care models in which practice nurses, allied health and remote area nurses employed by the Health Service are being involved in care delivery. Bulk-billing sessions are provided (no patient out of pocket cost) in Longreach, Barcaldine, Winton and Blackall to reduce demand on hospital accident and emergency departments

All general practices in the region will participate in a Data Quality Improvement Program administered by the Western Queensland Primary Health Network which is aimed at improving the completeness of patient records thereby enhancing our understanding of the community's health profile and the delivery of care plans. Data should assist in the evaluation of the overall effectiveness of health care provided to patients.

Improved dental care

The Health Service re-established dentist positions at the Barcaldine MPHS as a base to service all Central West towns after many years of reliance on visiting services alone. A Service Level Agreement is in place with Coopers Plains Dental Group to provide additional public and private dental services and provide dental surgical procedures at Longreach Hospital. A collaborative arrangement is also in place with the Royal Flying Doctor Service's QCoal Dental Van that services patients in Blackall and Winton.

For the third successive year, there were no long dental waits in the Central West with all patients seen when clinically recommended (within two years for general dental care). The Health Service delivered 12,734 occasions of service, which was 23 percent more than the target for the region and an increase of 4 percent on last year.

The Health Board did not pursue the Federal Government's Child Dental Benefits Scheme following its introduction in 2013, but will closely examine the opportunities presented by the expanded Adult and Child Dental Scheme announced by the Federal Government in April 2016.

Planning health services in partnership

In October 2014, Central West Health, together with the then Central and North West Queensland Medicare Local, Queensland Ambulance, the RFDS and representatives of the seven regional and shire councils, via RAPAD, developed a Health Care Service Plan 'The Health of the West'. The plan outlines strategies for the key health agencies and councils to work together and share resources, address health risk factors and priorities, and implement services in identified gaps over the coming decade.

Central West Health has implemented a number of the elements of the plan including, publishing the data on health status and service delivery, commencing publishing details of visiting services into local communities, and expanding services in areas of identified need to support chronic care management and improve access to dental care.

The Western Queensland Primary Health Network has since been established to replace the Medicare Local and has spent its initial year building partnerships and completing a needs analysis for Western Queensland, building on the Health of the West plan. CheckUp has also been added as a key partner, recognising its role as a federally funded agency administering the Rural Health Outreach Fund that support specialists to undertake visiting services.

Together, agencies are working on strategies to ensure services are coordinated and integrated, that patient care is optimised through the timely sharing of medical information (with patient consent) and avoiding unnecessary duplication of services by developing cost-efficient service models.

Infrastructure development

During 2015–16, the Health Service had $34 million in capital works approved and under development, reflecting a significant investment by government in the provision of quality health care to the region.

In June 2016, patient services in Alpha were transferred to the newly developed Health and Emergency Services precinct, restoring inpatient care, retaining residential care and modernising local facilities including the general practice.

The Longreach Hospital will undergo extensive refurbishments to establish a new Medical Imaging Department that will house a computer tomography (CT) scanner, establish a day surgery and procedures room, modernise and relocate the maternity ward and upgrade the air conditioning plant. The Barcaldine MPHS will also undergo extensive air-conditioning upgrades and will complete work to establish a new, modern Dental Clinic. Primary Health Centres in Aramac and Boulia will also benefit from major infrastructure investments.

The Health Service continues to progress the health board's 2013 health infrastructure strategy and is developing a business case to government to support the replacement of the ageing Blackall hospital and will consider a range of options to ensure the community is supported to meet current and future health care needs.

Regional Capital Works and Infrastructure Enhancement Projects

Location	Nature of works	Status
Alpha	Purpose built co-location project	Project Completed
Aramac	Construct new primary health centre	Funding approved
Barcaldine	Relocation and expansion of dental clinic	Funding approved
	Mechanical services upgrade	Funding approved
	Replacement of fire and evacuation system	Application made
Blackall	Replace hospital building	Planning
	Boulia	Refurbish and expand clinic
Longreach	Medical imaging facility	Planning
	CT scanner	Funding approved
	Mechanical services upgrade	Funding approved
	Upgrade main electrical switch board	Application made
Windorah	Replacement clinic building	Planning

The Health Service has developed a detailed Asset Maintenance Plan to support long-term sustainability and extend the effective useful life of the central west's hospitals and healthcare clinics. The Total Asset Maintenance Plan (TAMP) is a whole of government strategy to improve asset management planning and provide visibility of public infrastructure across the state. The Central West Plan highlights that an increased maintenance investment will be required in future years to avoid running infrastructure down.

The Health Service continued to implement backlog maintenance projects across the region, completing 26 projects valued at $1.2 million and securing a backlog maintenance incentive payment of $0.6 million. Works included:

- road works and carpark at the Tambo Primary Health Centre
- repairs to the Barcaldine Hospital staff accommodation substructure, verandas and carport
- repairs to the Barcaldine Hospital ceilings and fire walls
- fencing at both Muttaburra and Tambo Primary Health Centres
- upgrade to the entrance to the Winton Private Surgery.

Strategic objective 3: Deliver more services locally where it is safe and sustainable to do so

Strategies:

- Increase visiting specialist and surgical services, particularly in areas of high patient travel
- Establish CT scanning services at Longreach hospital and transition medical imaging services under a public-private partnership
- Expand Telehealth services and implement health-in-the-home options at all sites
- Invest in health infrastructure renewal and maintenance of the regions healthcare facilities.

Measures of success:

- Double surgical and procedure activity over four years
- 20 percent annual increase in the use of telehealth services
- 5 percent annual reduction in patient travel assistance applications
- CT scanner operating in Longreach.

Connecting care through clinical information systems

Central West Health recognises the importance of providing clinicians with access to patient records and clinical knowledge to provide the best patient outcomes.

During 2015–16 Central West Health completed integrating medical practices, ensuring the Queensland Health systems were visible to health service employed doctors working in private general practice and ensuring patient records from general practice were accessible to doctors in Accident and Emergency Departments. Information sharing in this way is possible as all doctors are contracted to work at medical practices and comply with stringent privacy and confidentiality procedures.

The final stages of implementing the region's 'One Practice' chronic care system are being progressed that will connect remote Primary Health Centres Directors of Nursing and Community Health Staff to support the care plans of patients resident in smaller towns and communities. The Health Service has implemented rigorous training and monitoring procedures to ensure patient confidentiality and appropriate access to patient records is maintained.

The Patient Flow Manager system has also been fully implemented to create a 'virtual ward' across the Health Service's five hospitals in Alpha, Barcaldine, Blackall, Longreach and Winton. The system uploads live data when patients are admitted into facilities and incorporates referral pathways and notifications for allied health, mental health and community health professionals, EDD (estimated day discharge) and transfers to other facilities. The system even sends dietary information to the kitchen. The executive bed management view shows the status of all patients across the Health Service Region and provides an alert for clinical executives when a patient retrieval is underway.

Emergency Department Information Systems (EDIS) systems came online at the Alpha Hospital during 2015–16, meaning that all hospitals are now able to provide reliable real time monitoring of emergency department care and data for review. Performance data about emergency department presentations and wait times (together with inpatient, outpatient, birthing, elective surgery and hospital satisfaction data) are reported on the department of health's website.

Boosting surgical and specialist services

536 surgical procedures were undertaken at Longreach Hospital, an increase of seven percent on 2014–15.

The increase surgical activity was made possible by the expansion of the Flying Surgical Service from Roma in 2014 and increases in visiting public and private specialists. Local doctors assist the visiting surgeons, providing opportunities to maintain skills and facilitate outpatient care to patients.

It is expected all patients are seen within clinically recommended timeframes in Queensland for elective surgery. 277 elective surgery procedures were undertaken at Longreach Hospital, the majority in ophthalmology and general surgery. Although 11 patients were reported as not having their procedures completed within recommended timeframes, most of these patients were not actually ready for care or elected to delay their procedures to receive care provided locally.

Central West Health has maintained access to visiting specialist care that is integrated with the clinician's treating facility and telehealth services. During 2015–16 Central West Health's visiting specialists provided 2,743 occasions of care, which, combined, with better use of telehealth, resulted in an overall increase in specialist activity for the year.

Central West Health continues to welcome visits from both the Indigenous Cardiac Outreach Program and the Indigenous Respiratory Outreach Program during the year, though the latter will focus solely in the western corridor in 2016–17.

The Rural Health Outreach Fund administered by CheckUP Queensland supports the Specialist Services Strategy.

Expanding telehealth services

It has long been recognised that rural and remote Queenslanders face significant access barriers to routine specialist and other healthcare services.

Telehealth occasions of service in the Central West have continued to grow, showing a further 74 percent increase in 2015–16 from 1,361 last year to 2,376 telehealth consultations this year.

Over the past year, Central West Health has established a new Geriatric Telehealth Service for both hospital and residential aged care patients; expanded endocrinology services provided through the Princess Alexandra Hospital from 40 services in last year to 150 in this year; and established a pilot site for 'live' cardiac stress tests with Royal Brisbane Women's Hospital Cardiology Department. These add to existing telehealth services in cardiology, orthopaedics psychiatry, nephrology, paediatrics, haematology, genetics and medical retrievals as well as internal telehealth clinics including allied health, clinical pharmacy and pre-admission for Longreach hospital.

Apart from the convenience and reduced travel burden for patients, the increase in telehealth usage is estimated to have saved well over $1.5 million in patient travel costs to the health service.

Patient and family feedback for telehealth has been overwhelmingly positive.

Patient travel assistance

The Health Service provides travel and financial assistance to eligible patients to access the nearest available eligible specialist service under the Queensland Government's Patient Travel Subsidy Scheme (PTSS).

1,488 patients received PTSS assistance at a total cost of $2.3 million during 2015–16. Although fewer patients needed to travel (down 3 percent), the total value of claims made increased by 24 percent, an increase of 1.8 percent on last year. Similarly, the number of PTSS claims rose by 150 to 3,616.

Better access to General Practitioner's (GPs) and visiting specialists and a continuing rise in the use of telehealth has assisted in reducing the number of patients needing to travel whilst maintaining access to appropriate specialist care. The introduction of a CT scanner at Longreach Hospital in 2017 is expected to bring further benefits.

Central West Hospital and Health Service used the Rural Flying Doctor Services to assist with retrievals involving a transfer from one hospital to another. The total costs of retrievals' were 16 percent lower than last year.

Strategic objective 4: Attract, retain and develop a motivated healthcare workforce to meet our community's future needs

Strategies:

- Establish a culture that promotes and encourages innovation, leadership and collaboration
- Involve staff in the planning, design and delivery of services
- Implement safe workplaces across all sites – "safety for all"
- Continue to recruit graduate nurses and junior doctors and support students to experience the potential of a future career in rural health
- Employ clinical educators to plan and deliver more training locally and support our junior doctors, nurses and health professional
- Provide appropriate incentives to encourage staff attraction and retention.

Measures of success:

- Staff turn-over reduced by 10 percent
- High level of staff satisfaction from the annual working for Queensland employee opinion survey
- Reduced workplace injury and absenteeism
- Staff recognition and award scheme established.

Building the region's medical workforce

The shortage of doctors working in the bush is well documented but many graduating doctors now see Rural Medicine as a desirable professional and personal goal.

The Health Service has continued to implement its medical workforce strategy using the Rural Generalist Pathway and by supporting the progression of junior doctors and vocational training roles in our facilities. The design aims to establish a self-sustaining Regional Medical Team able to work in both private general practices and our hospitals, provide relief from within the team and support regional training and supervision. This has created a work environment able to attract and retain a permanent workforce.

The Health Service has maintained high permanent occupancy across its facilities during the year servicing medical hubs in Barcaldine, Blackall, Longreach and Winton. Junior medical staff positions are maintained in all hospitals. Specialist GP training positions are accredited in our entire general practices and hospitals.

Our partnership with James Cook University and the Mount Isa Centre for Rural and Remote Health and close working relationship with Australian General Practice Training has led to the successful development of Longreach as a centre for multidisciplinary teaching. In March 2016 the Longreach Clinical Training Centre was officially opened offering facilities for contemporary simulation and clinical training programs in the bush.

To further support the model and provide a firm foundation for the 'grow your own' ideal, the position of Director of Clinical Training was created. This position provides focus and expertise to the training and education of all levels of medical staff and students in Central West Health. The position provides a synergy between medical and other clinical education requirements. The successful running of a nationally accredited Emergency Life Support Course for both nursing and medical staff in Longreach provides an example of the integrated multidisciplinary approach in action.

Graduate nursing opportunities

Central West Health, in collaboration with the Department of Health's Office of the Chief Nursing and Midwifery Officer, created a rural and remote graduate nurse placement scheme in 2013–14. The scheme was designed to provide a rural health experience for graduates after the number of vacancies for nurses in the public health system seriously declined in 2013. The initiative complemented Central West Health's own strategy of recruiting graduates to build its future nursing workforce.

14 graduate nurses accepted placements in the region in 2015–16 to undertake career development and training in facilities across the central west, and are supported by clinical facilitators.

Safety in the workplace

The workplace safety system aims to ensure a safe and productive workplace for all. The system involves awareness raising, regular workplace assessment and audits, incident reporting and analysis, risk assessment and pro-active mitigation, and statutory compliance reviews. Reporting and investigating workplace incidents forms an integral part of risk mitigation and continuous improvement. In 2015–16 there were 126 workplace incidents reported compared to 116 in 2014–15, an eight percent increase. The prime cause of reportable incidents were manual/patient handling (20 percent) which is up from the previous year, followed by occupational violence (19 percent) which continues its three year downward trend. There were no serious injuries or deaths.

Work Cover claims and costs continue to decrease through continued incident prevention and rehabilitation/return to work planning. Average days off work (21) is slightly above the state-wide target whilst cost per claim and days to first return to duty are almost at state-wide levels. Central West Health has maintained a 100 percent return to work conversion rate and did not have any new common law claims or regulatory infringement notices.

The improvements have translated into a significantly reduced insurance premium rate of 0.874, which is below the gazetted industry average of 1.154 and the state-wide average.

Clinician engagement strategy

Sections 40 and 41 of the *Hospital and Health Boards Act 2011* requires each health service to produce a Clinician Engagement Strategy and to review the strategy within three years.

Central West Health's strategy was formally reviewed in late 2015 and involved consultations with staff and clinicians across health service facilities and provided feedback that an integrated engagement strategy was desired. The resultant Employee and Clinician Engagement Strategy 2016–2019 has since been completed and is published on the Health Service's website.

The strategy aims to provide flexible ways for clinicians to contribute to patient safety and quality improvement, involve clinicians in the planning, design and delivery of healthcare services, build opportunities to input to healthcare policy and support clinicians to develop skills and conduct to have access to professional development that supports best practice healthcare.

Senior clinicians also meet regularly and participate in the health service safety and quality committee. Clinicians are also consulted in the development of strategies and the development of local health service plans.

Recognising our staff

Building on the adoption of the Fish Philosophy of how you can create a culture and workplace that encourages people to flourish and increase productivity, Central West Health promotes a workplace culture that fosters the positive contribution of individuals and teams and where exemplary effort is recognised. Recognition of staff engagement contributes beneficially to staff motivation, satisfaction, performance, trust and retention. A Recognition and Award scheme has been developed that links to the Health Service's Values. A variety of options for recognition range from informal through to formal with recognition

being at individual, team or service group level. For example, "Fish Thank You" cards are available for staff to use to give recognition to their team members, peers, or others within the Health Service. More formal options include a letter from the Chief Executive or by way of a "Central West Health Thank You" card signed by a member of the Executive.

Recently Central West Health acknowledged and formally recognised the Rural Doctors Associations "Legend of the Bush" Award to Dr John Douyere. This was presented at the annual Rural Doctors Associations conference in June 2016, in recognition for his "outstanding commitment to healthcare in the central west by his rural doctor peers in Queensland". The Health Service also formally recognised employees who had completed 20 years of service in the Central West by hosting a dinner for staff who achieved this significant milestone.

Strategic objective 5: Involve our communities and stakeholders in the planning, design and delivery of services in our unique region

Strategies:

- Regularly review community and clinician engagement strategies
- Inform our communities about healthy lifestyles and available health services
- Give a voice to our communities through consultation and feedback and engage with local councils, local health action groups and community advisory networks
- Be open and transparent with communities on health service activities and performance
- Maintain partnerships with the Primary Health Network, RFDS, Queensland Ambulance and other local health and aged care providers
- Collaborate with mining resource companies to contribute to the cost of local health services.

Measures of success:

- Establish a health service website
- Health service plans and engagement strategies are published on the internet
- Communities and stakeholders are satisfied with health service engagement.

Consumer and community engagement strategy

Sections 40 and 41 of the *Hospital and Health Boards Act 2011* also requires each health service to produce a consumer and community engagement strategy and review the strategy within three years. A review of the strategy was completed in accordance with the Act in late 2015 and involved interviews and focus group meetings in consultations across all central west communities.

The objectives of the strategy are to build community understanding about healthcare systems, provide mechanisms for communities to have direct input to decision making, harness consumer feedback to improve services, and ensure communities are satisfied with the level of engagement undertaken.

The strategy has been welcomed by communities and reflects the strong support for local input into decision making in healthcare. The revised consumer and community engagement strategy 2016 –19 is available on the website www.health.qld.gov.au/services/centralwest/publications/cwhhs-cce-strategy-2016.pdf

A key element of the strategy is support provided to maintain community advisory networks. These groups inform local service delivery and healthcare and provide an avenue to consult on patient services and brochures.

Central West Health supports an Indigenous Health and Wellbeing Working Group, chaired and directed by local Indigenous members, to monitor the implementation of the Closing the Gap plan and provide guidance to sustain culturally sensitive and responsive health services.

Consumer feedback is largely garnered from state-wide surveys as well as local surveys and post care telephone follow-up. During 2015–16 two state wide patient satisfaction surveys were completed covering maternity services and emergency departments and the results of the 2014—15 adult preventative health telephone survey results were released. Patient feedback is overwhelmingly positive at 93 percent; however, each complaint is examined for opportunities for improvement.

Health board engagement in communities

To ensure the Health Board is accessible to communities and stakeholders, the board resolved to convene its meetings in as many locations around the Central West as practical. This provided the opportunity for residents and local community service organisation representatives to meet and talk informally with the Health Board. Community engagement meetings were usually combined with a community morning tea enabling an informal conversation with Health Board Members and a

question and answer session. The Chief Executive of the Health Service was also available to answer community questions and concerns, which were also followed up if necessary.

Following each Health Board meeting, a communiqué is produced to outline the matters discussed and key decisions made. These are circulated to stakeholders including all health service staff, other local government agencies, councils and local members of parliament, the media and local community group contacts. Copies are posted in each facility for public access.

In line with the objectives of the consumer and community engagement strategy, the Health Board convened meetings during the year in Aramac, Barcaldine, Jericho, Jundah, Tambo and Isisford.

The Board also invited local council representatives to address them throughout the year during meetings in Regional or Shire Council areas.

Health Service Website

In March 2016 the health service launched its own public facing website, which is available at www.centralwest.health.qld.gov.au.

The site has been developed to provide a portal of information about the services available in the Central West and news on local developments. Feedback forms are available to provide feedback through the web. The Health Service publishes required statutory documentation on the website including a current copy of the health service's strategic plan and the annual report tabled in the Queensland Parliament, as well as a copy of the Consumer and Community Engagement Strategy 2016–19 and the Clinician Engagement Strategy 2016–19.

The website will further develop, with plans to include information on local and regional resources that support healthy lifestyles and records of local community advisory committee meetings.

The website also holds our ten year health plan, Health of the West, and includes electronic copies of the supporting population profile, health profile and service profile for the region and individual towns within the central west.

Strategic objective 6: Provide responsible governance and effective leadership of the healthcare system in the Central West

Strategies:

- Build organisational governance to strengthen performance, compliance, clinical oversight, financial capability and public accountability
- Contribute to the development of state wide industrial relations policies
- Transition responsibility for the employment of health service staff and asset ownership from the Department of Health
- Develop processes to improve the accuracy of recording of clinical information and coding
- Establish procedures to ensure service development and business improvement proposals align with health board priorities, demonstrate value for money reflect consultation feedback and have acceptable risk profiles.

Measures of success:

- Reduction in non-compliance with legislation policy
- Community and stakeholder feedback on health board effectiveness
- Improved reliability of clinical.

Strengthening organisational governance

The Health Board and Executive take seriously their role and responsibility for directing the health services for the benefit of remote Queenslanders and providing effective stewardship of public monies. The Health Board has formed committees to ensure each aspect of organisational governance is given appropriate scrutiny and direction.

The Health Board endorsed a major revision of the Strategic Plan with a clear strategic intent to reduce health inequality for central west residents, integrate primary and a cute care health provision and deliver more services locally. The plan was developed following consultations with staff to ensure alignment and common purpose. The Health Service has established operational and functional plans to deliver against the strategic plan and all Board submissions must identify alignment with strategic objectives in the plan.

During the year further work has been done to promote health service values and integrate the values into recruitment, performance management and the development of business cases.

The Health Board monitors health service performance and compliance on a monthly basis and recently endorsed an enterprise risk management framework. The Health Board and Executive have improved visibility and confidence that major exposures are being properly managed.

The Health Board reviewed its strategic risk profile and aligned operational risk management processes to the strategic plan.

The Health Service's internal auditors conducted a review of compliance systems and reported in November 2015. The review noted the absence of a systematic approach to compliance, though the risk management framework addressed material compliance risks. Noting the limited resources available, Crowe Horwath conducted a risk assessment of legislative and policy compliance risks in conjunction with key staff and recommended an assurance framework based on assessed material exposures. The framework has been accepted and is being implemented.

Contributing to the development of state-wide industrial relations policies

In August 2014 all senior medical officers were offered common law contracts following amendments made by the then government to the *Industrial Relations Act 1999* and the *Hospital and Health Boards Act 2011*. These provisions were repealed by the current government, restoring award and enterprise agreements for medical officers together with relevant appeal rights. The Health Service successfully managed the transition which was completed in November 2015.

The Health Board acknowledged the government's employment security and union encouragement policies issued in May 2015. The Health Service continues to work in an open and transparent manner with staff and unions and has sought to increase the frequency of formal engagement with union and staff representatives.

The Central West Health Board made a submission to the Department of Health to consider expanding the Remote Area Nursing Incentive Package (RANIP) to nurses engaged in all hospitals located in remote areas. This proposal was not adopted in the revision of the nursing enterprise bargaining agreement.

Section 80 of the *Hospital and Health Boards Act 2016* makes provision for the movement of employees to a Health Service prescribed in the regulations. At present, only the Health Service Chief Executive and Senior Medical Officers are employees of Central West Health – all other staff are Department of Health employees assigned to the Central West Health Board.

Prescribed employer

Central West Health completed a readiness assessment in early 2015 and has established a Director of People and Culture to ensure the Health Service was capable and had the capacity to assume responsibility for the employment of its 390 staff.

The Minister has deferred consideration of prescribing the remaining eight Health Services. The timeframe for further consideration has yet to be determined.

Improving Asset Management

On 1 July 2015 the Minister executed a transfer notice under Section 273A of the *Hospital and Health Boards Act 2012* transferring the ownership of the state's interests in land and buildings to the Central West Health Board.

Central West Health is progressively developing its asset management capability by commencing work to document asset management policies and procedures, complete full site documentation reviews, update asset management plans, conduct asset condition assessments and complete asset based lifecycle plans for each facility.

The Health Service has adopted the Department of Health's guidelines and standards for the development of business cases and project plans for new works projects and for the effective delivery and certification of all construction and refurbishment works.

The Health Service has also completed a TAMP which outlines the inventory of assets deployed across the health service, together with their operating costs and replacement plans. The TAMP is updated annually and used by the Department of Health to inform new capital works priorities

Establishing Water Management Plans

Central West Health has approved water management plans in place to maintain and prevent risks to water quality in its five hospitals, including the risk of legionella bacteria. Regular water management practices are now undertaken in all facilities supported by routine verification testing quarterly. All positive results are reported to the Department of Health, with a summary of all test results to be reported annually from 1 July 2016.

Agency Service Areas and Service Standards

The Queensland Budget 2016–17 Service Delivery Statements Queensland Health outlines the strategic directions, resources and performance standards for Central West Health, forming an integral part of the Queensland Government's annual budget plan.

Activity is purchased by the Department of Health using a standardised measure (called a 'weighted activity unit'), which adjusts each occasion of service to the complexity, time and cost associated with providing the occasions. The total of 4,339 weighted activity units purchased by the department of health. This was in addition to the activity purchased through block funding arrangement. Central West Health delievered 4,605 weighted activity units which is 6.1 pecent above the target. The majority of this was delievered through activity increases in outpatients and procedures. The significant increase in, outpatient and procedural activity reflects the increase in surgical and specialist services, with many procedures now being performed locally and often on a same-day basis.

Minimum Obligatory Human Resource Information (MOHRI) target

Central West Health operated within the MOHRI staffing targets approved within its service agreement with the Department of Health.

During 2015–16, the MOHRI full time equivalent staffing target was increased from 316 to 343, an increase in line with the growth of funding for Central West Health. The increase reflects additional service activity purchased by the Department of Health for frontline services such as additional elective surgery activity, additional remote area nurses to strengthen safety and quality in primary health centres, and the placement of new graduate nurses. The HHS also created a nurse navigator role and filled an additional nurse educator's role as part of the government's election commitment to improve safety in healthcare.

Staffing levels at 30 June 2016 were lower than forecast due to vacancies in nursing roles.

A range of other service standards measures were also introduced for the first time in the 2016–2017 State Budget, and formally commence from 1 July 2016. Our indicative performance is provided as follows:

	Notes*	2015–16 Target/Est.	2015–16 Actual
Effectiveness Measures			
Percentage of patients attending emergency departments seen within recommended timeframes:	1–3		
• Category 1 (within 2 minutes)		New measure	94
• Category 2 (within 10 minutes)		New measure	97
• Category 3 (within 30 minutes)		New measure	98
• Category 4 (within 60 minutes)		New measure	99
• Category 5 (within 120 minutes)		New measure	100
• All categories		New measure	99
Median wait time for treatment in emergency departments (minutes)	1,2	New measure	3
Percentage of elective surgery patients treated within clinically recommended times:	4		
• Category 1 (30 days)		New measure	100
• Category 2 (90 days)		New measure	75
• Category 3 (365 days)		New measure	100
Median wait time for elective surgery (days)	4	New measure	42
Percentage of emergency department attendances who depart within four hours of their arrival in the department		New measure	97.8
Full time equivalent employees	316	343	333

Notes:

1. *The 2015–16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. From 2015–16, Queensland Health expanded the centrally collected dataset from 26 emergency departments to include an additional 32 emergency services in regional and rural areas around Queensland. This expansion to 58 facilities provides a broader representation of the patients who require emergency services.*
2. *This information is sourced from the Queensland Health Emergency Data Collection.*
3. *A target for percentage of emergency department patients seen within recommended timeframes is not included for the 'All Categories' as there is no national benchmark. The included triage category 2015–16 Target/Estimates are based on the Australasian Triage Scale.*
4. *The 2015-16 Estimated Actual figures are based on ten months of actual performance from 1 July 2015 to 30 April 2016. Central West Hospital and Health Service (Longreach Hospital) is now in scope for elective surgery reporting from 2015–16.*

Other plans and measures

Queensland Disability Plan 2014–19: Enabling choices and opportunities

The whole of government Queensland Disability Plan 2014–19: Enabling choices and opportunities aims to prepare Queensland for the transformative National Disability Insurance Scheme (NDIS) and make mainstream and community services and sectors, such as education, health, transport, tourism and housing, accessible and inclusive.

Central West Health is committed to ensuring appropriate access to services for Queenslanders with a disability, many of whom may present with a related chronic health condition or require support to access specialist services.

Central West Health Consumer and Community Engagement Strategy 2016–19

The Central West Health Consumer and Community Engagement Strategy 2016–19 was developed in consideration with principles adapted from the core values of the International Association for Public Participation. The design of engagement processes includes consideration of smaller communities and supports the involvement of seniors, young people, people with a disability and Aboriginal and Torres Strait Islander people to enable all Queenslanders in the central west the opportunity to exercise their rights and responsibilities.

Queensland Cultural Diversity Action Plan

The Queensland Cultural Diversity Policy articulates the Queensland Government's vision to provide equality of opportunity for all Queenslanders so that each and every person can participate in our strong economy and enjoy our vibrant society. The Cultural Diversity action plan provides a roadmap for achieving that vision and represents a commitment to ensuring all Queenslanders can fully participate in our economy and society.

Queensland Mental Health, Drug and Alcohol Strategic Plan 2014–19

The Queensland mental health Commission (QMHC) Queensland Mental Health, Drug and Alcohol Strategic Plan 2014–19 aims to achieve the vision of a healthy and inclusive community, where people living with mental health difficulties or issues related to substance use have a life with purpose and access to quality care and support focused on wellness and recovery in an understanding, empathic and compassionate society.

Central West Health's mental health, Alcohol and other drug service is directed by a range of publications including the QMHC's Queensland Alcohol and Other Drugs Action Plan 2015–17, its, Drug and Alcohol Strategic Plan 2014–19 and mental health and the National Standards for Mental health Services 2010.

The mental health program has strong links with the RFDS, Anglicare, and the Medicare Local, ensuring the best outcomes for clients who have often a wide range of complex needs that cannot be met by any one service.

The service alongside community partners participated in the QMHC's roundtable to explore options for the uniqueness of rural and remote mental health care. Several health promotion events were held around the region to provide information, increase community awareness of available services.

After making representations to government for more direct face to face support for families at risk and the need to support mental health literacy to communities, service providers and frontline health staff, Central West Health established an extra mental health clinician as part of the government's Regional Adversity Integrated Care Program. Community groups are also being encouraged for grants available in drought and disaster affected communities to tackle adversity through the integration with health services.

Closing the Gap on Indigenous health

In December 2007 the Council of Australian Governments (COAG) agreed to six targets for closing the gap between Indigenous and non-Indigenous Australians. Of the six, the two health-specific targets are to close the gap in the life expectancy of Aboriginal and Torres Strait Islander peoples within a generation (by 2033) and to halve the gap in mortality rates for Aboriginal and Torres Strait Islander children under five within a decade (by 2018).

The National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes focuses on evidence-based priority areas within a scope agreed by all jurisdictions.

These priority areas are:

- tackling smoking
- healthy transition to adulthood
- making Indigenous health everyone's business
- primary healthcare services that can deliver
- fixing the gaps and improving the patient journey.

Central West Health contributes to improving health outcomes for the 997 persons who stated they were of Aboriginal or Torres Strait Islander origin at the time of the 2011 Census.

Key outcome areas are monitored under the service agreement with the Department of Health:

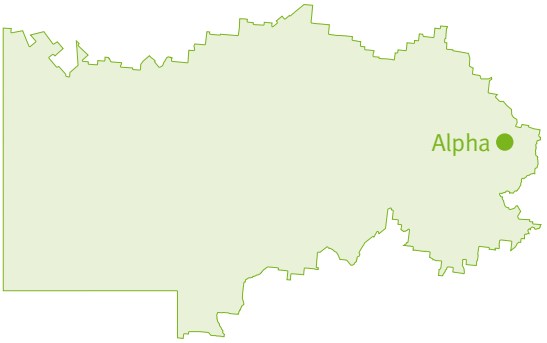
- Continuing high levels of attendance in antenatal classes (85 percent), a small rise in low birth-weight babies (3 of 15 births) and a small decline in Indigenous mothers smoking at any stage during pregnancy which fell to 46.7 percent – though still almost four times the equivalent rate for non-Indigenous mothers.

lpha

Hospital and Multipurpose Health Service

Overview

Alpha Hospital and Multipurpose Health Service (MPHS) and co-located general medical practice offer a range of emergency, primary and visiting allied and mental health services and provide five residential aged care beds. The hospital operates an ambulance service in partnership with the Queensland Ambulance Service. There are 985 people living in hospital's catchment area. The facility is located 141 kilometres from the Barcaldine Hospital and 169 kilometres from Emerald Hospital.



Goals

The MPHS aims to:

- Provide 24/7 emergency medical and inpatient hospital care
- Deliver general practice, primary and allied health clinics
- Provide caring and accessible aged care
- Assist patients to access specialist care.

2015–16 milestones

Local hospital, residential care and general practice services in Alpha relocated to the new $17.5 million health and emergency services precinct on 7 June 2016.

A large number of community members were able to get a 'behind the scenes' look at the new facility during a community open day held on 2 June 2016.

The development of the new hospital also delivered a major refresh of its medical equipment and replacement of hospital and aged care beds and recliners.

The hospital increased specialist services access through both telehealth and visits, including the outreach cardiac and respiratory teams.

Alpha and Jericho farewelled Nurse Practitioner Toby Klopper, resulting in the temporary loss of a very successful chronic disease program – recruitment action is underway for a replacement.

Performance data

	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$3.71m	$3.03m
Full Time Equivalent (FTE) staffing	23.2	23.11
Emergency presentations (Cat 1–3)	68	129
RFDS aero retrievals	22	20
Average length of stay	2.07	1.27
Total hospital separations	76	74
Total occupied bed days (acute)	157	94
Total occupied bed days (Residential aged care)	1,333	1,242
Total occupied bed days	1,489	1,336
Total occasions of service	3,675	3,572
Residential care occupancy rate	71%	85%
Telehealth consultations	50	129
Patient subsidy claims	177	188

Aramac

Primary Health Centre

Overview

The Aramac primary health centre is a nurse-led emergency care and primary health service supported by a staffed Queensland Ambulance Service station. There are 299 people in the Aramac district. The centre is located 67 kilometres by sealed road from the Barcaldine Hospital and Multipurpose Health Service.

Goals

The primary health clinic aims to:

- Provide 24/7 emergency response services
- Provide best practice chronic disease management
- Enable access to a range or primary and allied healthcare services
- Assist patients to access specialist care.

2015–16 milestones

This year the clinic gave an increased focus to chronic health.

A second Director of Nursing position was created July 2015 to increase the continuity of care with a primary healthcare focus.

Registered Nurse (RN) Alex Misson commenced duty in Aramac as the second Director of Nursing.

The Health Board convened a Board Meeting in May 2016 and met with community members.

The Health Board consulted the community and the regional council on the development of a new primary health clinic building.

Performance data

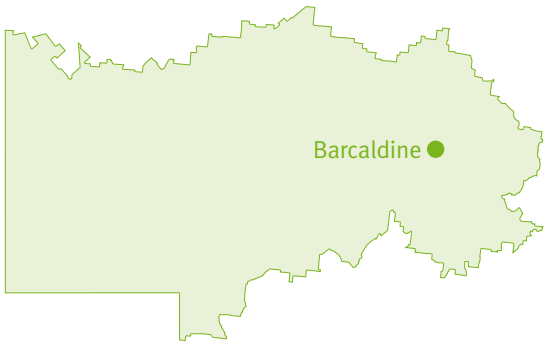
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.80m	**$0.86m**
Emergency presentations (Cat 1–3)	61	**74**
Ambulance responses	0	**0**
RFDS aero retrievals	0	**0**
Total occasions of service	3,175	**2,902**
Telehealth consultations	132	**63**
Patient subsidy claims	99	**109**

Barcaldine

Hospital and Multipurpose Health Service

Overview

Barcaldine Hospital, Multipurpose Health Service (MPHS) and co-located General Medical Practice offer a range of emergency, inpatient, primary and allied health services, a dental hub, six bed residential aged care and community care services. There are 3286 people living in hospital's catchment area. The facility is located 106 kilometres from the Longreach Hospital and 568 kilometres from Rockhampton Base Hospital.



Goals

The MPHS aims to:

- Provide 24/7 emergency medical and inpatient hospital care
- Deliver general practice, primary and allied health clinics
- Provide caring and accessible aged care
- Assist patients to access specialist care.

2015–16 milestones

Barcaldine undertook a major push to increase access to telehealth services, more than doubling consultations during 2015–16.

The Community Native Garden and Tree of Life Banner was officially opened at the Barcaldine Medical Centre. Both these projects are a reflection on the way that the Indigenous and Non-Indigenous people live together in harmony and demonstrates reconciliation.

Barcaldine Home and Community Care (HACC) underwent an Australian Aged Care Quality Agency Audit. The service met all expected outcomes of the Home Care Standards, which is a great achievement for a team of eight staff providing care for sixty clients.

Several maintenance upgrades were completed throughout the year, including a new cover for the staff swimming pool, cementing of the nursing staff car park and upgrades to the northern side veranda at the nursing staff accommodation.

A major upgrade included was the installation and completion of new suspended ceilings throughout the hospital.

Major backlog works were completed to upgrade the ceilings and fire walls in the hospital valued at $850,000 and refurbishment to staff facilities totalling $90,000.

The health board convened a board meeting in Barcaldine in August 2015 and met with community members and Barcaldine Regional Council representatives.

Performance data

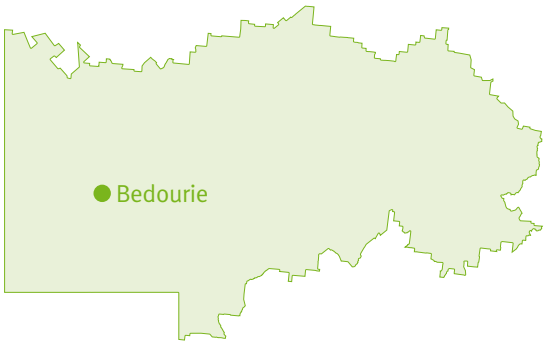
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$7.45m	$8.20m
Full Time Equivalent (FTE) staffing	49.15	51.42
Emergency presentations (Cat 1–3)	523	435
% Seen within recommended time	98%	96%
RFDS aero retrievals	93	88
Total hospital separations	561	479
Total occupied bed days (acute)	1,503	1,285
Total occupied bed days (Residential Aged Care)	2,101	2,181
Total occupied bed days	3,589	3,466
Total occasions of service	12,710	11,594
Residential care occupancy rate	100%	100%
Telehealth consultations	196	500
Patient subsidy claims	504	488

Bedourie

Primary Health Centre

Overview

The Bedourie Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. There are an estimated 142 people living in the Bedourie service catchment area and tens of thousands of visiting tourists each year. The centre is located 705 kilometres by sealed and gravel road from Longreach Hospital.



Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Enable access to a range or primary and allied healthcare services
- Support culturally appropriate care for Aboriginal and Torres Strait Islanders
- Assist patients to access specialist care
- Support older people to remain at home.

2015–16 milestones

Continued support of fortnightly RFDS medical clinics and periodic visiting specialist and allied health clinics, including the Indigenous Respiratory Outreach Program team.

Developed community based health promotions programs, including a Lighten Up program, drought resilience (clinic pamper day and kid's corner at community football match) and a quit smoking campaign with a 33 percent success rate.

Facilitated implementation of Closing the Gap program for eligible Indigenous health clients.

The health board acknowledges the support of the Diamantina Shire Council, which makes the clinic building and staff quarters available at no charge.

Performance data

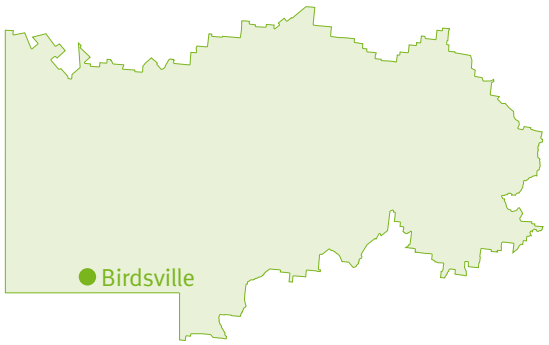
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.43m	$.44m
Emergency presentations (Cat 1-3)	53	48
Ambulance responses	9	not available
RFDS aero retrievals	18	not available
Indigenous clients occasions of service	220	not available
Total occasions of service	2,349	2,447
Telehealth consultations	0	0
Patient subsidy claims	47	28

Birdsville

Primary Health Centre

Overview

The Birdsville Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. There are an estimated 90 people living in the Birdsville service catchment area and tens of thousands of visiting tourists each year. The centre is located 700 kilometres by road from Longreach Hospital.



Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Enable access to a range or primary and allied health care services
- Support culturally appropriate care for Aboriginal and Torres Strait Islander peoples
- Assist patients to access specialist care.

2015–16 milestones

Continued support of fortnightly RFDS medical clinics and periodic visiting specialist and allied health clinics.

Successfully supported major local events, including the Birdsville races and the Big Red Bash music concert festival attracting many thousands of tourists.

The health board acknowledges the support of the Diamantina Shire Council, which makes the clinic building and staff quarters available at no charge.

Performance data

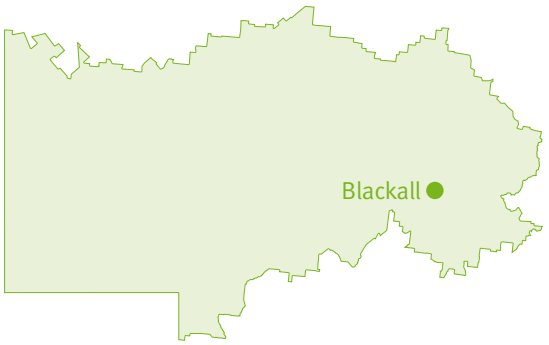
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.43m	**$0.48m**
Emergency presentations (Cat 1–3)	48	**69**
Ambulance responses	15	**14**
RFDS aero retrievals	10	**22**
Total occasions of service	2,041	**2,130**
Telehealth consultations	2	**13**
Patient subsidy claims	34	**50**
Occasions of service Aboriginal and Torres Strait Islander clients	220	**not available**

Blackall

Hospital

Overview

The 18-bed Blackall Hospital provides emergency, outpatient, pharmacy and x-ray services and is supported by visiting allied, community, mental health and specialist clinics. There are approximately 2,254 people living in the hospital's catchment area. The facility is located 214 kilometres by sealed road from the Longreach Hospital and 963 kilometres from Royal Brisbane and Princess Alexandra Hospitals.



Goals

The hospital aims to:

- Provide 24/7 emergency medical and inpatient hospital care
- Support general practice, primary and allied health clinics
- Assist patient access to specialist care.

2015–16 milestones

Permanent Senior Medical Officer Dr Naveen Mathur and family arrived and commenced work in February 2016.

318 patients accessed Telehealth consultations during 15-16, an increase of almost 50 percent on the previous year.

The Hospital Auxiliary donated several items for the Blackall Hospital including two patient recliner chairs, two patient trolleys and an outdoor setting and shade sail.

Blackall Hospital were successful in receiving a generous donation from Breast and West including an Alaris pump and a Nikki syringe drive.

Refurbishments were undertaken to improve security and patient flow and included the establishment of a low stimulus room, construction of a triage window with a drop box and the relocation of the administration office.

Health board members and executive attended a community forum in May 2016 to update residents on developments and receive feedback from the local community.

Performance data

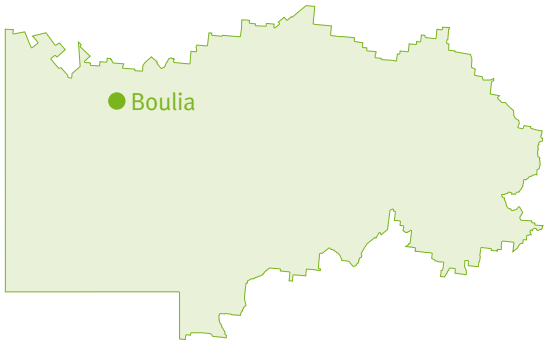
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$5.48m	$5.23m
Full Time Equivalent (FTE) staffing	28.4	28.8
Emergency presentations (Cat 1–3)	263	340
% seen within recommended time	100%	96%
RFDS aero retrievals	67	91
Total hospital separations	421	517
Total occupied bed days (acute)	971	1,018
Total occasions of service	5,117	5711
Telehealth consultations	170	318
Patient subsidy claims	399	not available

Boulia

Primary Health Centre

Overview

The Boulia Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. There are 471 people living in the Boulia catchment with a large Indigenous community. The centre is located 542 kilometres from Longreach Hospital and 304 kilometres from the Mt Isa Hospital by sealed road.



Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Enable access to a range or primary and allied healthcare services
- Assist patient's access specialist care.

2015–16 milestones

The clinic continued to focus on chronic health conditions and improving health outcomes for the local community.

The clinic supports weekly RFDS medical clinics and regular visiting specialist and allied-health clinics.

Staff attended major events, including the annual camel races, rodeo and camp draft, attracting thousands of visitors.

Boulia Primary Health Centre will receive a long-awaited refurbishment following the announcement of $2 million from the government's Strategic Regional Infrastructure Priorities Program in the June 2016 State budget.

Performance data

	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.68m	$.96m
Emergency presentations (Cat 1–3)	81	196
Ambulance responses	29	not available
RFDS aero retrievals	22	not available
Total occasions of service	4,179	3,805
Telehealth consultations	15	40
Patient subsidy claims	147	133

Isisford

Primary Health Centre

Overview

The Isisford Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. There are 262 people living in the Isisford service catchment area. The centre is located 117 kilometres by sealed road from Longreach Hospital.

Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Enable access to a range or primary and allied health care services
- Assist patient's access specialist care.

2015–16 milestones

The clinic continued to focus on chronic health conditions. The Clinic has been fortunate enough to have access to Medical Director Computer program to upload care plans for Chronic Disease Management.

RN Majella Raiment commenced in January 2016, as the second Director Nursing Majella is an experience Registered Nurse with a vast Child Health Experience.

The Central West Health Board had their November 2015 meeting the Council Chambers and members of the community.

Performance data

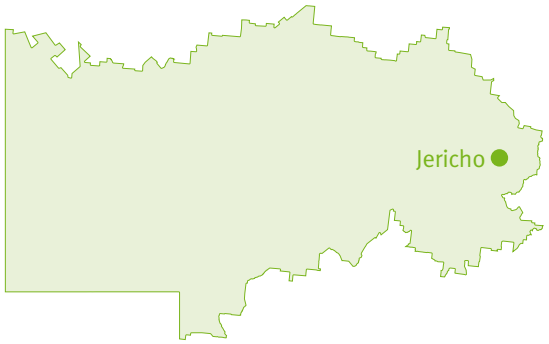
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.65m	**$0.62m**
Emergency presentations (Cat 1–3)	68	**23**
Ambulance responses	15	**not available**
RFDS aero retrievals	0	**0**
Total occasions of service	2,265	**2,229**
Telehealth consultations	26	**51**
Patient subsidy claims	56	**not available**

Jericho

Community Clinic

Overview

The Jericho Community Health Clinic (PHS) is a nurse-led community health service. There are 369 people living in the Jericho service catchment area. The clinic is located 86 kilometres from Barcaldine Hospital and 194 kilometres from Longreach Hospital by sealed road.



Goals

The community health clinic aims to:

- Provide walk in emergency response services
- Enable access to a range of medical, primary and allied healthcare services
- Assist patients to access specialist care.

2015–16 milestones

The clinic increased operations to four days per week and increased funding for operational staffing support.

Alpha and Jericho farewelled Nurse Practitioner Toby Klopper, resulting in the temporary loss of a very successful chronic disease program – recruitment action is underway for a replacement.

The health board convened a board meeting in Jericho for the first time in July 2015 and met with community members and Barcaldine Regional Council representatives.

The health board acknowledges the support of the Barcaldine Regional Council, which makes the clinic building available at no charge.

Performance data

	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.180m	**$.205m**
Emergency presentations (Cat 1–3)	23	**not available**
RFDS aero retrievals	0	**0**
Total occasions of service	2,850	**not available**
Total home care hours	369	**not available**
Telehealth consultations	20	**28**
Patient subsidy claims	54	**92**

Jundah

Primary Health Centre

Overview

The Jundah Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. There are an estimated 100 people living in the Jundah health service area with 365 in the Barcoo Shire. The centre is located 217 kilometres by sealed road from Longreach Hospital.

Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Enable access to a range or primary and allied healthcare services
- Assist patient's access specialist care.

2015–16 milestones

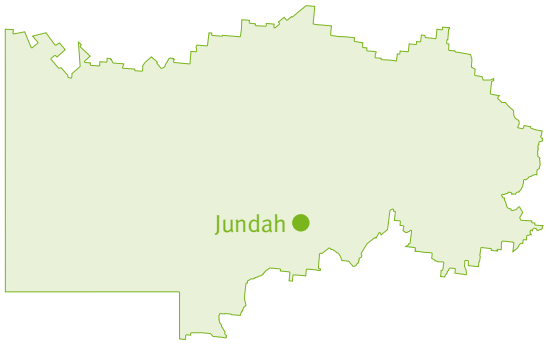
This year the clinic focused on chronic health conditions.

A second Director of Nursing position was created July 2015 to increase the continuity of care with a primary healthcare focus.

RN Marsha Clark commenced duty in Jundah as the second Director of Nursing.

The clinic implemented a telehealth strategy, enabling local community members to access services without having to travel.

The health board convened a board meeting in Jundah in September 2015 and met with community members and Barcoo Shire Council representatives.



Performance data

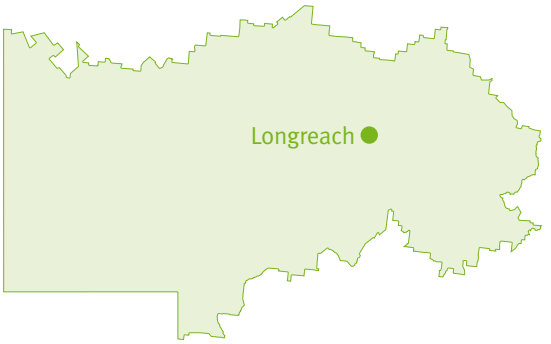
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.54m	**$0.58m**
Emergency presentations (Cat 1–3)	28	**43**
Ambulance responses	8	**3**
RFDS aero retrievals	9	**7**
Total occasions of service	1,434	**1,359**
Telehealth consultations	2	**18**
Patient subsidy claims	41	**51**

Longreach

District Hospital

Overview

Longreach Hospital is the region's major healthcare facility offering 31 bed inpatient care, 24 hour emergency department, pharmacy and medical imaging services, elective surgery, maternity services and a dental hub. There are 4308 people living in the hospital's catchment area. The facility is located 687 kilometres by sealed road from the Rockhampton Base Hospital and 1177 kilometres from the Royal Brisbane and Women's Hospital and the Princess Alexandra Hospital.



Goals

The hospital aims to:

- Provide 24/7 emergency medical and inpatient hospital care
- Deliver and coordinate obstetric care and access to locally provided elective surgery
- Support general practice, primary and allied health clinics
- Assist patient access to specialist care.

2015–16 milestones

In 9 March 2016 the Federal Minister for Rural Health, Fiona Nash, officially opened the new centre for Rural and Remote Health in Longreach. This teaching facility is a joint collaboration between James Cook University's (JCU) Mount Isa Centre for Rural and Remote Health (MICRRH) and the Central West Heath Service.

Two gastroscopes were acquired with $35,700 provided through the Surgical Improvement Program.

The Longreach Hospital Community Health Advisory Committee was formed and now meets monthly.

The results of the 2015 Emergency Department Patient Experience Survey, conducted between October to December 2015 across Queensland, gave Longreach Hospital the second highest rating in the state.

Exercise Stress test clinics via telehealth with clinicians at Royal Brisbane Women's Hospital commenced as part of a plan towards Nurse Led Exercise Stress test clinics.

Planning for the redevelopment of the hospital's medical imaging department neared completion. The refurbishment, together with new works to establish a day surgery and procedures room and relocate the maternity ward, will significantly enhance the hospitals capabilities for many years to come.

The Health Board convened a Board meeting at the hospital in February 2016 and met with staff, community members and Longreach Regional Council representatives.

Performance data

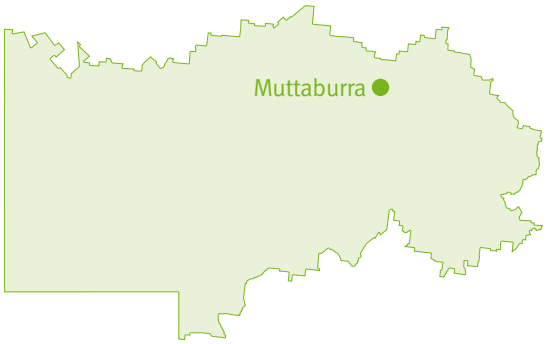
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$12.02m	**$13.39m**
Full Time Equivalent (FTE) staffing	66.4	**61.4**
Emergency presentations (Cat 1–3)	861	**792**
% Seen within recommended time	99%	**94%**
Elective surgery procedures	500	**536**
New-borns	93	**80**
RFDS aero retrievals	125	**117**
Total hospital separations	1,619	**1,550**
Total occupied bed days	3,619	**2,937**
Total occasions of service	9,112	**10,694**
Telehealth consultations	515	**504**
Patient subsidy claims	734	**not available**

Muttaburra

Primary Health Centre

Overview

The Muttaburra Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. The clinic hosts a weekly medical clinic and regular visits from allied health and mental health professionals. There are 329 people living in Muttaburra area. The centre is located 127 kilometres from Longreach Hospital via partially unsealed road, thus are serviced mainly by Barcaldine Hospital and Multipurpose Health Service.



Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Provide best practice chronic disease management
- Enable access to a range of primary and allied healthcare services
- Assist patients to access specialist care.

2015–16 milestones

The clinic has given an increased focus to chronic disease care. The centre has commenced supporting patients on general practice care plans in conjunction with GPs in Longreach and Barcaldine.

A second Director of Nursing position was created July 2015 to increase the continuity of care with a primary healthcare focus.

RN Karen Deininger commenced duty in Muttaburra as the second Director of Nursing.

Increased allied health services with introduction of a monthly physiotherapist, dietician and podiatrist visit and access to dermatological assessment such as vital skin checks.

There has been a substantial increase in telehealth usage with more patients requesting the use of this option in their health management.

$30,000 was spent to upgrade the fencing around the clinic.

Performance data

	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.611m	**$.705m**
Emergency presentations (Cat 1–3)	30	**29**
Ambulance responses	4	**3**
RFDS aero retrievals	1	**0**
Total occasions of service	2,658	**2174**
Telehealth consultations	19	**48**
Patient subsidy claims	39	**65**

Tambo

Primary Health Centre

Overview

The Tambo Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. There are approximately 611 people living in the Tambo service catchment area. The centre is located 102 kilometres from Blackall Hospital and 315 kilometres from Longreach Hospital by sealed road.

Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Provide best practice chronic disease management
- Enable access to a range or primary and allied healthcare services
- Assist patient's access specialist care.

2015–16 milestones

A regular overnight medical clinic now operates in Tambo, improving access to general practice care.

Rural Women's GP service visits have been restored and are hosted in Tambo once every two months.

A second Director of Nursing position was created July 2015 to increase the continuity of care with a primary healthcare focus.

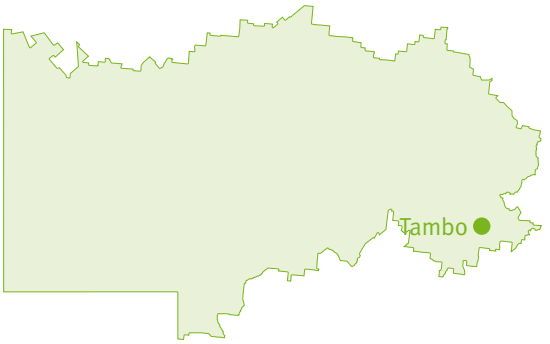
RN Terry Kowald commenced duty in Tambo as the second Director of Nursing.

Tambo Clinic supported the establishment of a walking group to help combat chronic disease and was training to undertake the Bridge to Brisbane event in August 2016.

$173,000 was spent to upgrade the car park, provide a cement pad for the ambulance and fence the clinic. The pharmacy and chronic disease rooms also received an upgrade.

Support was received from the Hospital Auxiliary to purchase a urine analysis device and to renovate the kitchen and chronic disease room.

The health board convened a board meeting in Tambo in October 2015 and met with community members and Blackall/Tambo Regional Council representatives.



Performance data

	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.69m	$.715m
Emergency presentations (Cat 1–3)	81	137
Ambulance responses	29	not available
RFDS aero retrievals	0	0
Total occasions of service	4,213	4,293
Telehealth consultations	55	47
Patient subsidy claims	97	not available

Windorah

Primary Health Centre

Overview

The Windorah Primary Health Centre (PHS) is a nurse-led emergency care and primary health service. There are an estimated 158 people living in the Windorah service catchment area and tens of thousands of visiting tourists each year. The centre is located 313 kilometres by sealed road from Longreach Hospital.

Goals

The primary health clinic aims to:

- Provide 24/7 ambulance and emergency response services
- Provide best practice chronic disease management
- Enable access to a range or primary and allied healthcare services
- Assist patient's access specialist care.

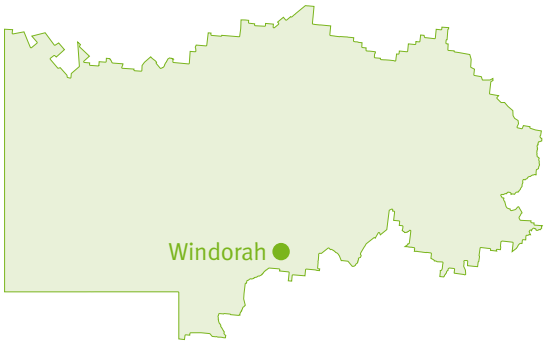
2015–16 milestones

The clinic has given an increased focus to chronic disease care.

The clinic continued to provide emergency response and support for primary healthcare.

RN Robert Wall commenced duty in Windorah as the second Director of Nursing.

The clinic implemented a telehealth strategy, enabling local community members to access services without having to travel.



Performance data

	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$0.53m	**$.51m**
Emergency presentations	28	**50**
Ambulance responses	4	**not available**
RFDS aero retrievals	4	**0**
Telehealth consultations	8	**21**
Patient subsidy claims	37	**60**
Total Occasions of service	1,867	**1,612**

Winton

Hospital and Multipurpose Health Service

Overview

Winton Hospital and Multipurpose Health Service (MPHS) and co-located general medical practice offer a range of emergency, inpatient, primary and allied health services and include a six bed residential care unit. There are 1388 people living in hospital's catchment area. The facility is located 179 kilometres from the Longreach Hospital and 599 kilometres from Townsville Base Hospital. Winton is the home of Waltzing Matilda and the birthplace of QANTAS.

Goals

The MPHS aims to:

- Provide 24/7 emergency medical and inpatient hospital care
- Deliver general practice, primary and allied health clinics
- Provide caring and accessible aged care
- Assist patients to access specialist care.

2015–16 milestones

Dr Bryce Nicol commenced as a permanent Senior Medical Officer in February 2016.

The annual Winton Outback Festival, , saw the town bursting at the seams with the influx of people for the five days, keeping the Hospital busy from the 21st to the 26th September 2015.

Rural Generalist rotation of staff from Redcliffe increased patient through-put without impacting on the Private Practice.

In March 2016 the hospital commenced billing Medicare for 'general practice' presentations at the hospital under a special exemption endorsed by the Council of Australian Governments (COAG).

Winton Medical Practice has had an awning installed over the entrance and landscaping at the front and side of the Practice.

Performance data

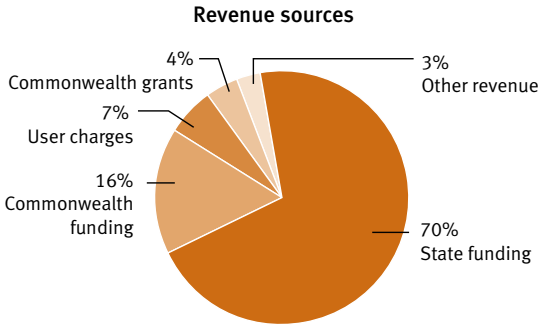
	Last year (2014–15)	This year (2015–16)
Operating budget (expenses)	$5.69m	**$6.30m**
Full Time Equivalent (FTE) staffing	34.9	**38.23**
Emergency presentations (Cat 1–3)	279	**459**
% Seen within recommended time	99%	**94%**
RFDS aero retrievals	58	**58**
Total hospital separations	391	**445**
Total occupied bed days (acute)	1,546	**1,264**
Total occupied bed days (residential aged care)	1,771	**1,983**
Total occupied bed days	3,317	**3,247**
Total occasions of service	7,469	**7,026**
Residential care occupancy rate	85%	**92%**
Telehealth consultations	135	**152**
Patient subsidy claims	580	**639**

OUR FINANCES

Income

Central West Health's total income received for 2015–16 was $66.940 million, up approximately 6.4 percent on 2014–15, and comprised:

- $49.2 million of Queensland Government contributions
- $10.4 million of Australian Government contributions, largely for aged and community care services
- $ 1.8 million from Australian Government grants
- $ 5.5 million of user charges, including fees from aged residents, private health insurance recoveries and private practice billings.

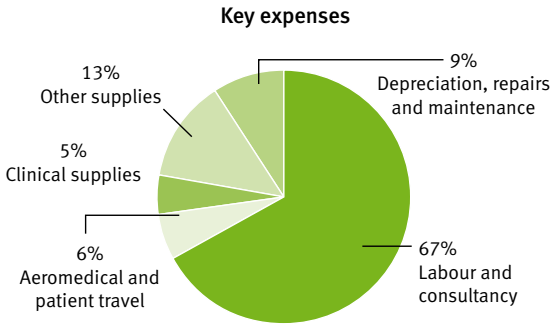


Expenditure

The total expenditure for 2015–16 was $67.057 million, up approximately $4million on 2014–15

The increase in spending related to the additional services, staffing and surgical activity for which funding was received. Expenditure included:

- $39.0.1 million for staff wages and on-costs
- $4.1million for patient travel and retrieval
- $2.5 million for clinical supplies, including drugs and pathology
- $12.9 million on other supplies and services
- $8.5 million on maintaining facilities.



Financial position

The health service's assets comprise land, buildings, medical and other equipment with modest cash, inventories and receivable balances. Its liabilities are largely represented by supplier and staffing accruals. Staff leave provisions are included in the government's centralised employee leave scheme and are not included on the balance sheet.

The net value of the health service's assets increased over 2015–16 by $14.3 million to $66.1 million following the building of the Alpha Hospital.

Equity increased by $20.6 million following receipt of health technology replacement program assets acquired by the Department of Health together with equity injection covering the Alpha Hospital, offset by an equity withdrawal largely relating to non-cash depreciation expenses.

GOVERNANCE AND ACCOUNTABILITY

Governance refers to the system, policies and practices that ensure an organisation meets its mission and objectives. Corporate governance is the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in organisations. It involves integrated strategic and operational planning, financial and capital planning, monitoring and reporting systems, setting corporate culture and expectations and ensuring the establishment and implementation of risk and compliance systems to protect the integrity of the organisation, safety of patients and secure the long term viability of the health service.

Central West Hospital and Health Service Board

The *Hospital and Health Boards Act 2011* defines the role of Central West Health's board, which is to control the health service. The health board functions under the authority of the Act and the requirements of the *Hospital and Health Boards Regulation 2012*.

As at 30 June 2016, the health board consisted of seven members appointed by the Governor in Council on the recommendation of the Minister for Health and Minister for Ambulance Services. Board members are persons the Minister considers to have the skills, knowledge and experience required for a service to perform its functions effectively and efficiently.

The Governor in Council also approves the remuneration arrangements for all Hospital and Health board chairs, deputy chairs and members. The chairs, deputy chair and members were paid an annual salary consistent with the Government policy and guidelines on Remuneration procedures for part-time chairs and members of Queensland government bodies.

No out of pocket expenses were paid to board members during this reporting period.

Health Board members

Health board members were appointed on the basis of their qualifications, specialist expertise and capabilities, knowledge and experience. Current health board members have a combined wide range of specialist and complementary skills which include demonstrated strategic capability, auditing, accounting and financial management skills, legal expertise, clinical expertise, governance experience, community development and media relations skills.

The skill mix of the health board has enabled sound governance, effective strategic planning and sound financial and risk management during 2015–16.

Jane Williams
Chair

Jane Williams, a previous board member for CWHHS, is a registered nurse with more than two decades of experience working in rural and remote areas of Western Queensland. Jane holds qualifications in rural and remote health, management, community services coordination, nursing, midwifery, immunisation and rural isolated practice. Jane has an extensive range of experience in nursing and in financial and operational management for both clinics and community organisations. Jane commenced her career as a student nurse in 1986 at Rockhampton Base Hospital and was appointed Director of Nursing for Alpha Hospital in 1993. She is strongly involved with the local community and was the 2011 Citizen of the Year for Alpha and Jericho, received a 2011 Flood Hero Award for work during the 2010–11 floods and won the 2011 Tidy Towns Outstanding Achievers Award. Jane is a member of the Queensland Mental Health Commission's Mental Health and Drug Advisory Council.

David Arnold
Deputy Chair

David Arnold is the General Manager of the Central Western Queensland Remote Area Planning and Development (RAPAD) board and Rural Financial Counselling Service Queensland's Central Southern Region. He is a director of RAPAD Employment Services Queensland, which delivers the Australian Government's remote jobs and communities program as well being committee member of Regional Development Australia, Fitzroy and Central West until January 2015.

David previously worked for the Queensland Department of Primary Industries in rural community development and planning and environment roles. David is also active in community organisations, being a past president of Longreach Home and Community Care, the former Community Health Network and a past president and coach of the Longreach Swimming Club. He was awarded the Longreach Shire Council Australia Day Administrators Award in 2004 and the Senior Sportsman of the Year in 2008.

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

William Ringrose
Member

Bill Ringrose has extensive business experience in the areas of auditing, taxation, corporate governance, probity and propriety and is a partner in a chartered accounting firm based in Longreach and has previous experience auditing local governments under contract with the Queensland Audit Office. He regularly travels the region and has forged strong relationships with local people to address community issues.

Bill has previously held various community positions including treasurer for the Longreach local ambulance committee and Longreach State School Parents and Citizens' Association and has volunteered his skills and time for local sporting clubs and Meals on Wheels.

Bill has a Bachelor of Commerce and is a chartered accountant with the Institute of Chartered Accountants of Australia

Peter Skewes
Member

Peter Skewes has 30 years professional experience as a solicitor and accountant and has served on local government as both Deputy Mayor of the Blackall-Tambo Regional Council and as a councillor of the Blackall Shire Council. Peter was awarded a Medal (OAM) of the Order of Australia in the General Division in the 2015 Australia Day Honours Awards.

Peter currently owns and operates a dual legal and accounting practice, as well as being a partner in the Duthie Park Grazing Company. As a local business owner and grazier, Peter also has a long-standing record of community service across central western Queensland.

Peter's qualifications include a Bachelor of Laws, Graduate Diploma of Legal Practice, Bachelor of Business, Certified Practising Accountant, Notary Public and Solicitor of the Supreme Court of Queensland and High Court of Australia.

Dr Nikola Stepanov
Member

Dr Nikola Stepanov has various qualifications and has a background in health, hospital administration and management, medical ethics and law. Nikola is the Director of the Centre for Health Ethics, Law and Education (CHELE); and Chair of the Townsville Hospital and Health Service Human Research Ethics Committee. She is also an Associate Professor (adj) with the Division of Tropical Health and Medicine at James Cook University as an academic in medical ethics, law and professional practice.

Dr Clare Walker
Member

Dr Clare Walker is a General Practitioner with the Longreach Family Medical Practice, as well as a Senior Medical Officer with Central West Hospital and Health Service at Longreach Hospital. Dr Walker is also a board member of the Rural Doctors Association of Queensland and a GP training supervisor.

Elizabeth Fraser
Member

Elizabeth Fraser worked at all levels of government providing direct human and educational services, as well as co-ordinating the development of government policy advice, managing federal and state government formal policy reviews and leading large scale organisational change in pursuit of significant state government policy and program reforms. With a background as a social worker, Elizabeth previously served as Queensland Commissioner for Children and Young People.

Leisa Fraser
Member

Leisa Fraser has 20 years' experience in the financial and human resource management of small business as well as extensive experience as a Workplace Health and Safety Officer and Quality Improvement Facilitator. Leisa has a comprehensive understanding of the Health, Aged and Community Services Sector particularly in relation to Regional, Rural and Remote Service delivery and is currently the Social Services Manager for Nhulundu Wooribah Indigenous Health Organisation Inc.

Appointment terms and meeting attendance

Name	Office	Number of meetings attended	Initial date of appointment	Current term of appointment
Jane Williams	Chair	11 of 12	29/06/12	18/05/16–17/05/19
David Arnold	Deputy Chair	10 of 12	29/06/12	18/05/16–17/05/19
Bill Ringrose	Member	9 of 12	29/06/12	18/05/16 – 17/05/19
Peter Skewes	Member	10 of 12	29/06/12	18/05/16 – 19/05/19
Dr Nikola Stepanov	Member	3 of 3	18/05/16	18/05/16–17/05/17
Elizabeth Fraser	Member	3 of 3	18/05/16	18/05/16 – 17/05/17
Dr Clare Walker	Member	2 of 3	18/05/16	18/05/16 – 1705/17
Leisa Fraser	Member	3 of 3	18/05/16	18/05/16 – 17/05/17

During the reporting period we also fare welled the following members:

Edward Warren	Chair	8 of 9	18/05/12	18/05/12 – 17/05/16
Dr John Douyere	Member	7 of 9	07/09/12	07/09/12 – 17/05/16
Bruce Scott	Member	9 of 9	07/09/12	07/09/12 – 17/05/16

Committees of the Health Board

The *Hospital and Health Boards Act 2011* and *Hospital and Health Boards Regulation 2012* require boards to establish a range of committees to assist them in carrying out their responsibilities. Central West Health's board has four established committees to assist in carrying out its responsibilities.

Executive Committee

The Executive Committee is established under section 32A of the Hospital and Health Boards Act 2011 to work with the health service chief executive to progress strategic issues identified by the health board and strengthen the relationship with the chief executive to ensure accountability in the delivery of services. The committee met 6 times in 2015 –16.

Executive Committee members:

David Arnold (Chair)
Jane Williams
Elizabeth Fraser (from 27 May 2016)
Nikola Stepanov (from 27 May 2016)
Ed Warren (1 July 2015 to 17 May 2016)
Bruce Scott (1 July 2015 to 17 May 2016)

Audit and Risk Committee

The purpose of the Audit and Risk Committee is prescribed in section 31 of the Hospital and Health Boards Regulation 2012 as an audit committee under section 35 of the Financial and Performance Management Standard 2009. The committee provides independent assurance and advice to the health board on the health service's risk management, internal control and compliance frameworks and its external accountability responsibilities as prescribed in the Financial Accountability Act 2009, the Auditor-General Act 2009, the Financial Accountability Regulation 2009 and the Financial and Performance Management Standard 2009. The committee met four times in 2015–16.

Audit and Risk Committee Members:

William Ringrose (Chair)
David Arnold
Leisa Fraser (from 26 May 2016)
Jane Williams (from 26 May 2016)
Dr John Douyere (1 July 2015 to 17 May 2016)

Finance Committee

The Finance Committee is a prescribed committee under section 31 of the Hospital and Health Boards Regulation 2012. In accordance with section 33, the committee's purpose is to provide strategic advice and recommendations to the health board regarding the efficient, effective and economical operation of the health service and the appropriateness of resource allocations and investments. The committee met six times in 2015 –16 and includes members of the executive management team (designated *).

Finance Committee Members:

Peter Skewes (Chair)
William Ringrose
Leisa Fraser (from 27 May 2016)
Lorraine Mathison*
Stephen Harbort*

Clinical Governance and Innovation Committee

The Clinical Governance and Innovation Committee is a prescribed committee under section 31 of the Hospital and Health Boards Regulation 2012. In accordance with section 32, the committee's purpose is to provide assurance and strategic advice to the health board on matters relating to patient safety and quality improvement and accreditation, clinical governance systems, health partnerships and clinician engagement, and clinical performance and accountability.

The committee met five times in 2015–16.

Clinical Governance and Innovation Committee Members:

Dr Nikola Stepanov (Chair) (from 27 May 2016)
Elizabeth Fraser (from 27 May 2016)
Dr Clare Walker (from 27 May 2016)
Ms Jane Williams (Chair) (1 July 2015–26 May 2016)
Dr John Douyere (1 July 2015– 16 May 2016)

Related entities

Western Queensland Primary Care Collaborative Limited (WQ PCC) was registered in Australia as a public company limited by guarantee on 22 May 2015. Central West Health is one of three founding members together with North West HHS and South West HHS, each holding one voting right in the company.

The objectives of the company and principle purpose as a not for profit organisation are to increase the efficiency and effectiveness of health services for patients in western Queensland, particularly those at risk of poor health outcomes and improve co-ordination to facilitate improvement in the planning and allocation of resources enabling the providers to provide appropriate patient care in the right place at the right time.

The WQ PCC is contracted by the Australian Government to operate the Western Queensland Primary Health Network and administer federal funding to develop and integrate primary health care services and support Regional general practices.

Public Sector Ethics Act 1994

The upholding of ethical standards of behaviour by all staff of the health service is a priority for the health board. Central West Health adheres to the Code of Conduct (the code) for the Queensland Public Service as set out in part 4 of the *Public Sector Ethics Act 1994*.

The ethical principles of the code have been incorporated into the values and strategic objectives of the health service's strategic plan to ensure the principles of integrity and impartiality, promotion of the public good, commitment to the system of government and accountability and transparency, guide business activities, decision making and promote ethical behaviour in the workplace.

Board members and executive members employed by the health service undertake annual declaration of interests and inform the chair of any changes in their relevant interests. The health board chair is responsible for ensuring the declared conflicts are appropriately managed. At the beginning of each board or committee meeting, members declare any conflict of interest, whether actual, potential, apparent, or that appears likely to arise and these are managed in consultation with the chair.

High standards of ethical behaviour are also expected of all Central West Health employees. The health service works to ensure all employees are aware of the principles and values of ethical behaviour, know their obligations under the code, and are encouraged to take personal responsibility in upholding the code. For many staff, particularly clinical staff, these obligations will also be reflected through the professional qualifications and standards required by their registration bodies. All employees are expected to display a commitment to integrity and accountability in the way in which they undertake their duties.

New employees attend an orientation program, which includes a session on the code of conduct as part of their induction. Existing employees are similarly expected to undertake periodic refresher training on the code through face-to-face or on-line training, which is always available.

Risk management

Hospital and health services are statutory bodies under the *Financial Accountability Act 2009* which imposes a duty to manage the statutory body efficiently, effectively and economically and to establish and maintain appropriate systems of internal control and risk management.

Risk is present within all organisations, including in hospital and health systems. Effective risk management enables Central West Health to have increased confidence that it can deliver its services, manage risks and threats to an acceptable degree and make informed decisions about the opportunities and challenges that risks create.

Central West Health has implemented an enterprise risk management system based on the principles of ISO standard AS/NZS 31000:2009 that:

- Improves planning processes, a focus on quality and continuity of service
- Contributes to improving resource efficiency and general performance
- Contributes to the development of a positive organisational culture
- Enhances accountability, responsibility, and decision-making.

Central West Health's enterprise risk management process provides a systematic and consistent approach to managing risks. The health board's audit and risk committee has specific responsibility to oversight risk management and assess risk threats on behalf of the board. The health board's clinical governance and innovation committee works in conjunction with the audit and risk committee to assess clinical risks and review risk treatment, risk mitigation and communication with clinicians.

Risk management is a standing agenda item on the health board's monthly meeting agenda where the updated strategic risk register is monitored. The health board receives notification of any emergent and escalated risks from its committees and executive team and the planned risk mitigation treatments. The health board's risk appetite is set at any risk assessed as very high and otherwise any high risk that is not within the health board's capacity to control.

Internal audit

The *Financial and Performance Management Standard 2009* requires that a statutory body have an internal audit function if directed by the Minister, or if the statutory body considers it is appropriate to establish the function (s29).

The health board's audit and risk committee recognises the importance of a robust internal audit function to monitor compliance of the health service and make recommendations to improve its efficiency and effectiveness. Crowe Horwath was appointed as Central West Health's internal auditors throughout 2015–16.

During the year Crowe Horwath undertook audits of business continuity planning processes, the compliance framework, patient information management, and private practice contract management. Crowe Howarth further reviewed the Chief Finance Officer's (CFOs) financial management assurance process and facilitated an assurance workshop for cost centre managers. At year-end, Central West Health had closed out four of the 16 recommendations from current and previous internal audits. Two risks assessed as high are being given active treatment.

External scrutiny

External audit

The Queensland Audit Office (QAO) provides independent external audit services to both state and local government public sectors in Queensland. The Auditor-General provides the Queensland Parliament with an independent assessment of the financial management-related activities of public sector entities to enhance public sector accountability.

The audit and risk committee received the QAO's 2015–16 client strategy in December 2014 and met with QAO officials regularly during the audit engagement of Central West Health's financial statements in 2015–16. The QAO completed its examination of the 2015–16 financial statements and its opinion is contained in this report confirming the health service's compliance with applicable accounting standards, legislation and other prescribed requirements.

On 1 December 2015, the QAO released its report of hospital and health service financial statements of 2014-15 noting all 16 health services performed well in discharging their financial reporting obligations (QAO Report 5: 2015-16: Hospitals and Health Services 2014–15 Financial Statements).

On 19 April 2016, the QAO tabled a report on the efficiency of public hospital operating theatres, which included data relating to elective procedures performed by visiting specialists at the Longreach Hospital.

Within Central West significant redesign of models of care will be implemented to support the refurbishment and conversion of operating theatres at Longreach to support increased rates of day surgery. This refurbishment anticipated to be delivered in early 2017 which will improve theatre efficiency significantly. Central West in the shorter term completed an early action plan to address the recommendations made in the QAO report which will optimise performance in theatres at Longreach.

Information systems and record keeping

Under the *Public Records Act 2002*, Central West Health is regarded as a separate public authority with responsibility for managing public existing and continually created records in the health service. These responsibilities include having regard for the policies, standards and guidelines issued by the state archivist about the making and keeping of public records and ensuring that full and accurate records are made and kept of health service activities.

During 2015–16, Central West Health continued to use the business classification system for the codification and naming of official records. Ideally, Central West Health aspires to the implementation of an electronic document records management system, however was unable to progress implementation in 2015–16 due to cost and other priorities on resources. Implementation of the electronic record management system is planned to proceed during 2016–17.

The health service continued a project to better manage the archival of records. Spreadsheets of administrative records were reconciled with stored records and sentenced against the Queensland State Archives General Retention and Disposal Schedule for Administrative Records QDAN 249 version 7. A backlog of administrative records overdue for destruction was lawfully disposed of.

OUR PEOPLE

Central West Health is a major employer in the region and an integral part of the communities in which it operates. Maintaining a skilled and committed frontline workforce is vital in supporting communities to maintain good health and respond to emergencies when they occur.

Workforce profile

Central West Health employs approximately 390 employees across various occupational groups, including doctors, nurses, health professionals and support staff across the region. The vast majority perform frontline roles delivering health services and supporting patient care. Nurses and operational support staff represent the largest employment groups at 45 percent and 27 percent of the total workforce respectively.

The Central West Health full time equivalent (FTE) workforce for 2015–16 was 333 and focussed more resources to frontline operations. 9.6 percent of Central West Health's operational staff identify as being an Aboriginal and/or Torres Strait Islander person, as do more than 9 percent of administrative staff and 3.4 percent of nursing staff.

2015–16 saw a 3 percent increase in frontline clinical staffing as a result of the implementation of strategies to reduce reliance on agency staff and locum doctors and the intake of nurse graduates. Increased workloads across all areas associated with the recent accreditation process have resulted in an increase in excessive leave balances for both accrued days off and annual leave, particularly during the period January to June. Strategies have been implemented to work with staff to develop leave plans that will see a reduction in balances across both of these areas.

During 2015-16 Central West has also experienced an increase of 10 percent of reported incidents compared to 2014-15. Of these 46 percent of incidents reported resulted in injury, with 1per cent being a serious bodily injury. Central West data is consistent with state-wide data, which has occupational violence, ergonomics, slips/trips/falls and body fluid/needle stick as the top four prime causes of incidents.

Workforce governance

The Executive Management Team is responsible to the Health Service Chief Executive for the development and performance of Central West Health's workforce. The Learning and Development Committee and an Occupational Health and Safety Committee support the team. It engages the clinical workforce through a medical advisory committee and directors of nursing forum.

The Health Service Chief Executive reports to the Board regarding the status of the health workforce, compliance with the requirements of the service agreement, key performance indicators for occupational health and the workforce and progress on the delivery of the workforce plan.

The health service has complied with its obligations and duties under relevant legislation, directives, policies and applicable industrial instruments.

Apart from the health service chief executive and senior medical officers, all other health service employees remain employees of the Department of Health until Central West Health becomes a prescribed employer in accordance with section 20(4) of the *Hospital and Health Boards Act 2011*.

The Health Service Chief Executive has issued human resource management sub-delegations in accordance with section 67 of the *Hospital and Health Boards Act 2011*. They are sub- delegations from the board and sub-delegations from the chief executive were reviewed in May 2016, with chief executive sub-delegations having last been reviewed in August 2014.

Being spread over such a vast geographic area, Central West Health operates under a devolved model of workforce oversight and decision-making processes to ensure staff are provided with appropriate local guidance and performance management.

The health service has a people and culture team, led by the Director, People and Culture that has stewardship of building the organisation's capability to better support our managers, front line and operational staff and to support on-going organisational development. The team also provides services and support to management and staff to implement the health service's vision and values.

The main functions of the people and culture team are to:

- ensure that contemporary and strategic frameworks, policies and systems are developed and implemented to align and guide the delivery of people management
- provide a range or personnel services to support effective workplace management practices
- assist with recruitment and complex case management, coordinate advice on industrial and workplace reform, and oversight payroll and recruitment services provided by Central Queensland Hospital and Health Service under a separate service agreement
- support the development of workforce strategies, evaluate change management proposals and implement workforce and learning and development plans.

Workforce planning, attraction and retention and performance

The Central West continues to face ongoing challenges in both attracting, then retaining health care professionals. A major contributing factor is a general workforce shortage within the sector, compounded by a misdistribution of workforce across the state. Central West Health has escalated this as a strategic risk for the system. This has resulted in the Department of Health undertaking a rural and remote workforce project to identify and implement strategies as a system-wide approach. Further, Central West Health is also working with the department in the development of a best practice, health workforce strategy for Queensland, which aims to establish clear priorities, a framework for action, and a guide for investment to build a capable, responsive, sustainable health workforce into the future. The strategy will contribute to integrated planning efforts across service, funding and infrastructure planning.

Central West Health has also continued with the implementation of its medical workforce strategy, restructuring roles in a number of hospitals to create a shared workforce with private general practices and creates internal relief and peer support across the regional medical workforce. Training and support elements are built into the model to support interest for students, junior relievers, residents and provisional fellows under the rural generalist program.

Central West Health is now well regarded as an organisation providing an opportunity to start a career and to develop rural generalist skills on a number of training pathways. The health service has a positive perception amongst prospective candidates.

Central West Health works in partnership with Rockhampton recruitment unit of the Central Queensland Hospital and Health Service to ensure recruitment processes meet the requirements of health service directives and policy. Rockhampton assists applicants and employees with all phases of the employment process, including pre-employment and police checks. Central West Health retains responsibility for identifying the recruitment strategy for vacancies, developing suitable job descriptions and completing all stages of the selection process.

In 2015–16:

- 59 permanent appointments were made
- 115 permanent, temporary and casual advertising processes were undertaken – 77 permanent positions were advertised and 38 temporary positions
- the average time to fill an advertised vacancy was 51 days
- permanent separation rate is 12 percent.

Training and development

Training and development of the health workforce is the cornerstone for delivery of high quality, safe and patient centred care.

All health staff are required to maintain their professional skills and competencies in line with their registration requirements with the Australian Health Practitioner Regulation Agency and their credentialing and scope of practice. Staff complete an annual employee development plan with their supervisor to identify training needs and monitor compliance with mandatory training obligations.

Nurse educators are employed within the region to conduct professional training programs and support graduate nurses through their first year rotations. To further support the on-going development of nursing staff clinical facilitator positions have been established on a permanent basis to oversee the nursing graduates and provide support, training and competency maintenance to all nursing staff within the health service.

Professional development and career management is guided by the executive leadership team for each of the health streams as well as for administration and operational staff. Staff development is also supported by employees participating in the SARAS program and with on-going support for key clinical staff to participate in the departmental leadership development programs.

Central West Health participated in the 2016 working for Queensland employee opinion survey conducted through the Queensland Government's Public Service Commission. 59 percent of health service staff responded to the survey, the highest proportion of any health service. Overall, the results indicated a significant improvement in employee perceptions of their workplace and the health service, with a significant amount of commonality across our sites this year. Engagement with our staff measured eleven percent higher than the previous and job satisfaction also increased by 6 percent. Results indicate that overall employees are better connected to Central West Health's strategic direction with improvements also in key areas such as employee's feeling empowered to take initiative in their roles and improved customer engagement. An action plan will be developed following consultation and feedback on the results to all staff, which will address staff concerns and implement suggestions for improvement.

Central West Health continued to offer various training and development opportunities throughout 2015–16. At the beginning of each month, new employees are required to attend District Orientation, with 90 attendees during the reporting period. The day consists of various presentations ranging from privacy, work health and safety, code of conduct, human resources, infection control, quality and cultural capability. A 360-feedback process was also undertaken for both executive and senior leaders within the health service. 27 managers participated, with the program consisting of survey being completed, confidential feedback to participants and individual and group action planning.

Other training included Recruitment and Selection, the departmental Decision Support System and various sessions under the title lunchbox supervisor's sessions. These cover topics such as understanding position occupancy reports to performance management.

FISH! Training was again undertaken in the district. The FISH! Experience was offered to allow new staff members to become aware of FISH! The 2nd stage of the FISH learning's – FISH Tales was also introduced throughout the central west to allow staff to build on their FISH! knowledge in a team environment. Workshops were held across the district in July at Winton, Longreach, Alpha and Barcaldine Hospitals.

Training and Development Days were held at all facilitates in the Central West. These days consist of two sessions with presentations on Ethics, Integrity and Accountability and Workplace Behaviours.

DISC workshops were also introduced to the district, with two sessions requested by teams. DISC is a neutral universal language about how people prefer to act and communicate. There are four factors; dominance, influence, steadiness and compliance. Each individual is a mix of all four factors. DISC can help us understand our own behaviour, identify other people's style and help us adapt our communication for better relationships and increased effectiveness with flow-on benefits including reducing conflict, building trust and cooperation and improving communication.

Early retirement, redundancy and retrenchment

During the reporting period no employees were offered early retirement, redundancy or retrenchment packages.

Executive Management Team

Central West Health has a small and dynamic executive management team charged with the responsibility of supporting the chief executive to implement the health board's strategic plan and manage the performance and quality of Central West Health's operations and services.

Michel Lok
Health Service Chief Executive

The position of Health Service Chief Executive is Central West Health's accountable officer and responsible to the Health Board for the implementation of policy and strategic direction, compliance with legislation and healthcare standards, the achievement of performance targets and the management of risk. The Health Service Chief Executive takes a leadership role in communicating and consulting with communities, stakeholders, health partners and staff of the central west.

Michel Lok was appointed as the Health Service Chief Executive on 30 July 2012. He has worked extensively at both the Commonwealth and State levels in healthcare planning and delivery. Prior to taking his appointment, Michel was acting Chief Operating Officer and Chief Financial Officer with the Cape York Hospital and Health Service and guided the former health district through national health reforms and the establishment of the independent health service.

Previously Michel led the Australian Government's international manufacturing inspectorate program at the Therapeutic Goods Administration, provided strategic advice on Australia's research investment at the National Health and Medical Research Council, and led financial services and governance at several Commonwealth Departments. He also has experience in developing Aboriginal Health Services and supporting the implementation of patient information systems.

Michel is a member of the Australian Institute of Company Directors and is a Certified Practising Accountant.

Dr David Rimmer
Executive Director Medical Services

The position of Executive Director Medical Services was established in April 2013 to take overall responsibility for clinical governance, direct the medical workforce, facilitate all phases of medical staff development, manage the performance of general practices operated by the health service and provide oversight of allied health services. The role takes strategic leadership in clinical redesign, promotes the adoption of telehealth and establishes and maintains effective clinical business tools.

Dr David Rimmer graduated from The University of Queensland in 1977. After five years of broad hospital experience, he established a private general practice with his brother in Toowoomba providing a wide range of services including obstetrics, palliative care and inpatient management.

In 1997 he moved to Brisbane and pursued further training in emergency medicine, working at Mater Private Emergency Centre for three years, then with RFDS as medical officer in Kowanyama for three years, and then as emergency visiting medical practitioner at Wesley Emergency Centre. He continued to provide intermittent locum services for RFDS until 2009 and since then has provided locum services to rural practices through Queensland Country Practice's senior reliever, predominantly to Longreach.

He holds Fellowship of Royal Australian College of General Practitioners (FRACGP), Fellowship of the Australian College of Rural and Remote Medicine (FACRRM) and Diploma of the Royal Australian and New Zealand College of Obstetrics and Gynaecology (DRANZCOG). He also holds current certificates in Emergency Management of Severe Trauma, Advanced Life Support Obstetrics, Advanced Paediatric Life Support, Emergency Life Support and Advanced Cardiac Life Support.

Lorraine Mathison
Executive Director of Nursing and Midwifery Services

The position of Executive Director of Nursing and Midwifery Services provides strategic leadership for the nursing profession, including recruitment and retention strategies and growing the local workforce through training and development opportunities to expand knowledge and skills. Additionally, the role has line management responsibility for health services in the district and plays a key leading role in patient care and safety and the development of new models of care to better meet the changing health needs of the community.

Lorraine Mathison is a registered nurse who has worked in the healthcare industry for 32 years. During this time she has worked in a wide variety of services within the healthcare system.

Positions have ranged from specialist clinical nurse consultant and educator in the health and tertiary sectors to executive management positions requiring knowledge across the fields of human resource management, finance, education, quality and safety. Her specific areas of interest are maternity and emergency nursing.

Lorraine holds a Masters in Advanced Clinical Practice, a Graduate Certificate in Management, a Bachelor of Nursing, is an endorsed midwife, an endorsed mental health nurse and is currently undertaking a Masters in Health Service Management. Lorraine was a recipient of the Premier's Award in Excellence for 'Developing workplace culture of excellence' in 2009.

Stephen Harbort
Chief Finance Officer

The Chief Finance Officer (CFO) leads the finance function to promote the efficient, effective and economic use of resources across Central West Hospital and Health Service. The Chief Finance Officer formulates strategy, develops policies, constructs plans and budgets, oversees financial operations, monitors compliance and provides strategic and operational advice to business units, health service executives and the Central West Health Board. The Chief Finance Officer also provides professional support and direction to the functions of building, engineering and maintenance services, and business management.

Stephen Harbort commenced as A/Chief Finance Officer on 16 April 2014 and was later appointed to the position on a permanent basis. Stephen has 36 years' experience in a number of accounting and management positions around Queensland including accounting functions in banking, manufacturing, retailing, construction, and government and general management in quarrying. Stephen's government roles have included the roles of Chief Financial Officer, RoadTek, Executive Director Finance, Facilities and Property in Main Roads, and Director of Plant Hire Services. He joined Central West Health in April 2014.

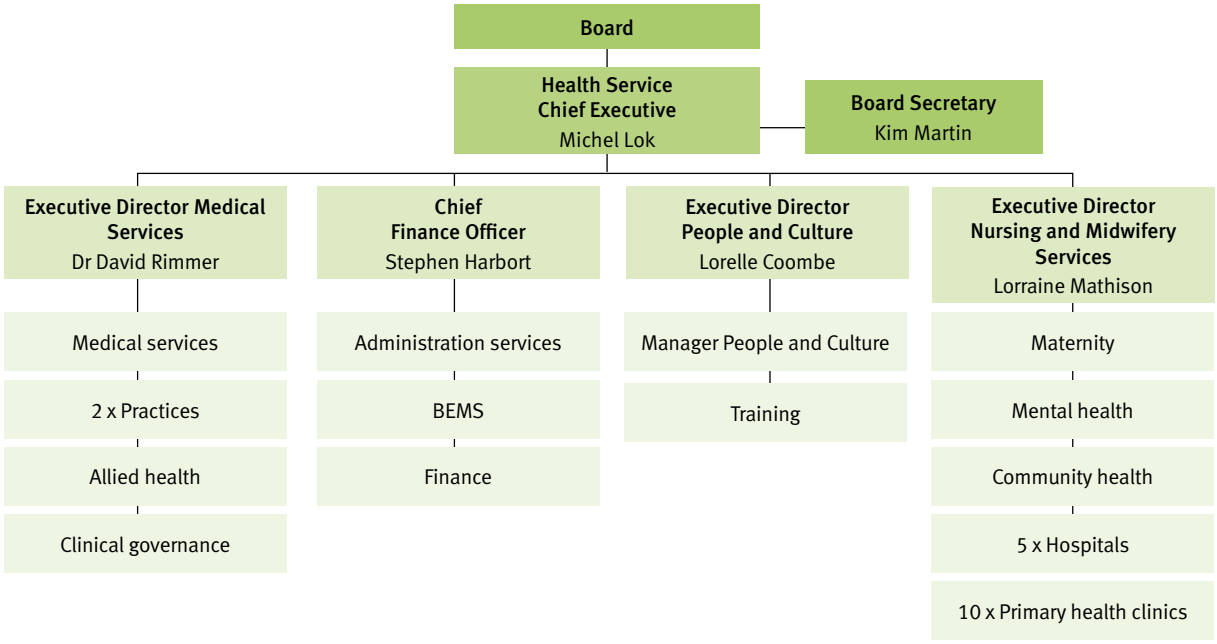
Stephen is a Certified Practising Accountant, holding an Executive Masters in Government and a Masters in Leadership. Stephen has been a facilitator for CPA Australia, Australian Institute of Management and a lecturer in business skills for the Queensland University of Technology.

Lorelle Coombe
Executive Director People and Culture

Ms Lorelle Coombe was appointed in August 2015 to the Director, People and Culture position which is a key leadership role in influencing and developing the health service's strategic direction, organisation design and human resource development strategies that will foster and enable increased organisational performance, continuous improvement and employee engagement. Lorelle has extensive experience in the government sector with previous roles having had a broad portfolio including human resource management, workplace health and safety, finance and assets, information technology, and customer service centre management. Lorelle has a Bachelor of Business (Accounting) and subsequently undertook further study to complete a Master of Business Administration with a focus on human resource management.

Senior Management Structure

The following chart outlines the senior management positions and the functions for which they hold responsibility.



OPEN DATA

The Queensland Government is committed to opening up opportunities to allow Queenslanders to develop innovative services and solutions through making more government data available to the public.

The open data initiative is part of the Queensland Government's public sector renewal program and its vision is to create the best public service in the nation, truly focused on the end customer – Queenslanders.

Open data is focused on the basic or 'raw' data that is collected, generated and stored by government. The annual reporting requirements for reporting data on consultancies, overseas travel, and the Queensland Language Services Policy require that reporting on these areas is through the online data portal rather than in this report.

Data relating to Central West Health's reporting against these requirements is accessible through the Queensland Government's open data website at www.qld.gov.au/data

ABBREVIATIONS

Abbreviations used throughout this report

ACHS	Australian Council on Healthcare Standards
AHPRA	Australian Heath Practitioner Regulation Agency
AGPAL	Australian General Practice Accreditation Limited
CAN	Community advisory network
CFO	Chief finance officer
COAG	Council of Australian Governments
CheckUp	CheckUp
DoHA	Department of Health and Ageing
DON	Director of nursing
EDIS	Emergency Department Information System
EDMS	Executive director medical services
EDNMS	Executive director of nursing and midwifery services
FTE	Full time equivalent
QGIF	Queensland Government Insurance Fund
GST	Goods and Services Tax
HACC	*Home and Community Care*
HHNA	*Health and Hospitals Network Act 2011*
HHS	Hospital and Health Service
HR	Human resources
HSCE	Health service chief executive
IHPA	Independent Hospital Pricing Authority
ISO	International Organisation for Standardisation
KPI	Key performance indicators
MOHRI	Minimum Obligatory Human Resource Information
MPHS	Multipurpose health service
NEAT	National emergency access target
NEST	National elective surgery target
NHFB	National health funding body
PHC	Primary healthcare centre
PTSS	Patient travel subsidy scheme
QAO	Queensland Audit Office
QBA	Queensland bedside audit
QTC	Queensland Treasury Corporation
QCoal	QCoal
RAPAD	Remote Area Planning and Development Board
RFDS	Royal Flying Doctor Service
RoPP	Right of private practice
SMO	Senior medical officer
TAMP	Total Asset Management Plan
VMO	Visiting medical officers
WAU	Weighted activity unit
YES	The Your Experience of Service

GLOSSARY

Terms used throughout this report

Ambulatory care
The care provided to hospital patients who are not admitted to the hospital, such as patients of emergency departments and outpatient clinics. Can also be used to refer to care provided to patients of community-based (non-hospital) healthcare services

Australian Commission on Safety and Quality in Health Care
The Australian Commission on Safety and Quality in Health Care was created by Health Ministers in 2006, and funded by all governments on a cost sharing basis, to lead and coordinate healthcare safety and quality improvements in Australia

Australian Council on Healthcare Standards
The Australian Council on Healthcare Standards (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 National Safety and Quality Health Services Standards (NSQHSS). These standards form the basis of many of the accreditation programs provided by the ACHS

CheckUP
CheckUP Australia is a not-for-profit industry body dedicated to advancing primary healthcare by fostering innovation and integration and working collaboratively to deliver practical solutions focused on best practice outcomes for a better primary healthcare sector and better health for all

EQuIP5
EQuIP5 is the 5th edition of the ACHS Evaluation and Quality Improvement Program and is a four-year continuous quality assessment and improvement accreditation program for healthcare organisations that supports excellence in consumer/patient care and services

EQuIP National
Equip National is the four year evaluation and quality improvement accreditation program for health services to ensure a continued focus on quality across the healthcare organisation

Home and Community Care
Home and Community Care provides assistance to frail older people, their carers and younger people with a disability who are at risk of premature or inappropriate admission to long term residential care to receive assistance in their own homes

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

Indigenous Cardiac Outreach Program
The Indigenous Cardiac Outreach Program aims to improve early diagnosis, management and clinical care of patients who have or are at risk of cardiovascular disease in remote Aboriginal and Torres Strait Islander communities

International Association for Public Participation
The International Association for Public Participation is the preeminent international organisation advancing the practice of public participation which seeks to promote and improve the practice of public participation or community engagement, incorporating individuals, governments, institutions and other entities that affect the public interest throughout the world

National Safety and Quality Health Service Standards
The National Safety and Quality Health Services Standards (NSQHSS) form the basis of many of the accreditation programs provided by the Australian Council on Healthcare Standards

National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes
This agreement was established to address targets set by the Council of Australian Governments and sets out specific action to be taken by the Australian Government and complementary action by State/Territory governments to address the gap in health outcomes experienced by Aboriginal and Torres Strait Islander people

National Emergency Access Target
The National Emergency Access Target (NEAT) is based on the proportion of patients who present to a public emergency department to be admitted, referred for treatment to another hospital or discharged within four hours

National Elective Surgery Target
The National Elective Surgery Target (NEST) requires an increase in the percentage of elective surgery patients seen within the clinically recommended time

Primary care
First level healthcare provided by a range of healthcare professionals in socially appropriate and accessible ways and supported by integrated referral systems including health promotion, illness prevention, care of the sick, advocacy and community development

Service Delivery Statements
The Service Delivery Statements form part of the suite of state budget papers and provide budgeted financial and non-financial information for the budget year

Telehealth
Telehealth involves the use of telecommunications and information technology to provide access to health assessment, diagnosis, intervention, consultation, supervision and information across distance

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

ATTACHMENT A:

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 8	Page 1
Accessibility	Table of contents Glossary	ARRs – section 10.1	Page i Pages 54–55
	Public availability	ARRs – section 10.2	Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 10.3	Inside front cover
	Copyright notice	Copyright Act 1968 ARRs – section 10.4	Inside front cover
	Information Licensing	QGEA – Information Licensing ARRs – section 10.5	Inside front cover
General information	Introductory Information	ARRs – section 11.1	Pages 5–6
	Agency role and main functions	ARRs – section 11.2	Page 7
	Operating environment	ARRs – section 11.3	Pages 8–13 Pages 21–41
Non-financial performance	Government's objectives for the community	ARRs – section 12.1	Page 7
	Other whole-of-government plans / specific initiatives	ARRs – section 12.2	Page 26
	Agency objectives and performance indicators	ARRs – section 12.3	Pages 14–23
	Agency service areas and service standards	ARRs – section 12.4	Page 25
Financial performance	Summary of financial performance	ARRs – section 13.1	Page 42
Governance – management and structure	Organisational structure	ARRs – section 14.1	Page 53
	Executive management	ARRs – section 14.2	Pages 52–53
	Government bodies (statutory bodies and other entities)	ARRs – section 14.3	N/A
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* ARRs – section 14.4	Page 47
Governance – risk management and accountability	Risk management	ARRs – section 15.1	Page 47
	External scrutiny	ARRs – section 15.2	Page 48
	Audit committee	ARRs – section 15.3	Page 45
	Internal audit	ARRs – section 15.4	Page 48
	Information systems and recordkeeping	ARRs – section 15.5	Page 48
Governance – human resources	Workforce planning and performance	ARRs – section 16.1	Page 50
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment ARRs – section 16.2	Page 51
Open Data	Consultancies	ARRs – section 17 ARRs – section 34.1	Page 54
	Overseas travel	ARRs – section 17 ARRs – section 34.2	Page 54
	Queensland Language Services Policy	ARRs – section 17 ARRs – section 34.3	Page 54
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Page 35 of financial statements
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Pages 36 —37 of financial statements

FAA Financial Accountability Act 2009 FPMS Financial and Performance Management Standard 2009
ARRs Annual report requirements for Queensland Government agencies

FINANCIAL STATEMENTS
2015–2016

Central West Hospital and Health Service

ABN 22 692 119 544

Queensland Government

Central West Hospital and Health Service Financial Statements 2015-16

Contents

General Information

Central West Hospital and Health Service (Central West Health) is a Queensland Government statutory body established under the Hospital and Health Boards Act 2011.

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 financial statements of Central West Health, email centralwesthealth@health.qld.gov.au

Statement of Comprehensive Income

	Notes	2016 $'000	2015 $'000
Income			
User charges and fees	2	64,688	59,241
Grants and contributions	3	1,806	3,183
Other revenue	4	446	486
Total income		**66,940**	**62,910**
Expenses			
Employee expenses	5	6,191	5,141
Health service employee expenses	6	32,841	31,110
Other supplies and services	7	23,663	22,512
Depreciation	12	3,948	3,733
Other expenses	8	414	573
Total expenses		**67,057**	**63,069**
Operating result		**(117)**	**(159)**
Total comprehensive income		**(117)**	**(159)**

The accompanying notes form part of these statements.

Statement of Financial Position

	Notes	2016 $'000	2015 $'000
Current assets			
Cash and cash equivalents	9	2,026	1,662
Receivables	10	1,828	1,340
Inventories	11	560	586
Prepayments		55	48
Total current assets		**4,469**	**3,636**
Non-current assets			
Property, plant and equipment	12	61,651	48,160
Total non-current assets		**61,651**	**48,160**
Total assets		**66,120**	**51,796**
Current liabilities			
Payables	13	3,920	3,692
Accrued employee benefits		156	92
Total current liabilities		**4,076**	**3,784**
Total liabilities		**4,076**	**3,784**
Net assets		**62,044**	**48,012**
Equity			
Contributed equity		58,873	44,724
Accumulated surplus		1,309	1,426
Asset revaluation surplus	14	1,862	1,862
Total equity		**62,044**	**48,012**

The accompanying notes form part of these statements.

Statement of Changes in Equity

	Notes	2016 $'000	2015 $'000
Accumulated surplus			
Balance at the beginning of the financial year		1,426	1,585
Operating result		(117)	(159)
Balance at the end of the financial year		**1,309**	**1,426**
Asset revaluation surplus			
Balance at the end of the financial year		**1,862**	**1,862**
Contributed equity			
Balance at the beginning of the financial year		44,724	43,914
Transactions with owners as owners			
Equity injections		1,716	1,329
Equity withdrawal - Depreciation		(3,948)	(3,733)
Net equity withdrawal		**(2,232)**	**(2,404)**
Non-appropriated equity transfer			
Assets received		16,381	3,214
		16,381	**3,214**
Balance at the end of the financial year		**58,873**	**44,724**
Total equity		**62,044**	**48,012**

The accompanying notes form part of these statements.

Statement of Cash Flows

	Notes	2016 $'000	2015 $'000
Cash flows from operating activities			
Inflows			
User charges and fees		60,195	55,541
Grants and contributions		1,806	2,464
GST collected from customers		116	115
GST input tax credits from ATO		1,449	1,374
Other		444	1,203
Outflows			
Employee expenses		(6,127)	(5,059)
Health service employee expenses		(32,841)	(31,110)
Other supplies and services		(23,804)	(23,888)
GST paid to suppliers		(1,416)	(1,435)
GST remitted to ATO		(102)	(94)
Other		(330)	(482)
Net cash provided by (used in) operating activities	15	**(610)**	**(1,371)**
Cash flows from investing activities			
Outflows			
Payments for property, plant and equipment		(743)	(1,811)
Net cash provided by (used in) investing activities		**(743)**	**(1,811)**
Cash flows from financing activities			
Inflows			
Equity injections		1,716	1,329
Net cash provided by (used in) financing activities		**1,716**	**1,329**
Net increase/(decrease) in cash and cash equivalents		363	(1,853)
Cash and cash equivalents at the beginning of the financial year		1,662	3,515
Cash and cash equivalents at the end of the financial year	9	**2,026**	**1,662**

The accompanying notes form part of these statements.

Notes to and forming part of the Financial Statements

1 Summary of significant accounting policies

(a) Statement of compliance

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

Central West Health is a not-for-profit entity and these general purpose financial statements have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities. In addition, the financial statements comply with Queensland Treasury's *Minimum Reporting Requirements* for the year ending 30 June 2016 and other authoritative pronouncements.

(b) Trust transactions and balances

Central West Health acts in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions and balances are not recognised in the financial statements, but are disclosed in Note 19.

Although patient funds are not controlled by Central West Health, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

(c) User charges and fees

Government funding revenue is received in accordance with Central West Health's Service Agreement with the Department of Health. Block funding from the Commonwealth and State governments is received for services and other State funding is provided for depreciation and minor capital works. Both Commonwealth and State funding is managed and paid by the Department of Health to Central West Health. Funding is recognised as revenue for the period in which it relates. Department of Health funds, by equity injection, total depreciation expenditure as a non-cash revenue with an offsetting equity withdrawal.

The ablility for Central West Health to remain viable is dependant upon continued funding from the State Government in accordance with the Service agreements with the Department of Health. During the 2016 year it was necessary for Central West Health to seek an advance payment due to the length of time between when agreement adjustments are signed off and physically paid months later. This advance had been repaid by 30th June 2016.

(d) Grants and contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which Central West Health obtains control over them.

(e) Special payments

Special payments include ex gratia expenditure and other expenditure that Central West Health is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009,* Central West Health maintains a register setting out details of all special payments exceeding $5,000. The total of all special payments (including those of $5,000 or less) is disclosed separately within Note 8, Other expenses. However, descriptions of the nature of special payments are only provided for special payments greater than $5,000.

1 Summary of significant accounting policies

(f) 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 no interest is earned on these accounts by Central West Health.

(g) Receivables

Trade debtors are recognised at the agreed purchase/contract price less any impairment. The recoverability of trade debtors is reviewed on an ongoing basis at an operating unit level, with allowance being made for impairment. Trade receivables are generally settled within 60 days, while other receivables may take up to twelve months. Any allowance for impairment is based on loss events disclosed in Note 19(c). All known bad debts are written off when identified.

(h) Inventories

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 the lower of cost and net realisable value. Cost is assigned on a weighted average cost adjusted, where applicable, for any loss of service potential.

(i) Property, plant and equipment

Acquisition and recognition of assets

Actual cost is used for the initial recording of all non-current asset acquisitions. 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.

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 gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Items of property, plant and equipment with a cost or other value equal to more than the following thresholds and with a useful life of more than one year are recognised at acquisition.

Items below these values are expensed on acquisition.

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

1 Summary of significant accounting policies

(i) Property, plant and equipment (continued)

Revaluation of non-current assets

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

Land and buildings measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer, or by the use of appropriate and relevant indices.

Comprehensive revaluations are undertaken at least every five years. However if a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed 20% or more since the previous reporting period), 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 an interim index which approximates fair values at reporting date.

Central West Health ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. Independent valuers supply the indices used for these assets. Such indices are either publicly available, or are derived from market information available to the valuers. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Management assesses and confirms the relevance and suitability of indices provided by the valuers based on Central West Health's own particular circumstances and considers materiality when assessing whether to apply indices to each asset class. Materiality concepts under AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

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.

Central West Health has adopted the gross method of reporting revalued assets.

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.

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

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

1 Summary of significant accounting policies

(i) Property, plant and equipment (continued)

Fair value measurement (continued)

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

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

Reflecting the specialised nature of health service buildings, fair value is determined using depreciated replacement cost methodology. Depreciated replacement cost is determined on the basis of replicating the service capacity of the asset, adjusted for physical condition, the impact of refurbishments and upgrades, age, gross floor area, number of floors and functionality.

The valuation assumes a replacement building will provide the same service function and form (shape and size) as the original building but built consistent with current building standards.

All assets 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;
- level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

None of Central West Health's valuations of assets are eligible for categorisation into level 1 of the fair value hierarchy.

More specific fair value information about Central West Health's Property, Plant and Equipment is outlined in Note 12.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, progressively over its estimated useful life to Central West Health. Annual depreciation is based on net book values and Central West Health's assessment of the remaining useful life of individual assets. Land is not depreciated as it has an unlimited useful life.

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 put to use or installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property plant and equipment.

1 Summary of significant accounting policies

(i) Property, plant and equipment (continued)

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.

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

Class	Rate
Buildings	1.0% - 3.7%
Plant and Equipment	4.5% - 20%

Impairment of non-current assets

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Central West Health determines the asset's recoverable amount (higher of value in use and fair value less costs of disposal). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss.

Leased property, plant and equipment

Operating lease payments, being representative of benefits derived from the leased assets, are recognised as an expense of the period in which they are incurred. Central West Health has no finance leased assets.

(j) Payables

Payables are recognised for amounts to be paid in the future for goods and services received. Trade creditors are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. The amounts are unsecured and normally settled within 30 days.

(k) Financial instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

a. Cash and cash equivalents - held at fair value through profit and loss
b. Receivables - held at amortised cost
c. Payables - held at amortised cost

Central West Health does not enter into transactions for speculative purposes, nor for hedging. Financial assets are assessed for indicators of impairment at the end of each reporting period. All other disclosures relating to the measurement and financial risk management of financial instruments held by Central West Health are in Note 19.

1 Summary of significant accounting policies

(l) Employee benefits

The *Hospital and Health Boards Act 2011* (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.

Health service employees

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.
- Central West Health reimburses the department for the salaries and on-costs of these employees.

As a result of this arrangement, Central West Health classifies the reimbursements to the Department of Health for departmental employees in these financial statements as health service employee expenses as detailed in Note 6.

Central West Health's directly engaged employees

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised as liablities in the Statement of Financial Position at the salary rates applicable at the time the service was delivered. As Central West Health expects such liabilities 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.

Annual Leave, Long Service Leave and Superannuation

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

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. The QSuper scheme has defined benefit and defined contribution categories. Contributions are expensed in the period in which they are payable and the obligation of Central West Health is limited to its contribution to QSuper.

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 Whole of Government and General Government Sector Financial Reporting.

Key management personnel and remuneration

Key management personnel and remuneration disclosures are made in accordance with the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury.

(m) Insurance

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.

Central West Health's obligations for employee compensation are covered through the Department of Health's cover with Workcover Queensland. Central West Health pays fees for these insurances to the Department of Health as part of a fee for service arrangement.

1 Summary of significant accounting policies

(n) Services received free of charge or for a nominal value

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

Central West Health receives corporate services support from the Department of Health for no cost. Corporate services include payroll services, financial transactional services (including accounts payable), banking services, administrative services and taxation services. As the fair value of these services is unable to be estimated reliably, no associated revenue and expense is recognised in the Statement of Comprehensive Income.

(o) 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). FBT and GST are the only Commonwealth taxes accounted for by Central West Health.

All FBT and GST Reporting to the Commonwealth is managed centrally by the Department of Health, with payments/ receipts made on behalf of Central West Health reimbursed to/from the department on a monthly basis. GST credits receivable from, and GST payable to the ATO, are recognised on this basis. Refer to Note 10.

(p) Issuance of financial statements

The financial statements are authorised for issue by the Chairperson of the Board, the Health Service Chief Executive, and the Chief Finance Officer, at the date of signing the Management Certificate.

(q) 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.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Property, plant and equipment - Note 12

Contingencies - Note 17

(r) Rounding and comparatives

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

Comparative information has been restated to be consistent with disclosures in the current reporting period.

(s) Associates

Associates are all entities over which Central West Health has significant influence (the power to participate in the financial and operating policy decisions of the investee). This is generally the case where Central West Health holds between 20% and 50% of the voting rights. Material investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

1 Summary of significant accounting policies

(s) Associates (continued)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Central West Health's share of the post-acquisition profits or losses of the investee in Central West Health's operating result, and Central West Health's share of movements in other comprehensive income of the investee in other comprehensive income.

(t) New and revised accounting standards

Assessment of the impact of these new or amended accounting standards and interpretations, most relevant to Central West Health, are set out below.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
[AASB 7, AASB 101, AASB 134 & AASB 1049]
The amendments arising from this standard seek to improve financial reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies and the presentation of sub-totals, and provides clarity on aggregating line items. It also emphasises only including material disclosures in the notes. Central West Health has early adopted this standard as required by Queensland Treasury.

AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-For-Profit Public Sector Entities* was issued in July 2015 and applicable for reporting periods on or after 1 July 2016, with early adoption mandatory in accordance with Treasury's Financial Reporting (Part 1.3.1). This Standard provides relief to not-for-profit public sector entities from some disclosure requirements in AASB 13 *Fair Value Measurement*.

AASB 15 Revenue from Contracts with Customers is set to commence for reporting periods from 1 July 2018. AASB 15 defines the methodology for recognising revenue from contracts with customers and the disclosures required. When applied the Standard will supersede AASB 118 Revenue.

Under AASB 15 Central West Health will need to identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price to the performance obligations and recognise revenue when each performance obligation is satisfied. AASB 15 is likely to impact the revenue disclosures of Central West Health, particularly in relation to contract balances, performance obligations and judgements made in applying the Standard. It is not yet known to what extent the Standard will impact the financial measurement of revenue for Central West Health.

From reporting periods beginning on or after 1 July 2016, Central West Health will need to comply with the requirements of AASB 124 *Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities.

Central West Health already discloses information about the remuneration expenses for key management personnel (refer to Note 20) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for Central West Health's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

From reporting periods beginning on or after 1 January 2019, Central West Health will need to comply with the requirements of AASB 16 Leases. AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. Central West Health has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

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

2 User charges

	2016 $'000	2015 $'000
Government funding		
Block funding	55,687	50,722
Depreciation funding	3,948	3,733
Total Government funding	**59,635**	**54,455**
Medical practice receipts	3,300	3,442
Hospital fees	573	647
Sale of goods and services	1,125	649
Rental income	54	48
	64,688	**59,241**

3 Grants and contributions

	2016 $'000	2015 $'000
Australian Government grants		
Multi purpose health service	0	1,620
Home and community care	524	498
Other specific purpose grants	329	298
Total Australian Government grants	**852**	**2,416**
Other Grants	798	571
Other specific purpose grants	150	149
Total Other Grants	**948**	**720**
Donations other	6	48
	1,806	**3,183**

4 Other revenue

	2016 $'000	2015 $'000
Health service employee expense recoveries	360	459
Other	85	27
	446	**486**

	2016 $'000	2015 $'000
5 Employee expenses		
Employee benefits		
Wages and salaries	5,272	4,477
Employer superannuation contributions	356	309
Annual leave levy	366	248
Long service leave levy	95	86
	6,088	5,120
Employee related expenses		
Other employee related expenses	102	21
	6,191	**5,141**

The number of employees below includes full-time, part-time and casual employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI).

Number of Central West Health employees	**16**	**14**

	2016 $'000	2015 $'000
6 Health service employee expenses		
Health service employee expenses	32,841	31,110
	32,841	**31,110**

The number of employees below includes full-time, part-time and casual employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI).

Number of Department of Health – Health service employees	**318**	**310**

7 Other supplies and services

	2016 $'000	2015 $'000
Consultants and contractors	5,528	5,879
Electricity and other energy	1,095	1,112
Staff transport and vehicles	1,181	1,212
Patient transport	4,139	3,986
Repairs and maintenance	2,367	2,136
Building expenses	1,172	1,133
QGIF Insurance	300	363
Computer and communication services	1,099	965
Catering and domestic supplies	543	549
Clinical supplies	2,530	1,703
Medical practice facility fees	1,059	967
Department of Health and HHS supplies and services	1,764	1,571
Other supplies and services	885	937
	23,663	**22,512**

8 Other expenses

	2016 $'000	2015 $'000
Audit expenses*	178	234
Impairment losses	12	10
Inventory written off	58	63
Net losses from disposal of property, plant and equipment	14	15
Special payments - ex-gratia payments	0	10
Legal expenses	72	184
Other expenses	80	57
	414	**573**

* Total audit fees payable to the Queensland Audit Office relating to the 2015-16 financial year are estimated to be $130,000 (2015: $134,000). There are no non audit services included in this amount.

9 Cash and cash equivalents

	2016 $'000	2015 $'000
Cash on hand	4	4
Cash at bank	2,016	1,652
Cash held with QTC	6	6
	2,026	**1,662**

Cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include $6k of trust monies (2015: $6k) which are not grouped within the whole-of-Government set-off arrangement and are able to be invested and earn interest for the trust bank accounts.

10 Receivables

	2016 $'000	2015 $'000
Trade debtors	1,728	1,191
Less: Allowance for impairment	(13)	(9)
GST input tax credits receivable	151	182
GST payable	(38)	(24)
Total	**1,828**	**1,340**

11 Inventories

	2016 $'000	2015 $'000
Pharmacy	193	214
Clinical supplies	364	364
Other	3	8
	560	**586**

12 Property, plant and equipment

	2016 $'000	2015 $'000
Land		
At fair value	1,376	1,376
	1,376	**1,376**
Buildings		
At fair value	128,146	111,768
Less: Accumulated depreciation	(72,361)	(69,275)
	55,785	**42,494**
Plant and equipment		
At cost	10,289	9,669
Less: Accumulated depreciation	(6,041)	(5,598)
	4,248	**4,071**
Capital works in progress		
At cost	241	219
Total property, plant and equipment	**61,651**	**48,160**

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

The fair value of land is based on individual factor changes per property derived from the review of market transactions. These market movements are determined having regard to review of land values undertaken for each local government area issued by the Valuer-General. All local government property market movements are reviewed annually by market surveys to determine any material change in values. These ongoing market investigations assist in providing an accurate assessment of the prevailing market conditions and detail the specific market movements applicable to each property.

The indexation advice received in 2015-16 resulted in no change to the carrying amount of land (2015: nil).

Buildings
An independent revaluation of 95% of the gross value of the building portfolio was performed during 2012-13 by independent quantity surveyors Davis Langdon. Valuations were based on the estimated replacement cost less the cost to bring the building to current standards. The valuation assumes a replacement building will provide the same service function and form (shape and size) as the original building but built consistent with current building standards. Significant judgement is also used to assess the remaining service potential of the buildings within the portfolio.

Refer to Note 1(i) for further details on the revaluation and assumptions methodology applied.

In 2015-16 Central West Health obtained advice from AECOM Cost Consulting Pty Ltd that construction prices have cumulatively moved less than 1% in the 2015-16 Financial Year, confirming the existing recorded depreciated values of the building portfolio as fair value. Management accepted the current building values as fair value and did not seek indices from the State Valuation Service as a result of this advice.

As indices were not applied to the buildings' valuation for 2015-16 there was no net increment to Central West Health's building portfolio (2015: nil).

12 Property, plant and equipment (continued)

Property, plant and equipment reconciliation

	Land		Buildings	Plant and equipment	Work in progress	Total
	Level 2	Level 3	Level 3			
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2015	1,301	75	42,494	4,071	219	48,160
Acquisitions	-	-	14,954	732	22	15,708
Transfers between asset classes	-	-	0	0	0	0
Disposals	-	-	(2)	(12)	0	(14)
Transfers in from other Queensland Government Entities	-	-	1,390	354	0	1,744
Depreciation	-	-	(3,051)	(897)	0	(3,948)
Carrying amount at 30 June 2016	1,301	75	55,785	4,248	241	61,651

	Land		Buildings	Plant and equipment	Work in progress	Total
	Level 2	Level 3	Level 3			
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2014	1,917	75	40,044	3,995	853	46,884
Acquisitions	400	-	579	873	219	2,071
Transfers between asset classes	-	-	788	60	(848)	0
Disposals	-	-	-	(15)	(5)	(20)
Transfers in from other Queensland Government Entities	-	-	6,606	0	-	6,606
Transfers out to other Queensland Government Entities	(1,016)	-	(2,632)	-	-	(3,648)
Depreciation	-	-	(2,891)	(842)	-	(3,733)
Carrying amount at 30 June 2015	1,301	75	42,494	4,071	219	48,160

13 Payables

	2016 $'000	2015 $'000
Department of Health payables*	1,605	1,397
Trade and other creditors	146	182
Accrued expenses	2,169	2,113
	3,920	**3,692**

* Department of Health payables are due to outstanding payments for payroll and other fee for service charges.

14 Asset revaluation surplus by class

	2016 $'000	2015 $'000
Land		
Balance at the beginning of the financial year	66	66
Balance at the end of the financial year	**66**	**66**
Buildings		
Balance at the beginning of the financial year	1,796	1,796
Balance at the end of the financial year	**1,796**	**1,796**

15 Reconciliation of operating result to net cash flows from operating activities

	2016 $'000	2015 $'000
Operating result	(117)	(159)
Non-cash items:		
Depreciation expense	3,948	3,733
Equity withdrawal - Depreciation	(3,948)	(3,733)
Net losses on disposal of property, plant and equipment	9	15
Impairment losses	12	10
Donated assets received	(6)	(10)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(488)	4
(Increase)/decrease in inventories	25	(130)
(Increase)/decrease in prepayments	(7)	(12)
Increase/(decrease) in payables	(101)	(1,171)
Increase/(decrease) in accrued employee benefits	64	82
Net cash flow from operating activities	**(610)**	**(1,371)**

16 Commitments for expenditure

(a) Non-cancellable operating leases

Central West Health's non-cancellable operating lease commitments inclusive of non-recoverable GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	2016 $'000	2015 $'000
Not later than one year	266	90
Later than one year and not later than five years	666	184
Total	**932**	**274**

(b) 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:

Not later than one year	34	119
Total	34	119

17 Contingencies

Litigation in progress

	2016 cases	2015 cases
Cases have been filed with the courts as follows:		
Tribunals, commissions and boards	2	2
	2	2

Central West Health's liability is limited to an excess per insurance event of $20,000. Refer Note 1(m). Central West Health is responsible for claims from 1 July 2012 with pre 1 July 2012 claims remaining the responsibility of the Department of Health. Central West Health legal advisers and management believe it would be misleading to estimate the final amounts payable (if any) in respect of the litigation before the courts at this time.

18 Trust transactions and balances

Central West Health acts in a custodial role in respect of these transactions and they are not recognised in the financial statements but are disclosed below for information purposes.

	2016 $'000	2015 $'000
Patient trust receipts		
Winton Patient Trust	102	84
Longreach Patient Trust	3	2
Barcaldine Patient Trust	30	25
Total receipts	**135**	**111**
Patient trust related payments		
Winton Patient Trust	101	72
Longreach Patient Trust	4	1
Barcaldine Patient Trust	30	30
Total payments	**135**	**103**
Increase/(decrease) in net patient trust assets	**0**	**8**
Trust assets		
Current assets - cash	**40**	**39**
Represented by Patient trust deposits		
Winton Patient Trust	32	31
Longreach Patient Trust	1	1
Barcaldine Patient Trust	7	7
Total assets	**40**	**39**

All patient trust monies are held by Central West Health on behalf of the patients while admitted to Hospital.

19 Financial instruments

(a) Categorisation of financial instruments

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

	Note	2016 $'000	2015 $'000
Financial assets			
Cash and cash equivalents	9	2,026	1,662
Receivables	10	1,828	1,340
		3,854	**3,002**
Financial liabilities			
Payables	13	3,920	3,692
		3,920	**3,692**

(b) Financial risk management

Central West Health is exposed to a variety of financial risks – credit risk and liquidity risk. Changes in interest rates and other market risks have a minimal impact on the operating result of Central West Health. Financial risk is managed in accordance with Queensland Government and agency policies. 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.

Risk Exposure	Measurement method
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by active management of creditors

(c) Credit risk exposure

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment. The carrying amount of cash at bank, cash held with Queensland Treasury Corporation (QTC) and receivables represents the maximum exposure to credit risk. Refer to Note 9 and 10 for further information.

No collateral is held as security and no credit enhancements relate to financial assets held by Central West Health. No financial assets and financial liabilities have been offset and presented in the Statement of Financial Position.

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

19 Financial instruments (continued)

(c) Credit risk exposure (continued)

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following table:

2016 Financial assets past due

	Overdue $'000				
Receivables	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Past due but not impaired	59	52	15	6	**132**
Individually impaired	-	-	-	13	**13**
Total	**59**	**52**	**15**	**19**	**145**

2015 Financial assets past due

	Overdue $'000				
Receivables	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total
Past due but not impaired	161	37	14	8	**220**
Individually impaired	-	-	-	9	**9**
Total	**161**	**37**	**14**	**17**	**229**

(d) 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 as they fall due.

Central West Health bank accounts form part of the whole-of-government banking arrangement with the Commonwealth Bank of Australia. Under this arrangement, Central West Health has access to the whole-of-government debt facility with a $500,000 limit approved by Queensland Treasury to manage any short term cash shortfalls. This was undrawn at 30 June 2016 (2015: undrawn).

All Central West Health financial liabilities in Note 13, are based on undiscounted cash flows at reporting date, and are due within one year or less.

20 Key management personnel and remuneration

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Central West Health during 2015-16. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

(a) Key executive management personnel remuneration

All executives are appointed under the authority of *Hospital and Health Boards Act 2011*

Position	Responsibilities	Contract classification and appointment authority	Date appointed (resigned)
Health Service Chief Executive (HSCE)	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.	S24/S70 01	30/07/2012
Executive Director Medical Services (EDMS)	Responsible for safe and effective delivery of medical and allied health services, including recruitment, retention and development of the workforce, and leads clinical governance within the Health Service.	MEDFC2.04	17/04/2013
Executive Director Nursing and Midwifery Services (EDoNMS)	Oversights the safe and efficient operation of all hospital and health centres, maternity and community health services and provides leadership to the nursing stream.	NRG11-2.01 - Nursing grade 11-2	1/07/2012
Executive Director People and Culture	Oversights the Human Resource and Organisational Development functions of the Central West Health Service	AO8	3/08/2015
Chief Finance Officer (CFO)	Responsible for budget planning and forecasting, financial control and performance, statutory compliance and supporting effective business decision making within Central West Health.	SO2-1 Senior Officer 2-1	18/08/2014

Section 74 of the Hospital and Health Boards Act 2011 (the Act) provides that the contract of employment for health service 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.

The remuneration policy for the 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 non-salary benefits such as motor vehicles 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.

For the 2015-16 year, remuneration packages of key management personnel except HSCE and EDoMS increased by 2.5 per cent in accordance with government policy.

20 Key management personnel and remuneration (continued)

(a) Key executive management personnel remuneration (continued)

Remuneration expenses for key executive management personnel comprise the following components:

- Short-term employee expenses which 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 contributions.
- 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 2015-16 financial year (2015: nil).

1 July 2015 - 30 June 2016

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expense $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
HSCE	259	24	5	24	0	312
EDMS	419	26	8	28	0	481
EDoNMS	153	18	3	16	0	190
EDP&C	123	16	2	14	0	155
CFO	133	19	2	15	0	169

1 July 2014 - 30 June 2015

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expense $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
HSCE	257	27	5	24	0	313
EDMS	382	26	8	25	0	441
EDoNMS	122	12	2	13	0	149
A/EDoNMS (21/02/2015)	43	7	1	5	0	56
CFO	131	18	2	15	0	166

20 Key management personnel and remuneration (continued)

(b) Board remuneration

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

Board members

Board member	Position	Date of appointment/ reappointment
Edward Warren	Chair	Appointed 01/07/2012 Reappointed 18/05/2013 Resigned 17/05/2016
David Arnold	Deputy Chair	Appointed 01/07/2012 Reappointed 18/05/2013 Reapponted 18/05/2016
Jane Williams	Board Member Chair	Appointed 01/07/2012 Reappointed 18/05/2013 Reappointed 18/05/2016
William Ringrose	Board Member	Appointed 01/07/2012 Reappointed 18/05/2013 Reappointed 18/05/2016
Peter Skewes	Board Member	Appointed 01/07/2012 Reappointed 18/05/2013 Reappointed 18/05/2016
Bruce Scott	Board Member	Appointed 01/07/2012 Reappointed 18/05/2013 Resigned 17/05/2016
Dr Nikola Stepanov	Board Member	Appointed 18/05/2016
Elizabeth Fraser	Board Member	Appointed 18/05/2016
Leisa Fraser	Board Member	Appointed 18/05/2016
Dr Clare Walker*	Board Member	Appointed 18/05/2016

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

20 Key management personnel and remuneration (continued)

(b) Board remuneration

1 July 2015 - 30 June 2016

Board member	Short term employee expenses		Post-employment expenses	Total expenses
	Monetary expense $'000	Non-monetary benefits $'000	$'000	$'000
Edward Warren	63		5	68
David Arnold	39		4	43
Jane Williams	44		5	49
William Ringrose	38		3	41
Peter Skewes	41		3	44
Bruce Scott	40		3	43
Dr Nikola Stepanov	4			4
Elizabeth Fraser	4			4
Leisa Fraser	4			4

1 July 2014 - 30 June 2015

Board member	Short term employee expenses		Post-employment expenses	Total expenses
	Monetary expense $'000	Non-monetary benefits $'000	$'000	$'000
Edward Warren	70	0	0	70
David Arnold	39	0	4	43
Jane Williams	30	0	3	33
William Ringrose	39	0	0	39
Peter Skewes	39	0	0	39
Bruce Scott	43	0	0	43

21 Associates

Western Queensland Primary Care Collaborative Limited (WQ PCC) was registered in Australia as a public company limited by guarantee on 22 May 2015. Central West Health is one of three founding members with North West HHS and South West HHS, each holding one voting right in the company. The principal place of business of WQ PCC is Mount Isa, Queensland. Each founding member is entitled to appoint one Director to the Board of the company.

WQ PCC's principal purposes as a not for profit organisation are to increase the efficiency and effectiveness of health services for patients in Western Queensland, particularly those at risk of poor health outcomes; and improve co-ordination to facilitate improvement in the planning and allocation of resources enabling the providers to provide appropriate patient care in the right place at the right time. These purposes align with the strategic objective of Central West Health to integrate primary and acute care services to support patient wellbeing.

Each member's liability to WQ PCC is limited to $10. WQ PCC's constitution legally prevents it from paying dividends to the members and also prevents the income or property of the company being transferred directly or indirectly to the members. This does not prevent WQ PCC from making loan repayments to Central West Health or reimbursing Central West Health for goods or services delivered to WQ PCC.

Central West Health's interest in WQ PCC is immaterial in terms of the impact on Central West Health's financial performance because it is not entitled to any share of profit or loss or other income of WQ PCC. Accordingly, the carrying amount of Central West Health's investment and subsequent changes in its value due to annual movements in the profit and loss of WQ PCC are not recognised in the financial statements.

Central West Health does not have any contingent liabilities or other exposures associated with its interests in WQ PCC.

22 Events after the reporting period

Other matters

No other matter or circumstance has arisen since 30 June 2016 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.

23 Budget vs actual comparison

Statement of Comprehensive Income

	Variance Notes	2016 $'000 Budget	$'000 Actual	$'000 Variance	% Variance
Income					
User charges and fees	1	59,754	64,688	4,934	8%
Grants and contributions	2	2,044	1,806	(238)	-12%
Other revenue	2	173	446	273	158%
Total income		**61,971**	**66,940**	**4,969**	**8%**
Expenses					
Employee expenses	3	10,006	6,191	(3,815)	-38%
Health service employee expenses	4	21,118	32,841	11,723	56%
Other supplies and services	5	26,857	23,663	(3,194)	-12%
Depreciation		3,846	3,948	102	3%
Impairment losses		-	-	-	0%
Other expenses		144	414	270	188%
Total expenses		**61,971**	**67,057**	**5,086**	**8%**
Operating result		**-**	**(117)**	**(117)**	**0%**
Other comprehensive income					
Items that will not be re-classified to operating result					
Increase in asset revaluation surplus		-	-	-	0%
Total items that will not be re-classified to operating result		**-**	**-**	**-**	**0%**
Total comprehensive income		**-**	**(117)**	**(117)**	**0%**

23 Budget vs actual comparison

Statement of Financial Position

	Variance Notes	2016 $'000 Budget	$'000 Actual	$'000 Variance	% Variance
Current assets					
Cash and cash equivalents	6	2,401	2,026	(375)	-16%
Receivables	7	1,361	1,828	467	34%
Inventories		463	560	97	21%
Prepayments		52	55	3	6%
Total current assets		**4,277**	**4,469**	**192**	**4%**
Non-current assets					
Property, plant and equipment		58,754	61,651	2,897	5%
Total non-current assets		**58,754**	**61,651**	**2,897**	**5%**
Total assets		**63,031**	**66,120**	**3,089**	**5%**
Current liabilities					
Payables	8	3,012	3,920	908	30%
Accrued employee benefits		27	156	129	478%
Total current liabilities		**3,039**	**4,076**	**1,037**	**34%**
Total liabilities		**3,039**	**4,076**	**1,037**	**34%**
Net assets		**59,992**	**62,044**	**2,052**	**3%**
Total equity		**59,992**	**62,044**	**2,052**	**3%**

23 Budget vs actual comparison

Statement of Cash Flows

	Variance Notes	2016 $'000 Budget	$'000 Actual	$'000 Variance	% Variance
Cash flows from operating activities					
Inflows					
User charges and fees		59,746	60,195	449	1%
Grants and contributions	2	2,044	1,806	(238)	-12%
GST collected from customers			116	116	0%
GST input tax credits from ATO		1,810	1,449	(361)	-20%
Other		171	444	273	160%
Outflows					
Employee expenses	3	(10,006)	(6,127)	3,879	-39%
Health service employee expenses	4	(21,118)	(32,841)	(11,723)	56%
Other supplies and services	5	(28,294)	(23,804)	4,490	-16%
GST paid to suppliers	9	(1,812)	(1,416)	396	-22%
GST remitted to ATO			(102)	(102)	0%
Other		(69)	(330)	(261)	378%
Net cash provided by (used in) operating activities		**2,474**	**(610)**	**(3,084)**	**-125%**
Cash flows from investing activities					
Inflows					
Outflows					
Payments for property, plant and equipment	10	(1,638)	(743)	895	-55%
Net cash provided by (used in) investing activities		**(1,638)**	**(743)**	**895**	**-55%**
Cash flows from financing activities					
Inflows					
Equity injections		1,638	1,716	78	5%
Outflows					
Equity withdrawals	11	(3,846)	-	3,846	-100%
		(2,208)	**1,716**	**3,924**	**-178%**
Net increase/(decrease) in cash and cash equivalents		(1,372)	363	1,735	-126%
Cash and cash equivalents at the beginning of the financial year		3,773	1,662	(2,111)	-56%
Cash and cash equivalents at the end of the financial year		**2,401**	**2,026**	**(375)**	**-16%**

23 Budget vs actual comparison

Explanations of Major Variances

1. "The original budget presumed funding for the Multi-Purpose Health Service would be received as Grants and contributions ($1.4m). Remaining variance primarily attributable to:
   - Changes in the funding mix from the Department of Health of $1.2m
   - Funding for various quality and performance initiatives of $0.5m
   - Funding for increase in staffing levels of $0.7m
   - Increase in Pharmaceutical Benefit Scheme reimbursement for new high cost drugs of $0.4m."

2. "The original budget presumed funding for the Multi-Purpose Health Service would be received as Grants and contributions (-$1.4m). Remaining variance primarily attributable to:
   - Grants for primary health and outreach services of $0.5m
   - Contributions to facilities from James Cook University of $0.4m"

3. Some employees budgeted in employee expenses but are paid as health service employees (estimated that budget is overstated by $3.5m). In addition, senior medical costs were under budget by $0.8m due to use of locums in vacant positions.

4. Some employees budgeted in employee expenses but are paid as health service employees, as well as some health service employees incorrectly budgeted as contractors in Other supplies and services (estimated that budget is understated by $12.5m). Remaining variance primarily attributable to lower than budgeted nursing costs of $2.5m due to use of agency nurses in vacant positions.

5. "Some health health service employees incorrectly budgeted as contractors (esimtated that budget is overstated by $8m). Remaining variannce primarily attributable to:
   - Increase in nursing costs due to use of agency nurses in vacant positions of $2.0m
   - Increase in repairs and maintenance due to unanticipated emergent works and backlog maintenance of $1.3m
   - Increase in patient travel costs due to higher than expected claims of $1.1m
   - Increase in medical costs due to use of locums in vacant positions of $0.8m."

6. Cash balance is impacted by timing of receipts and payments which is difficult to estimate.

7. Unbudgeted contributions of $0.3m, plus $0.1m increase in Department of Health receivable for health services funding.

8. Increase of payables is due to changes in the timing of Department of Health payroll and invoicing payments, this also reflects increased level of operations.

9. Decrease of $0.4m in GST input tax credits and GST paid to suppliers primarily due to $4m decrease in supplies and services expense.

10. Property, plant and equipment less capital expenditure due to funds carried over to support the HHS contribution to the Longreach Hospital redevelopment ($0.7m). Clinical training centre accrued but not paid as at 30 June 2016 ($0.3m).

11. Actual equity withdrawal funding has been excluded from the cash flow as it is a non-cash item, however it was included in the original budget for whole-of-government reporting requirements in error.

Central West Hospital and Health Service
Management Certificate

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

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the 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 2016 and of the financial position of Central West Hospital and Health Service at the end of that year; and

c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Jane Williams

Jane Williams Grad Dip. in Rural & Remote Health, Dip in Mment, Dip in Comm. Service Coord. RIPN

Chairperson

Date: 22 August 2016

Michel Lok CPA, B Bus, MFM, GAICD

Health Service Chief Executive

Date: 22 August 2016

S G Harbort

Stephen Harbort CPA, B Bus, MBA L'ship, MPA

Chief Finance Officer

Date: 22 August 2016

INDEPENDENT AUDITOR'S REPORT

To the Board of Central West Hospital and Health Service

Report on the Financial Report

I have audited the accompanying financial report of Central West Hospital and Health Service, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and certificates given by the Chairperson, Health Service Chief Executive and Chief Finance Officer.

The Board's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

  (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

  (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Central West Hospital and Health Service for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters – Electronic Presentation of the Audited Financial Report

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

D J OLIVE FCPA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane