Unite & Recover

South West Hospital and Health Service

ANNUAL REPORT 2021–2022

Queensland Government

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

Public availability statement
An electronic copy of this report is available at www.southwest.health.qld.gov.au. Hard copies of the annual report are available by phoning (07) 4505 1544.

Alternatively, you can request a copy by emailing SWHHS_Board@health.qld.gov.au.

Interpreter Service statement

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone (07) 4505 1544 or freecall 1800 000 000 and we will arrange an interpreter to effectively communicate the report to you.

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Acknowledgement of Traditional Owners

The South West Hospital and Health Service pay respects to the Aboriginal and Torres Strait Islander people of this land on which all our services are located, their spirits, their ancestors, and to their Elders both past and present for their resilience, determination, cultural knowledge, and wisdom.

We recognise it is their strength and courage to current and future generations of both Aboriginal and Torres Strait Islander peoples and Non-Indigenous Queenslanders to drive a collective effort and responsibility as individuals, communities, and governments to ensure equality, recognition and wholistic health advancement of Aboriginal and Torres Strait Islander people of South West Queensland across all levels of society and everyday life.

We reflect on the past and give hope for the future, we genuinely offer to represent, advocate for, and promote the needs of Aboriginal and Torres Strait Islander people of South West Queensland.

We commit to walk together on our shared journey to health equality for Aboriginal and Torres Strait Islander people and towards creating healthy communities in South West Queensland.

The lands and waters within the South West Hospital and Health Service region encompass the following Traditional Owner Groups:

Location / facility	Traditional Owners
Augathella	Bidjara (bid-jara) people
Bollon	Kooma (coo-ma) people
Charleville	Bidjara (bid-jara) people
Cunnamulla	Kunja (koun-yah) people, with other interests
Dirranbandi	Yuwaalaraay / Euahlayi (You-wal-a-ray / You-al-e-i) people
Eromanga	Boonthamurra (boon-tha-murra) people
Injune	Kongabula (kong-ga-bull-a) people
Mitchell	Gunggari (gon-gari) people
Morven	Bidjara (bid-jara) people
Mungindi	Kamilaroi (Car-milla-roy) people
Quilpie	Mardigan (Mar-d-gan) people
Roma	Mandandanji (mand-an-dand-gee) people
St George	Kooma (coo-ma) people with Kamilroi, Mandandanji, Bigambul and Gungarri interests
Surat	Mandandanji (mand-an-dand-gee) people
Thargomindah	Kullilla (cool-lee-lar) people
Wallumbilla	Mandandanji (mand-an-dand-gee) people
Waroona	Bidjara (bid-jara) people
Westhaven	Mandandanji (mand-an-dand-gee) people

We recognise that Aboriginal peoples and Torres Strait Islander peoples within their respective communities each have their own unique languages, beliefs, cultural practices, traditions and diversity within each culture.
This document acknowledges a range of collective terms are used to reference and reflect the unique identity of Aboriginal people and Torres Strait Islander peoples. The primary term used in this document is First Nations people/s.

Health Equity, Our Way – Together
Development of the South West HHS First Nations Health Equity Strategy 2022-2025

The South West Hospital and Health Board and Executive Leadership Team are deeply committed to ensuring the very best of healthcare for all South West communities, and recognise that whilst advances have been made, further steps are still necessary to ensure true and genuine reconciliation and health equity for First Nations people within South West Queensland.

A cornerstone of the First Nations health equity agenda is the legislative requirement for Hospital and Health Services to co-develop and co-implement Health Equity Strategies. For the first time, firmly embedded in the legal framework guiding the public health system in Queensland, is a commitment to working in partnership with prescribed Aboriginal and Torres Strait Islander stakeholders to:

- achieve health equity and improve Aboriginal and Torres Strait Islander health outcomes
- eliminate institutional racism and racial discrimination from the public health sector, and
- strengthen decision-making and power sharing arrangements with Aboriginal and Torres Strait Islander peoples.

The legislative requirement to prepare a First Nations Health Equity Strategy is a welcome addition to South West HHS's range of strategic publications which include the *South West Hospital and Health Service Aboriginal and Torres Strait Islander Health Strategy 2018-2022*.

As of 30 June 2022, key achievements of the 2018-2022 strategy included:

- Increased First Nations workforce representation, from 3.4 per cent as of 30 June 2018 to 5.2 per cent Full Time Equivalent staff at 26 June 2022
- Increased First Nations Community Advisory Network (CAN) participation, with 60 per cent of South West HHS CANs currently having at least one Indigenous member, including one CAN with a Chair proudly identifying as a First Nations person
- Establishment of the South West HHS Aboriginal and Torres Strait Islander Leadership Advisory Council to provide leadership, engagement, governance and expert advice on service delivery
- Alongside our key partners, ongoing promotion and awareness raising / celebration of culturally significant events
- From a 30 June 2018 baseline, improvements in first trimester and antenatal visits during pregnancy, alongside decreases in recorded women smoking at any stage of pregnancy or after 20 weeks, numbers of lower birthweight or babies born under 37 weeks gestation and reduced incidents of discharge against medical advice. However, whilst these rates are significant improvements, overall rates remain higher than the comparable rate for non-Indigenous residents will remain areas of key focus.

During the first half of the 2022 calendar year, our Health Equity Team tirelessly engaged with Aboriginal and Torres Strait Islander people, staff, communities and our valued partners – in addition to a wide range of South West HHS colleagues and stakeholders – meeting online, speaking over the phone and travelling extensively across the South West to meet face-to-face with people and find out what true health equity means to them.

Through actions such as the development of the Health Equity Strategy, and building on our strong partnerships with our communities Aboriginal Medical Service colleagues and other key partners, together we will further create together co-designed, co-owned and co-implemented strategies to achieve more favourable health and wellbeing outcomes and ensure our services are culturally relevant to the needs and values of local Aboriginal and Torres Strait Islander peoples for generations to come.

The inaugural First Nations Health Equity Strategy, and a supporting action plan detailing a range of actions and reporting to be achieved across the three years of the document, will be published for further implementation during the 2022-2023 reporting period.

2 September 2022

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

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2021–2022 and financial statements for South West Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided at pages 78-79 of this Annual Report.

Yours sincerely

Karen Riethmuller Tully
Chair
South West Hospital and Health Board

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Statement on Queensland Government objectives for the community

The South West Hospital and Health Service (HHS) is committed to a healthier and more equitable future for South West Queenslanders.

Working closely with our partners for the benefit of the communities we are privileged to serve, key achievements detailed within this annual report demonstrate delivery of *South West HHS's Strategic Plan 2018-2022* and our wider contribution towards the service directions outlined in Queensland Health's *My health, Queensland's future: Advancing health 2026* and the Queensland Government's broader objectives for the community detailed within *Unite and Recover – Queensland's Economic Recovery Plan*, including:

- *Safeguarding our health*: by continuing to provide quality, evidence-based clinically safe and culturally appropriate services from maternal to aged care services within a rural and remote context.

  Alongside our partners we have also continued to maintain vigilance and preparedness in relation to the global COVID-19 pandemic, ensuring our communities and most vulnerable residents are supported to access community vaccination clinics across the South West.

- *Growing our regions*: by continuing to seek further proactive opportunities to invest and support our residents and staff to access innovative technologies and models of care that minimise unnecessary travel, provide greater convenience for patients and maximise scope of practice for our clinicians.

  As part of the Southern Queensland Rural Health collaborative, and working with other valued partners, we also continue to promote the benefits of rural placements, attracting increasing numbers of graduates and interns.

- *Backing our frontline services*: as one of the largest employers in the region, employing 864 full time equivalent (FTE) positions as of 26 June 2022, our staff are our greatest asset.

  Alongside our wider service partners, South West HHS is committed to ensuring patient-centred care not only enables our clinicians to maximise their scope of practice but are also provided with the support they need to attain a balanced approach that optimises the health and wellbeing of our staff and teams.

From the Chair and Chief Executive

It is with great delight that we present the Annual Report for the South West Hospital and Health Service (HHS) for the 2021-2022 Financial Year.

Despite the ongoing challenges associated with the provision of rural and remote health and wellbeing services, compounded by the global COVID-19 pandemic, and continuing environmental challenges including the implications of drought and flooding, our staff, valued partners and communities continued to experience the very best in compassionate, person-centred care.

COVID-19 prevention and response

Colleagues across all disciplines and locations, in their own various ways – including the continuation of vital business as usual services - have worked tirelessly throughout the ongoing global pandemic. One of our many strengths as an organisation is our ability to stand shoulder to shoulder in times of difficulty and respond in a proportionate manner whilst maintaining our renowned levels of compassion for our patients and one another. For this, we are truly grateful.

Through our Emergency Operations Centre and communications channels our staff, facilities, communities and stakeholders have been kept regularly informed on key developments and provided with up-to-date advice in accordance with our pandemic activation response levels.

A key highlight – and an achievement which has undoubtably saved lives and reduced the potential severity of this virus – has been the successful implementation of a community vaccination program which achieved some of the highest rates of uptake across Queensland.

In the sixteen months to 16 June 2022, over 61,000 vaccinations were provided by South West HHS and through our local partnerships with Charleville and Western Areas Aboriginal and Torres Strait Islander Community Health, the Cunnamulla Aboriginal Corporation for Health, Goondir Health Services and the Royal Flying Doctor Service, Commonwealth Aged Care Program, Western Queensland Primary Health Network and local general practices and community pharmacies.

This has been a truly wonderful effort, generating ever closer bonds between the HHS, local partners and communities from which we will all continue to benefit in the years to come.

Health Equity, Our Way – Together

Closing the gap in health outcomes requires ongoing collective effort across the entire health system, workforce, and primary health care sector.

With approximately 13 per cent of our residents identifying as First Nations people, South West HHS recognises that whilst advances have been made, further steps are still necessary to ensure true and genuine reconciliation and health equity for First Nations people.

Building on the foundations of the *South West HHS Aboriginal and Torres Strait Islander Health Strategy 2018-2022* and informed by extensive engagement and listening activities with First Nations people, staff and communities, the inaugural South West Health Equity Strategy will further improve the health, wellbeing and lived experiences of Aboriginal and Torres Strait Islander people for generations to come.

We recognise the considerable efforts in driving forward the development of the Health Equity Strategy, and offer genuine thanks in recognition of the strength and courage of

Aboriginal and Torres Strait Islander people, communities and staff who have shared their stories and lived experiences to inform this important document.

Further steps to be taken as of 30 June 2022 include the progression of a final draft for further consultation with prescribed stakeholders, followed by seeking the agreement of the Chief Aboriginal and Torres Strait Islander Health Officer, and Deputy Director-General, Queensland Health on final key performance measures. An implementation plan is also being prepared to drive the key actions and commitments from the resulting strategy.

Our partners

We continue to strengthen our approach in delivering care that makes a difference across primary, community, acute and aged care.

During the year, a new Primary Care Alliance was established to develop innovative and achievable actions to optimise future delivery of primary health care. The Alliance is a collaborative partnership with Western Queensland Primary Health Network, CheckUP, private general practitioners, and our Aboriginal Medical Services partners.

Darling Downs HHS and South West HHS have further strengthened our collaboration following the signing of a memorandum of understanding and have partnered in a number of initiatives to improve patient care across the South West.

We continue to lay foundations for future end-to-end medical training partnerships with the Darling Downs Hospital and Health Service, The University of Queensland and the University of Southern Queensland. By 2024, student placements will be provided in smaller rural hospitals, as well as Multipurpose Health Services across the South West.

A Memorandum of Understanding was also signed with Health and Wellbeing Queensland in August 2021 to further support place-based co-designed initiatives for local communities, such as the train-the-trainer *Jamie's Ministry of Food* healthy cooking program.

We thank all of our valued partners for their continuing support and commitment towards a brighter future. We will never lose sight of the many opportunities that our collective endeavours can achieve in terms of adding years to life, and life to years, and what this ultimately means for the communities we serve.

Community engagement

Our dedicated Community Advisory Network (CAN) members throughout South West Queensland continue to play an important part in ensuring the services we provide meet the needs and health aspirations of local communities.

We thank all members of our CANs for their continued advocacy on behalf of their communities. Your carefully considered input and contributions are vital and inspire us to continue to strive in providing services closer to home within the face of unique challenges of rural and remote living.

We would also like to express our gratitude to the people of South West Queensland for their understanding and patience when arrangements were implemented to prevent or minimise the spread of COVID-19 which may have impacted on healthcare service delivery.

Our performance

Once again, South West HHS teams have continued to exceed statewide expectations in terms of high quality, timely, accessible and safe services.

During the reporting period to 30 June 2022, our facilities received an increase in emergency department presentations and ambulance arrivals which included higher numbers of the more urgent Category 1 and 2 patients. Despite increased demand, Patient Off Stretcher Time and clinically recommended seen in time remained above target with 92 per cent seen and discharged or admitted within four hours or arrival, against a target of over 80 per cent.

Notwithstanding statewide Public Health Directions, resulting in necessary pauses to elective surgeries, and the wider impact of other travel restrictions throughout the year, gastrointestinal endoscopy and elective surgery performance levels have also remained amongst the highest in the state.

South West HHS also exceeded its Telehealth outpatient occasions of service target one month ahead of trajectory, ultimately exceeding its goal of providing at least 4,000 occasions of service by a further 732 service events.

In addition to providing safe and effective care, for the ninth of ten financial years since establishment, South West HHS also achieved an operating surplus for the reporting period to be prudently reinvested by the Board in support of further improvement to health outcomes.

Our people

For the key achievements included within this annual report, we extend our deepest thanks and appreciation to everyone who proudly works for the South West HHS. Whether on the front line or back office, our clinical, operational, professional, technical, trade and artisanal and administrative teams have continued to demonstrate exemplary dedication, resilience and service throughout such challenging times.

We also thank those staff who have opted throughout the year to take well-earned retirement after many years of service or have moved to other positions outside of the South West. A heartfelt welcome is also extended to all new colleagues who have joined us throughout the year, including our intake of medical interns and record breaking numbers of nursing and midwifery graduates.

During the reporting period, the Board underwent a process of scheduled renewal during which Jan Chambers and Ray Chandler were reappointed for a further term of office. We also thank Dr Marco Giuseppin for his service and contribution during Dr Mark Waters' leave.

In March 2022, we welcomed Randall Taylor, a proud descendant of the Yuwaalaraay / Euahlayi people, to our Executive Leadership Team as Director Aboriginal and Torres Strait Islander Health and Engagement. We also thank Rodney Landers Senior, who served as Acting Director for a twelve month period before returning to his substantive role as Cultural Capability and Engagement Officer.

Our facilities

A range of capital works were progressed during the reporting period including electrical systems upgrades, water quality management improvements and installation of solar panels.

We were delighted to receive confirmation that South West Queensland communities can expect more contemporary and sustainable infrastructure and services following announcement of the Queensland government's *Building Rural and Remote Health Program* which will undertake infrastructure replacements to a number of rural and remote health facilities utilising standard modular designs at Morven Primary Health Care Centre, the Charleville Healthwise Building and St. George Hospital's Community and Allied Health Building.

It was also with great enthusiasm that the Board approved co-contribution funding towards a grant allocated from the Australian Government to deliver improvements to our Multipurpose Health Services at Cunnamulla, Injune, Surat and Augathella. Informed by CAN and staff input, these future works will contribute to a safer and more comfortable environment for our residents.

Closely following upon its first full year of operational service in October 2021, we received the welcome news that the Roma Hospital Redevelopment Project received Highly Commended recognition within the Infrastructure and Manufacturing category of the 2021 *Premier's Awards for Excellence*.

We also formally opened our new $5.95 million, 20-bed, Gundhi Roma Hospital Student Accommodation Precinct in March 2022, providing contemporary community living for trainee healthcare professionals – many of whom may be living away from home for the first time.

Forward look

The coming years will be an important time as we build on current relationships, forge new strengths and capitalise on further opportunities that move us forward towards further improvements for the health, wellbeing and equity of our communities.

Building on the wide ranging listening exercises to inform the inaugural South West HHS First Nations Health Equity Strategy, the second half of the reporting period also saw completion of an extensive range of collegiate engagement activities and consultations resulting in the completion of a new four-year Strategic Plan and supporting Consumer and Community Engagement and Clinician and Employee Engagement Strategies for the period 2022 to 2026.

Combined with a new Service Agreement with the Department of Health for the period 2022-2023 to 2024-2025, South West HHS is well positioned to continue to provide safe, effective, responsible and sustainable rural and remote health services that people trust and value.

Alongside our partners, we therefore look forward to delivering further service excellence as we continue our journey to be a trusted and valued leader in the delivery of health services to rural and remote communities which we are all privileged to serve.

Karen Riethmuller Tully
Chair
South West Hospital and Health Board

Dr Anthony Brown
Health Service Chief Executive
South West Hospital and Health Service

Our values in action

South West HHS Staff Award 2021 and monthly #SWSpirit recipients

Whilst all our employees and teams are true health heroes each and every day, our annual staff awards and monthly #SWSpirit reinforces our commitment to our five organisational values and to celebrate our quiet achievers who deliver excellence either individually, in teams, or through partnerships across the South West.

Staff Award 2021 recipients:

- *Quality - We strive for excellence and do our best to deliver person-centred care*
  Ninette Johnstone and Jezamay Landers, COVID-19 Response Team, Roma.

- *Compassion - We treat people with the same kindness, respect and dignity as we would our own family*
  Alexandra Gregson, Clinical Nurse Cancer and Palliative Care, Charleville Hospital.

- *Engagement – We work effectively and inclusively with others*
  HOPE Team for Cunnamulla / Charleville: Miriam Airey, Sue Eustace-Earle and Jenny Peacock.

- *Accountability - We are reliable and own what we do and do what we say we will do*
  Dr Adam Coltzau, Director, Medical Services, St George Hospital.

- *Adaptability - We learn, change and grow*
  Leanne Raatz, Nursing Director, Education, Roma.

- *Jim and Jill Baker Award for Supporting a Culture of Excellence*
  Robyn Brumpton, COVID-19 Vaccination Lead, St George.

- *Community Volunteer Award*
  Karen Sullivan, Dirranbandi community member.

- *South West HHS Clinical Excellence Award*
  Beth King, Physiotherapist / Acting Service Director St George Community & Allied Health, St George.

- *South West HHS Deadly Achiever Award*
  First Nations COVID-19 Project Team: Amy McNamara, Donna Waters, Rodney Landers Jnr, Karen Burnie.

- *Board Chair Award*
  Deborah Czislowski, Casual Operational Officer, Thargomindah Community Clinic.

#SWSpirit recipients 2021-2022:

Month	Name	Position	Location
July 2021	Cheryl Flynn	Administration Officer	Augathella
August 2021	Sandra Alderman	Home Care Services Team	St George
September 2021	Nominations submitted to South West HHS Staff Awards		
October 2021			
November 2021	Dr Talia Trigger	Senior Medical Officer	Surat
December 2021	Emma Humphreys	A/Manager Health and Clinical Information, Medical Service and Clinical Governance	Roma
January 2022	Bridget Dickinson	Cardiac Nurse	Charleville
February 2022	Leonie Whitfield	Coordinator, Medical Workforce	Roma
March 2022	Community Home Support Program Team		St George
April 2022	Daphne Gall	Enrolled Nurse Advance Practice	Cunnamulla
May 2022	Aya Araujo	Senior Risk and Assurance Manager	Brisbane
June 2022	Fiona Forbes	Director of Nursing	Augathella

About us

Established on 1 July 2012, the South West Hospital and Health Service (South West HHS) is an independent statutory body overseen by a local Hospital and Health Board pursuant to the *Hospital and Health Boards Act 2011* (Qld).

Queensland's second largest Hospital and Health Service by catchment area, at 319,000 square kilometres – or 17 per cent of the state - South West HHS delivers person centred care to over 26,000 people across the six Local Government Areas of the Balonne, Bulloo, Murweh, Paroo and Quilpie Shire Councils, and the Maranoa Regional Council.

Quality public health services – including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support services – are delivered from our three hospitals at Charleville, Roma and St George.

Care is also provided across eight multipurpose health services, at Augathella, Cunnamulla, Dirranbandi, Injune, Mitchell, Mungindi, Quilpie and Surat, and four community clinics at Bollon, Morven, Thargomindah and Wallumbilla. Nine general practices across the region and two residential aged care facilities - at Westhaven, in Roma, and Waroona in Charleville – are also managed by South West HHS.

We strive to be a national leader in the delivery of health services to rural and remote communities, and work closely with a range of valued partners including:

- Local Aboriginal Medical Services and providers – Charleville and Western Areas Aboriginal and Torres Strait Islander Community Health (CWAATSICH), Cunnamulla Aboriginal Corporation for Health (CACH), Goondir Health Services and the Surat Aboriginal Corporation
- The Royal Flying Doctor Service (RFDS)
- Western Queensland Primary Health Network (WQPHN)
- Southern Queensland Rural Health, of which South West HHS is a founding partner
- Our 15 Community Advisory Networks (CAN) and a service-wide Mental Health CAN
- The Darling Downs Public Health Unit
- Local government, education providers and Queensland Emergency Service colleagues (Ambulance, Police and Fire, in addition to State Emergency Service teams)
- State and Commonwealth departments of health and associated programs and key initiatives, including Tackling Regional Adversity through Connected Communities (TRACC)
- Other statewide entities, including Health and Wellbeing Queensland, Health Consumers Queensland and the Queensland Mental Health Commission.

Strategic direction

Our ultimate purpose is to provide safe, effective and sustainable rural and remote health services that people trust and value.

The *South West HHS Strategic Plan 2018-2022*, combined with a range of supporting enabling strategies and other key initiatives, ensures South West HHS and our partners all work towards common goals with agreed outcomes that ensure our organisational efforts and resources remain focused upon appropriate service directions as part of the wider Queensland Health system.

Vision, purpose, values

The following vision and organisational values unite us in our shared core beliefs, and commitment to, the bush and the local communities we serve and have become embedded

into our everyday behaviour, decision making processes and interactions with peers and colleagues as well as the wider community:

- Our vision: To be a national leader in the delivery of health services to rural and remote communities.
- Our purpose: To provide safe, effective and sustainable rural and remote health services that people trust and value.
- Our values: Quality, Compassion, Accountability, Engagement, Adaptability.

Our priorities

In line with the strategic initiatives articulated in the *South West HHS Strategic Plan 2018-2022* our priority deliverables for the reporting period were shaped around key strategic priorities of:

- *Our communities* – always put people first, avoid preventable harm and strengthening local collaborative partnerships to proactively close the gap on health inequities.
- *Our teams* – design, attract and retain the future workforce, build strong inclusive teamwork and leadership in line with our values and embrace safe and healthy workplaces.
- *Our resources* – be sustainable and fiscally responsible, develop fit-for-purpose infrastructure and adopt digital transformation and connectivity.
- *Our services* – pursue and strengthen local collaborative partnerships, deliver the right service, in the right place, at the right time, excellence in future planning and good governance.

In accordance with *the Financial and Performance Management Standard 2019* our strategic plan is reviewed annually. A scheduled substantive refresh, informed by associated community, staff and stakeholder engagement activities, was undertaken in early 2022 to inform a new four year strategic plan for implementation effective 1 July 2022.

Consistent with Queensland Health's *Transform, Optimise and Grow* model – focusing on further transformation towards sustainable service delivery, and building on prior extensive community and stakeholder engagement – the *South West HHS Health Service Plan 2021-2031* was also completed during the reporting period to provide a ten-year strategic perspective on anticipated health service demand, delivery and models of care to ensure services continue to meet the needs of South West communities into the future.

During the first half of 2022, extensive engagement and consultation activities with First Nations consumers, staff, community members and partnerships were also undertaken across the South West to support a renewed and shared agenda to improve Aboriginal and Torres Strait Islander peoples' health outcomes, lived experiences, and access to care across the system. South West HHS's inaugural First Nations Health Equity Strategy is anticipated to be published in accordance with statewide requirements by 30 September 2022.

In addition, development of our new four-year Consumer and Community Engagement and Clinician and Employee Engagement strategies were also completed, with both documents published for implementation effective 1 July 2022.

Data analysis and stakeholder engagement in support of South West HHS's first Local Area Needs Assessment (LANA) was also initiated during the reporting period. Upon completion before the end of 2022, the LANA will further support service planning considerations to meet identified health need priorities.

Aboriginal and Torres Strait Islander Health

With approximately 13 percent of residents identifying as First Nations people, South West HHS recognises that whilst advances have been made, further steps are still necessary to ensure genuine reconciliation and health equity for First Nations people within the South West, across Queensland and the nation.

Progress continues to be reported and monitored by the South West HHS Aboriginal and Torres Strait Islander Leadership Advisory Council, Executive Leadership Team and Board as well being assessed via quarterly performance meetings with the Department of Health.

Key achievements towards improving health and wellbeing during the reporting period include:

- In partnership with Aboriginal Medical Services and other partner providers, achieving 100 per cent double-dose community COVID-19 vaccination uptake by eligible First Nations people.
- Continuing increases in First Nations workforce representation, from a baseline of 3.4 per cent as of 30 June 2018 to 5.2 per cent at 26 June 2022.
- Continuation of the South West HHS Aboriginal and Torres Strait Islander Leadership Advisory Council, including one member also representing South West HHS as one of three delegates to Queensland Health's statewide Clinical Senate.
- From 2021 onwards, a dedicated *Deadly Achiever Award* – awarded by the Advisory Council at the annual South West HHS staff awards ceremony to celebrate a staff member or team that has made the biggest difference to Closing the Gap and supporting reconciliation over the past 12 months.
- Ongoing promotion and awareness raising / celebration of culturally significant events, including the introduction of *Closing the Gap* polo shirts, developed in partnership with staff to further promote community reconciliation and closing the gap commitments and proudly worn by our staff and teams every Wednesday.

Our community-based and hospital based services

During the reporting period, South West HHS has continued to focus on health prevention and promotion whilst maintaining vigilance against risks in relation to patient safety or quality.

Improving equitable health and wellbeing outcomes and literacy to all South West Queenslanders remains a core focus for South West HHS. Since the onset of the global COVID-19 pandemic, our staff, patients, their families and carers have continued to adapt to new models of care and service delivery – including the further optimisation of telehealth and connected care services – to ensure agile health service continuity.

In addition to maintaining business as usual services, where statewide COVID-19 service directions and local operational priorities allowed, key service highlights throughout the reporting period include:

- Through continued close partnership with our Aboriginal Medical Service partners, local general practices and Western Queensland Primary Health Network, community pharmacies, the Royal Flying Doctor Service and Commonwealth Aged Care Program, South West community vaccination rates were consistently reported as being amongst the highest in the state, including 100 percent of eligible First Nations people receiving their initial double doses.

- Ongoing evolution of our COVID-19 Hospital in the Home (HiTH) program, enabling appropriately risk assessed COVID-19 positive patients to be closely monitored from the comfort of their homes rather than being admitted to hospitals.
- Ongoing initiatives through the South West HHS *Healthy Communities* program to support smoking cessation, community health, wellbeing and resilience, including:
    - the introduction of train-the-trainer and virtual *Jamie's Ministry of Food* and Pick of the Crop schools based healthy eating initiatives in partnership with Health and Wellbeing Queensland;
    - a series of *Birdie Calls* community and school based health and wellbeing activities
    - the annual and keenly contested 'Steptember' 10,000 steps challenge which was extended to the wider community and local schools with 446 participants across 42 teams recording over 113 million steps
    - in partnership with Life Flight, Headspace, Fire and Rescue, Police and Ambulance successful delivery of *Think the Drink* workshops for senior students in Roma, St George and Cunnamulla.
- Continuation of staff domestic and family violence (DFV) awareness and communication training, including development of a First Nations specific DFV training module in partnership with Far West Indigenous Family Violence Services
- Opening of a new Charleville Community Pathway that promotes mental health and wellbeing and local Indigenous culture, developed in partnership by South West HHS's HOPE program and CWAATSICH.
- Approximately 50 Community Advisory Network members participated in our annual South West HHS CAN Forum, held in St George.
- Continuing observance of culturally significant days and events including National Reconciliation Week, National Close the Gap Day, National Apology Day and NAIDOC Week and other health promotion and recognition events such as *RUOK?* Day, White Ribbon Day, World Patient Safety Day ANZAC Day, Australia Day, International Women's Day and International Day of Rural Women, *Hello My Name Is…* Day, Patient Experience Week, International Day of the Midwife, Administration Professionals Day, International Nurses Day, Operational Services Week, Nurse Practitioners Week and National Palliative Care Week.

Car parking
South West HHS continues to provide free car parking for the convenience of patients, their families and visitors and our staff. Consequently, there was no requirement to issue car parking concessions during the reporting period.

Working in partnership to support our vulnerable communities

COVID-19 community vaccination clinics

South West HHS continued its front line response against COVID-19 during the reporting period including provision of vaccination programs to better protect our communities, staff and vulnerable people.

Covering approximately 17 per cent of the whole of Queensland, logistical challenges associated with the rollout of the COVID-19 community vaccination program were significantly amplified, but nevertheless overcome, by our dedicated team of vaccinators and supporting colleagues providing regular outreach clinics in all towns across South West Queensland, including New South Wales residents within Mungindi – the only town in the Southern Hemisphere with the same name in two states.

At all times, our core ethos of compassionate and person centred care shone through our interactions with communities. Throughout the reporting period, South West communities were consistently amongst the highest vaccinated in Queensland, achieving the 90per cent benchmark ahead of the rest of the State and with 100 per cent of eligible First Nations residents receiving their initial two doses of vaccination.

All of this been achieved in partnership with CACH, CWAATSICH, Goondir Health Services, RFDS, local GPs and community pharmacies and the support of our valued education and Local Government partners.

In total, more than 61,000 vaccinations were provided across the South West over a 16 month period to 16 June 2022 at which point South West HHS vaccination services transitioned from a rolling schedule of clinics to a primary care led model across its nine general practices.

Our strong bonds of partnership and engagement have been further strengthened and we look forward to even wider positive outcomes for the health and wellbeing of the people we are all privileged to serve. We also thank all members of the South West community for their willingness to engage and for maintaining the very best of personal hygiene and social distancing measures.

With some of the most vulnerable residents within Queensland - including several communities with double digit percentage populations of First Nations people - it was also vital to ensure that all members of our communities were supported in their vaccination decisions in a culturally appropriate manner regarding importance of staying safe.

Supported by Queensland Health funding, a South West HHS First Nations COVID-19 Response Team - comprising four Identified positions - was established during 2021 to help raise initial awareness of COVID, communicate key messages and make people aware of best practice hand washing, the importance of social distancing and other hygiene measures which was particularly vital in communities with limited access to phone and internet services.

When attending scheduled community events – and also taking time to yarn with locals at their favoured meeting places - resource packs including a fridge magnet with important contact numbers, template Family and Bubs Care Plans, hand sanitiser and other items provided in an environmentally friendly bag were widely distributed to locals and through our partners.

These initial first steps also provided opportunities to initiate wider discussions with communities about local health needs and what was important to them and were important steps in ensuring any concerns were discussed and ensuing people were reassured about the importance of accessing vaccinations once they became available.

The initial work of the team was central to achieving this significant milestone and serves as a model for further health promotion activities. The team were justifiably celebrated with the monthly *#swSpirit* staff recognition award in February 2021 and deservedly received our inaugural *Deadly Achievers* award at the 2021 South West HHS Staff Awards, presented by the South West HHS Aboriginal and Torres Strait Islander Leadership Advisory Council.

Targets and challenges

Despite the challenges encountered by all health and wellbeing providers throughout the year including other disruptive factors such as the continuing cycles of drought, flooding and the onset of seasonal winter pressures across our dispersed communities, the dedication and commitment of our staff and teams has continued to ensure that major services and key safety and quality performance indicators were achieved.

Strategic risks and opportunities continue to be closely monitored by the South West Hospital and Health Board with the updated Strategic Plan for 2022-2026 continuing to focus on the following key drivers to be addressed through a continuous improvement approach and proactive engagement with our communities, key partners and stakeholders:

- Thinking laterally to implement innovative workforce models that maximise available scope of practice for clinicians and deliver safe, equitable and high-value care in our rural and remote communities
- Focusing on the equitable health needs of our communities by fostering integrated care models in partnership with other service providers that respect, protect and promote human rights and culturally safe care
- Embedding the *Fifth National Mental Health and Suicide Prevention Plan* to ensure the delivery of more equitable services to our communities
- Further embracing technology and innovations that enable flexibility and choice in services, to be delivered closer to where people live
- Partnering with key stakeholders to promote access to services our communities need
- Ensuring internal clinical governance systems are best practice
- Investing in our people and communities to develop and leverage talent and resources
- Being strongly engaged and contributing to the wider health system to further strengthen health innovation, improvement and outcomes across South West communities.

Governance

Our people

Board membership

South West Hospital and Health Board	
Act or instrument	*Hospital and Health Boards Act 2011*
Functions	The South West Hospital and Health Board (the Board) is the independent and locally controlled governing body of the South West HHS. Appointed by the Governor in Council upon the recommendation of the Minister for Health and Ambulance Services, the Board collectively possesses a range of skills and expertise, including a clinician and a member identifying as a First Nations person, to perform its functions and exercise its powers Reporting through the Chair to the Minister for Health and Ambulance Services, the Board is responsible for setting the strategic direction and providing oversight of the South West HHS - ensuring quality healthcare services are provided, compliance and performance is routinely monitored, financial performance is achieved, effective systems are maintained and community engagement through meaningful consultation and collaboration is strengthened in line with the Queensland Government's Objectives for the Community, wider statewide health policies and applicable directives and national standards. The Board is also responsible appointing the Health Service Chief Executive (HSCE) and has delegated to the HSCE – including any person serving in that position on an acting basis – applicable powers and functions which it may lawfully delegate, save those reserved to the Board.
Achievements	The South West HHS's key achievements during the reporting period are detailed within this annual report.
Financial reporting	Transactions of the South West HHS are accounted for in the financial statements.
Remuneration	The Governor in Council approves remuneration arrangements for the Board Chair and Members, with annual fees paid by the South West HHS consistent with the *Remuneration procedures for part-time chairs and members of Queensland Government bodies*, maintained by the Department of the Premier and Cabinet, namely $68,243 for the Chair and $35,055 for Members. In accordance with this government procedure, annual fees are also paid per statutory committee membership ($2,000) or committee chair role ($2,500). Board membership, and participation in Committee and Board meetings, are detailed between pages 20 to 22 of this annual report with total remuneration details for each member provided at page 54.
No. scheduled meetings/sessions	As detailed in Table 1.
Total out of pocket expenses	Several Board members were also reimbursed for out-of-pocket expenses during 2021-2022. The total value reimbursed was $5,728.

As at 30 June 2022 the Board comprised the following eight members:

Name	Originally appointed	Current term of office
• Ms Karen Tully (Chair)	18 May 2017	10 June 2021 to 31 March 2024
• Ms Claire Alexander	26 June 2015	18 May 2021 to 31 March 2024
• Mr Ray Chandler	18 May 2017	1 April 2022 to 31 March 2026
• Ms Jan Chambers	18 May 2019	1 April 2022 to 31 March 2026
• Ms Kerry Crumblin	18 May 2020	18 May 2020 to 31 March 2024
• Dr Mark Waters	18 May 2020	18 May 2020 to 31 March 2024
• Mr Chris Hamilton	10 June 2021	10 June 2021 to 31 March 2024
• Mr Bruce Scott OAM	10 June 2021	10 June 2021 to 31 March 2024

During the reporting period:

- Jan Chambers and Ray Chandler were reappointed to the Board for a further four years effective 1 April 2022
- An unpaid leave of absence for Dr Mark Waters, between 7 June and 8 October 2021, was taken
- Dr Marco Giuseppin was appointed to the Board for a six-month period from 31 August 2021 to 28 February 2022.

Detailed biographies of Board members can be found at:
www.southwest.health.qld.gov.au/about-us/our-board/

Board Committees

In accordance with the *Hospital and Health Boards Act 2011* and Regulation, a number of committees are prescribed and established in support of the Board's discharge of its governance responsibilities in a transparent and effective manner.

Each committee comprises individual Board members and, where applicable, non-voting South West HHS management and other external participants, to advise and make recommendations to the Board about matters within the scope of the Board's functions as detailed within respective terms of reference.

The following Board committees were operational as at 30 June 2022:

- **Executive Committee** (Chair: Karen Tully)
    - *Purpose:* to support the Board with its governance responsibilities and make recommendations to the Board in relation to strategic planning and the development and review of policies and strategies including engagement, human resources and ICT strategies.
    - *Functions:* working with the HSCE, the Executive Committee supports strategic planning processes and operational planning and reporting. The Committee also serves to progress strategic issues identified by the Board and further support the Board in developing its approach to good governance and other related matters.
    - *Summary:* throughout the year, the Executive Committee reviewed progress against the *South West HHS Operational Plan 2021-2022* and other supporting strategies. The Executive Committee also oversaw the completion of the *South West HHS Health Service Plan 2021-2031*, the development of a new *South West HHS Strategic Plan 2022-2026* and supporting Consumer and Community Engagement and Clinician and Employee Engagement Strategies for the period 2022-2026. The Executive Committee also contributed towards the development of the *South West HHS First Nations Health Equity Strategy 2022-2025*.

- **Audit and Risk Committee** (Chair: Claire Alexander)
  - *Purpose:* to assist the Board in fulfilling its oversight responsibilities by providing independent assurance to the Board on audit and risk matters.
  - *Functions:* in accordance with the *Hospital and Health Boards Regulation 2012*, the Committee is responsible for: assessing the integrity of South West HHS's financial statements; monitoring compliance with legal and regulatory requirements; performance of the internal audit function; monitoring compliance with internal control structures and risk management systems; and external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, the *Auditor-General Act 2009*, the *Financial Accountability Regulation 2009* and *Financial and Performance Management Standard 2019*.
  - *Summary:* during the reporting period, the Audit and Risk Committee operated within its terms of reference with due regard to Queensland Treasury's Audit Committee Guidelines, monitoring audit and compliance obligations and strategic risks.

- **Finance Committee** (Chair: Ray Chandler)
  - *Purpose:* to advise the Board on matters pertaining to South West HHS's financial performance.
  - *Functions:* the Finance Committee may advise and make recommendations to the Board in relation to strategic financial direction, financial sustainability, frameworks and compliance improvements, and the assessment of financial risk.
  - *Summary:* during the reporting period, the Finance Committee reviewed a range of standing reports in relation to Capital Infrastructure and the progression of the existing Service Agreement with the Department of Health to 30 June 2022 and development of the subsequent Service Agreement for the period 2022-2023 to 2024-2025. The Committee also endorsed the Annual Budget, Capital Budget and Budget Principles, as well as Financial Delegations. Quarterly reporting in relation to financial risk and financial management were also considered in addition to other reports relevant to the Committee's functions.

- **Safety and Quality Committee** (Chair: Dr Mark Waters)
  - *Purpose:* to advise the Board on matters pertaining to the appropriateness, quality, effectiveness and safety of health services, ensuring the highest quality standards of care in safe environments.
  - *Functions:* in accordance with the *Hospital and Health Boards Regulation 2012*, the Committee is responsible for advising the Board on matters relating to the safety and quality of health services. This includes monitoring governance arrangements and appropriate indicators that promote improvements in the quality and safety of services and collaborating with other safety and quality committees, the department and other statewide quality assurance committees to further improve the safety and quality of services.
  - *Summary:* during the reporting period, the Safety and Quality Committee continued to review consumer feedback and a range of safety and quality performance and systems reports. Annual governance reports were tabled to provide assurance that the expected standards of the eight National Safety and Quality Health Service Standards were met i.e. clinical governance, partnering with consumers; preventing and controlling healthcare-associated infections; medication safety; comprehensive care; communicating for safety; blood management; and recognising and responding to acute deterioration. Clinical risks and other reporting, in accordance with an annual schedule of safety and quality reporting, were also considered in addition to other matters relevant to the Committee's functions.

Board attendance

The Board routinely meets monthly, except for December and, wherever possible, rotates its meetings around South West communities. Virtual meetings were held where necessary public health directions or other local considerations impacted on the ability of Board members to travel.

A summary of each Board meeting is also made available for the information of staff, community and wider stakeholders.

Meeting attendance during the reporting period is summarised as follows:

Table 1: Board and Prescribed Committee meeting participation, 2021-2022

	Karen Tully	Claire Alexander	Ray Chandler	Jan Chambers	Kerry Crumblin	Mark Waters*	Chris Hamilton	Bruce Scott	Marco Giuseppin^
Board	11/11	11/11	11/11	10/11	11/11	6/11	11/11	11/11	7/7
Executive Committee	4/4	4/4	4/4	4/4	-	1/4	-	-	-
Audit and Risk Committee	5/5	5/5	5/5	-	5/5	-	-	5/5	-
Finance Committee	4/4	-	4/4	4/4	-	-	-	4/4	-
Safety and Quality Committee	4/4	4/4	-	3/4	4/4	2/4	4/4	-	2/2

*Dr Mark Waters on approved unpaid absence from Board 7 June to 8 October 2021
^Dr Marco Giuseppin appointed 31 August 2021 to 28 February 2022

Executive management

Overseen by the HSCE, the South West HHS Executive Leadership Team is responsible for the day to day management and delivery of hospital and health services across the South West.

As at 30 June 2022, the South West HHS Executive Leadership Team comprised:

Health Service Chief Executive
- Dr Anthony Brown

Executive Director Finance, Infrastructure and Corporate Services
- Ms Samantha Edmonds

Executive Director Medical Services and Clinical Governance
- Dr Debra Tennett

Executive Director Nursing and Midwifery Services
- Mr Chris Small

Director Workforce
- Mr Chris Neilsen (Acting)

Executive Director Primary and Community Care
- Ms Louisa Dufty (Acting)

Executive Director Allied Health
- Ms Helen Wassman

Director of Aboriginal and Torres Strait Islander Health and Engagement
- Mr Randall Taylor

Chief Information Officer

- Ms Helen Murray

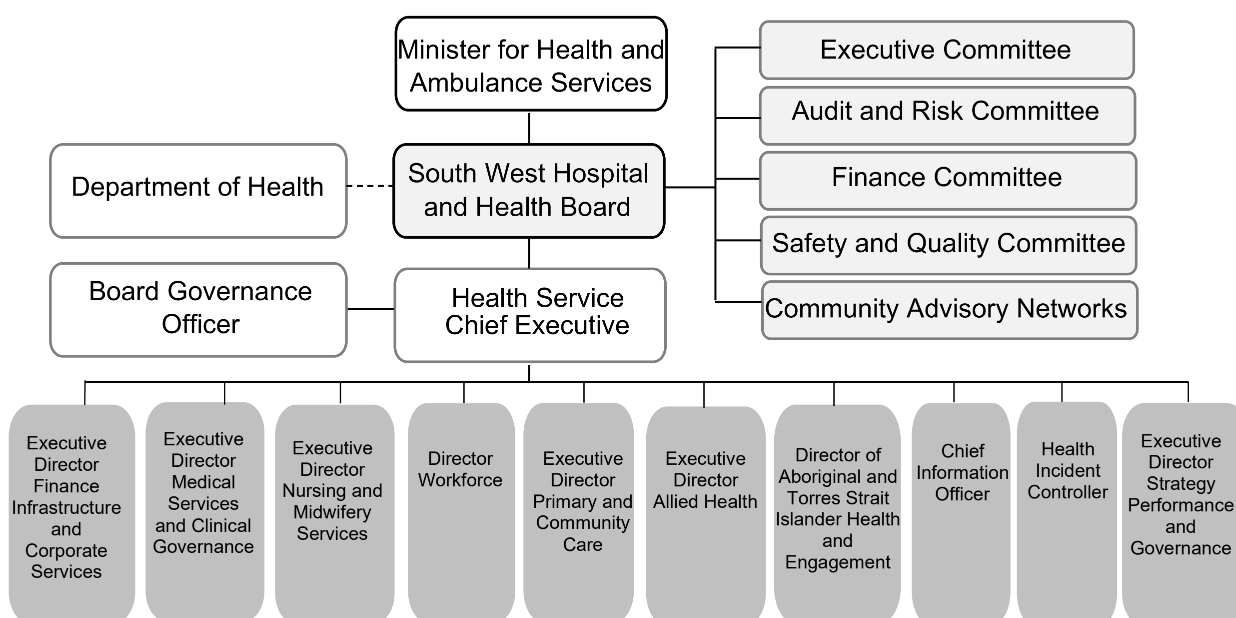
Health Incident Controller (COVID-19)

- Ms Rebecca Greenway

Detailed biographies of the Executive Leadership Team can be found at:
www.southwest.health.qld.gov.au/about-us/our-executive-leadership-team/

Organisational structure and workforce profile

As at 30 June 2022, the high level organisational structure of the South West HHS was as follows:



During the reporting period, the Organisational Development portfolio was renamed Workforce and, effective 27 September 2021, the position of Health Incident Controller – supported by a dedicated Emergency Operations Centre team – was established to oversee the day-to-day management of the South West HHS's COVID-19 response.

The position of the Executive Director Strategy, Performance and Governance was vacant as at 30 June 2022, with key functions overseen by the HSCE.

Queensland Public Service ethics and values

South West HHS continues to uphold the principles of the *Public Sector Ethics Act 1994* – namely: integrity and impartiality; promoting the public good; commitment to the system of government and accountability and transparency – in all that we do.

As part of their orientation and onboarding, new staff are required to undertake training in the Code of Conduct for the Queensland Public Service, with all staff also required to re-familiarise themselves with the Code of Conduct on an annual basis.

Through our strategic plan Vision, Purpose and Values, South West HHS fully embraces Queensland's public service values and the ambition to be a high performing, impartial and productive workforce that puts its people first and makes decisions based on values, by encouraging our leaders to demonstrate these values as role models for employees by prioritising quality, inclusion, diversity, creativity, and collaboration every day.

Strategic workforce planning and performance

South West HHS remains focused and committed to attracting, recruiting and retaining outstanding individuals who are passionate about promoting equitable health and wellbeing, and service excellence.

It is also critical that South West HHS remains agile and responsive to change and emerging opportunities, including our corporate responsibilities at a system-wide level, to ensure wider service delivery expectations. In the pursuit of more effective models of care, we are continuing to strengthen partnerships with universities and vocational and educational training providers, to support a sustainable supply of quality graduates to meet the contemporary workforce demands of the South West.

Our full-time equivalent staff (FTE) clinical workforce continues to progressively increase, as follows:

*Table 2: More doctors and nurses**

	2017-18	2018-19	2019-20	2020-21	2021-22
Medical staff [a]	26	28	27	26	31
Nursing staff [a]	362	338	372	368	393
Allied Health staff [a]	74	64	62	88	87

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

Alongside partners including Southern Queensland Rural Health and wider tertiary education providers and sectors, further ‘grow your own’ and support strategies, during the reporting period included:

- 50 nursing and midwifery graduates and enrolled nurses joined the South West HHS during the reporting period, with nine graduates commencing during August 2021, seven in December 2021 and a further 26 in February 2022.
- Five, year four Griffith University medical students were welcomed, to experience the life of a rural generalist over a ten-month rotation.
- Our staff also took full advantage of a range of statewide leadership and management programs provided by the Clinical Excellence Division, Queensland Health.

As health outcomes of a community are inextricably linked to the expertise and support of the broader health workforce, we also recognise that key to our success in providing person centred care is employment of a workforce reflective of the people we serve. South West HHS therefore recognises and celebrates the cultural and wider diversity of our workforce which includes people from across the world, as well as proud members of the Traditional Custodians of the lands upon which our facilities are located.

Through positions within our hospital teams, offices, Executive Leadership Team and Board South West HHS is currently, in percentage terms, one of the largest employers of First Nations people across Queensland’s Hospital and Health Services.

As at 26 June 2022, 46 FTE staff identified as being First Nations people, which exceeded the *Queensland Health Workforce Diversity and Inclusion Strategy 2017–2022* benchmark target of achieving at least 3.79 per cent by 30 June 2022:

*Table 3: Greater diversity in our workforce**

	2017-18	2018-19	2019-20	2020-21	2021-22
Persons identifying as being First Nations [b]	28	34	36	40	46

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

We know there is also more we can do to encourage greater numbers of First Nations people to pursue a rewarding and fulfilling career with South West HHS. Having achieved an internal ambition by 30 June 2022 of increasing positions filled by at least 10 additional First Nations people, compared to a 30 June 2018 FTE baseline of 33 staff, the South West HHS First Nations Health Equity Strategy will set further internal aspirations to uplift staff representation to better reflect the wider population.

Industrial and employee relations framework

The South West HHS Consultative Forum, comprising representatives of the South West HHS and staff union delegates, continues to meet on a regular basis. Our union engagement remains positive and collaborative, ensuring we are consistently aligned with applicable Industrial Frameworks through local and department level initiatives.

Employee engagement

Internal planning and other reporting processes also continue to incorporate employee engagement and other relevant staff inputs to keep the staff of the health service connected to one another and the strategic strategies of the organisation.

Through scheduled opportunities such as service-wide daily safety briefing and leader rounding conversations, monthly Virtual Town Hall meetings and the opportunity to submit comments or observations at any time via an *Ask Executive* email account and other routine staff touchpoints include regular #HSCE Connect and Board Chair emails, a weekly *eNews* bulletin and a monthly *Pulse* magazine which is also distributed to the wider community and our partners. Regular staff and partner emails have also continued to be issued regarding COVID-19 operational measures throughout the reporting period.

The South West HHS Clinical Council remains an important forum to support the delivery of high quality safe and sustainable person-centred care. During the reporting period, the Council has continued implementation of its *Getting Rid of Stupid Stuff* initiative to maximise energies for what’s really important – better time spent with our patients and colleagues.

As part of the annual staff awards held in October 2021, a new *Clinical Excellence Award* was also introduced and awarded by the Clinical Council in recognition of a staff member or team providing the very best of service and excellence for the communities we are all privileged to serve.

Employee health and wellbeing

Regardless of their role, everyone working for the South West HHS has an important part to play in continuing to keep our communities and each other safe. One of the many strengths of our organisation is our ability to stand shoulder to shoulder in times of difficulty, including as the ongoing challenges of the COVID-19 pandemic response continues to test our teams.

Wherever possible, emphasis is placed on ensuring staff openly share and discuss their needs to contribute towards a working environment that our teams fully deserve – one that is engaging, uplifting, reflects our values in action and, in line with our internal *Village Connect* principles, holds us all accountable and responsible for continued nurturing and growth.

During the reporting period, a series of listening exercises were initiated with staff across all locations to further develop a workable action plan that fully reflects the annual public service

Working for Queensland Survey to ensure steps were taken to further improve working conditions and culture.

Through additional measures to be implemented throughout the lifecycle of the new *South West HHS Clinician and Employee Engagement Strategy 2022-2026*, in addition to other initiatives and external opportunities, further steps will be taken to ensure safe, supportive and healthy workplaces, in addition to optimising the available scope of practice and supporting wider career and personal development aspirations of our staff within our rural and remote settings.

Early retirement, redundancy and retrenchment

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

Open data

South West HHS has Open Data to report on Queensland Language Services Policy and the data can be found on the Queensland Government Open Data Portal at https://www.data.qld.gov.au/.

South West HHS has no Open Data to report on Consultancies or Overseas Travel.

Our risk management

Identifying, managing and responding to risk is integral to South West HHS's every day activities and is the responsibility of all staff. We approach risk with a comprehensive, integrated and coordinated methodology to enable successful risk management of both challenges and opportunities.

Our risk management system aligns with the Australian/New Zealand *ISO 31000:2018 Risk Management Principles and Guidelines* to guide and influence our approach to the management of risk. The South West HHS Risk Management Framework comprises various components including a Risk Management Policy and associated Risk Procedures, delivery of risk management training and presentations, and through the day-to-day organisational efforts, risk management culture continues to mature.

Key accountability bodies within the risk framework are:

- The Board retains ultimate responsibility for monitoring key risks and ensuring there are systems and processes in place to identify, manage and monitor these risks. The Board has delegated responsibility for overseeing risk management activities to the Board Audit and Risk Committee.
- The Board Audit and Risk Committee oversees the assurance of the health service's risk management framework, and the internal control structure and systems' effectiveness for monitoring compliance with relevant laws, regulations and government policies.
- The Board Safety and Quality Committee assists the Board Audit and Risk Committee in fulfilling their oversight responsibilities by monitoring and ensuring appropriate arrangements are in place for measuring and monitoring clinical quality and the health and safety of patients, service users, visitors, staff and volunteers.
- The Board Finance Committee assists the Board Audit and Risk Committee in fulfilling their oversight responsibilities by assessing financial risks or concerns that impact, or may impact, on the financial performance and reporting obligations of the HHS, and how the HHS is managing these risks or concerns.

Identified risks are also routinely reported through the abovementioned Board Committees and several internal Tier 1 Executive and Tier 2 Management Committees.

Risk management activities

In October 2021, the Board Audit and Risk Committee and Executive Leadership Team members were invited to review current strategic risks and identify emerging risks and challenges for 2025 through an online survey open for a seven-day period, with a total of nine respondents completing the survey.

The identified emerging risks were categorised per Executive Division portfolio accountability and Executives were asked to nominate their top five challenges at the Governance, Risk and Compliance Roundings. These insights and findings were used to inform the revision of the Strategic Plan and Risk Management Procedure.

In March 2022, recommendations were accepted by the Executive Business Resilience Committee from a risk maturity self-assessment undertaken, which informed the review and improvements made to the South West HHS's Risk Management Procedure. Of note, an improvement opportunity was recommended to develop a risk management training package to further cultivate a positive 'risk' culture into the day-to-day operations of the HHS.

Executive Committee structure

In addition to the South West HHS Clinical Council, and the Aboriginal and Torres Strait Islander Leadership Advisory Council, a dedicated committee structure supports our organisation to achieve its vision, purpose and strategic objectives and Board reporting commitments.

Each committee is designed to draw together key leaders and subject matter experts to work collectively to create an environment that supports safety and quality. Our Tier 1 Executive Committees provide governance, leadership, management and an essential integration and uniformity of approach to health service planning, patient safety and quality, continuous improvement, resource management, cultural capability, and performance management and reporting.

Each of these committees is also underpinned by additional Tier 2 Committees comprising staff representatives with the knowledge, skills and expertise required for the committee to fulfil its functions.

Operating in accordance with respective terms of reference, our committee structure is maintained by way of an annual review of each committee undertaken by its participants to ensure terms of reference and overall functionality remain contemporary and fit for purpose.

With the completion of the *South West HHS First Nations Health Equity Strategy 2022-2025*, the development of a new Tier 1 First Nations Health Equity Committee, and additional supporting committees, will report directly to the Board, providing strategic oversight against delivery of Health Equity Strategy commitments.

Ministerial directions

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister to the HHS during the financial year and the action taken by the HHS as a result of the direction.

During the reporting period, no directions were given by the Minister to South West HHS.

Internal audit

South West HHS has an established Internal Audit function in accordance with section 24 of the *Financial and Performance Management Standard 2019*. The Internal Audit function provides independent, objective assurance to the Executive Team, Audit and Risk

Committee, and Board on the state of risks and internal controls, providing management with recommendations to enhance controls and add value.

Internal Audit operates under a Board-approved charter consistent with the International Professional Framework of the Institute of Internal Auditors. Annual and strategic audit plans are developed in consideration of the Board's risk management (strategic and operational risks) and governance processes, designed and maintained by management. Following consultation with management and members of the risk and audit committee, the audit plans are approved by the Board.

Due to the COVID-19 pandemic response, our Internal Audit Plan was flexible to ensure the delivery of essential services. During the period, Internal Audit finalised four internal audits, the final two of which will be progressed to the Board's Audit and Risk Committee during the 2022-2023 reporting period:

- *Asset Management and Maintenance Review* to assess the design adequacy and operating effectiveness of processes and key controls in place for asset maintenance.
- *Controlled Drugs Review* to assess the control design and operating effectiveness for the administration, storage, dispensing, security arrangements, stock management and segregation of duties for S8 and DS4 controlled drugs across selected sites.
- *Clinical Handover Processes Review* to assess the design adequacy and operating effectiveness of clinical handover processes (clinical communication) within South West HHS clinical teams and to General Practices.
- *Recruitment – Attract to Retain Review* to assess the design adequacy and operating effectiveness and efficiencies of processes and key controls for the recruitment and selection of clinical and non-clinical staff, focusing on application and compliance with current processes.

External scrutiny, information systems and recordkeeping

The South West HHS's operations are subject to regular scrutiny from external oversight bodies, which may also include the provision of state-wide best practice recommendations and observations to further improve service provision.

The delivery of audits is conducted through an outsourced partnership arrangement using a global consulting firm. This firm provides subject matter experts and leads audits requiring specialist knowledge and skills. Although the firm liaises regularly with the Queensland Audit Office (QAO) it remains independent of the QAO.

An Integrated Recommendations Register is maintained by South West HHS to register, action and report recommendations resulting from various high risk and high impact sources, including recommendations from Internal Audit, Clinical Incident Reviews, National Safety and Quality Health Service Accreditation and Work Health and Safety Audits.

In 2021-2022, Parliamentary reports tabled by the Auditor-General which broadly considered the performance of South West HHS, and/or where recommendations and lessons learned could be used for continuous improvement, included:

- *Appointing and renewing government boards* (Report 17:2021-22)
- *Contract management for new infrastructure* (Report 16:2021-22)
- *State entities 2021* (Report 14:2021-22)
- *State finances 2021* (Report 13:2021-22)
- *Health 2021* (Report 12:2021-22)
- *Improving access to specialist outpatient services* (Report 8:2021-22)
- *2021 status of Auditor-General's recommendations* (Report 4:2021-22)

- *Measuring emergency department patient wait time* (Report 2:2021-22)

The recommendations contained within the Auditor-General reports were reviewed and action is being taken to implement appropriate recommendations.

There were no significant findings against the South West HHS from State agencies in the reporting period.

Right to information

In accordance with the *Right to Information Act 2009* and the *Information Privacy Act 2009 (Qld)*, South West HHS is committed to being an open and transparent organisation. We recognise, and encourage, the right of people to access their personal information, including wider information about our operations that will give them a better understanding of the decisions we make.

Information is available on our public website on how to make an application for information or to check if it is already publicly available via: www.southwest.health.qld.gov.au/information-access-and-privacy/right-to-information/.

Privacy and records management

South West HHS continues to create, receive and manage reliable clinical and business records in support of its legal, community and stakeholder obligations across all levels of the organisation. Business and clinical records are managed in physical and digital formats – both upon South West HHS premises and offsite storage – in accordance with applicable internal procedures and statewide record governance policies.

Systems are in place to support staff ensure paper records are appropriately stored, secured from unauthorised access and protected from environmental threats. In addition, internal procedures and work instructions ensure compliance with the *Health Sector (Clinical Records) Retention and Disposal Schedule*.

Informed by National Privacy Principles contained in the *Information Privacy Act 2009*, respecting and maintaining the privacy of personal information also remains a matter of upmost importance for all staff, which includes meeting the ongoing challenges of cybersecurity and protecting personal data protection in a digital world.

Human rights

The South West HHS Executive Leadership Team - and our Board - fully respect and seek to protect and promote human rights considerations in all decision-making and actions, including development of both new and scheduled refreshes of existing South West documentation.

In accordance with the provisions of section 97 of the *Human Rights Act 2019*, there were nil complaints submitted to South West HHS specifically linked to the limitation of human rights.

As a quality improvement exercise, an external desktop review was undertaken during the reporting period against a sample of 15 complaints submitted in relation to various services provided by South West HHS, alongside internal supporting documentation and procedures, which concluded that South West HHS's subsequent responses were found to be appropriate.

In addition to the findings provided during May 2022, additional general advice was also provided recommending updates to the South West HHS's Consumer Feedback and Experience Procedure which has since been applied to further support staff with complaints handling responsibilities to quickly and practically analyse whether a complaint raises human rights concerns so that appropriate documentation can be completed.

Confidential Information

The *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. The HSCE did not authorise the disclosure of confidential information during the reporting period.

Performance

Non-financial performance

Linkage between strategic plan objectives, KPIs and annual report performance reporting

Delivery of the South West HHS's four-year strategic plans are driven by way of annual operational plans. The 2018-2022 iteration of the strategic plan expired on 30 June 2022, with the following key headline measures completed during the reporting period:

Our Communities

- Completion of the *South West HHS Aboriginal and Torres Strait Islander Health Strategy 2018-2022* and development of a forthcoming South West HHS First Nations Health Equity Strategy 2022-2025, to commence during the 2022-2023 Financial Year
- Completion of the *South West HHS Consumer and Community Engagement Strategy 2018-2022*, with an updated strategy for the 2022-2026 reporting period, developed in partnership with our consumer and community partners, approved by the Board for implementation effective 1 July 2022
- Achieving amongst the highest rates of community vaccination uptake across Queensland, including 100 per cent of eligible First Nations people.

Our Teams

- From a baseline of 3.4% as of 30 June 2018, South West HHS exceeded the *Queensland Health Workforce Diversity and Inclusion Strategy 2017–2022* benchmark target of achieving at least 3.79 per cent of our staff identifying as First Nations people by 30 June 2022. Further steps will be taken as part of implementation of the forthcoming First Nations Health Equity Strategy to further increase workforce representation reflective of the communities we serve
- In addition to telehealth and HiTH models of care, a range of service delivery and other models of care tailored for the needs and aspirations of our rural and remote communities have been established and / or continue to be progressed to increase convenience, bring care closer to home for our patients and maximise available scope of practice for our staff
- Completion of the *South West HHS Clinician and Employee Engagement Strategy 2018-2022*, with an updated strategy for the 2022-2026 reporting period, developed in partnership with our staff and partners, approved by the Board for implementation effective 1 July 2022.

Our Resources

- Continuation of an annual balanced budget approach and discipline
- Introduction of new patient information systems at point of care
- Progression of annual Strategic Asset Management Plan processes.

Our Services

- Continuation of key strategic partnerships at a local and statewide level, including the signing of memorandums of understanding and commencement / continuation of other collaborative initiatives as detailed within this annual report
- Delivery of key access performance indicators, including maintain strong performance against clinically recommended timescales for treatment
- Continued focus upon reducing causational factors to support reductions in Potentially Preventable Hospitalisations (PPH) and instances of Discharge Against Medical Advice (DAMA)
- Continued focus on telehealth and other virtual care model optimisation to provide care closer to home and support a reduction in required patient travel.

During the reporting period, and informed by extensive staff, community and stakeholder engagement, a new strategic plan was developed for implementation effective 1 July 2022.

Discussions informing the development of the new strategic plan also contributed towards wider engagement activities regarding the progression of the South West HHS First Nations Health Equity Strategy, a Local Area Needs Assessment and new Consumer and Community Engagement and Clinician and Employee Engagement Strategies.

Service Standards

The following provides a summary of our performance against key performance indicators during the reporting period.

During the reporting period, South West HHS continued to deliver high levels of safe, effective, and equitable care against its performance expectations, in addition to contributing towards the statewide public health system response to the COVID-19 pandemic.

Of note, the percentage of emergency department and elective surgery targets seen within clinically recommended timeframes were exceeded, as was the target number of telehealth service events. Continuing these high levels of performance within the context of the statewide pandemic response is testament to the ongoing dedication and commitment of our teams in providing accessible care services.

In terms of identified variances:

- A total of 170 Category 1 elective surgery patients were treated within their clinically recommended timeframe of 30 days. Although this was below the anticipated target of 200 patients, there were nil Category 1 ready for care long wait patients as at 30 June 2022.

- Total Activity Unit provision of acute inpatient presentation and mental health services were below anticipated trajectory during the reporting period. As noted within footnote 5 of the following table, a decrease in routine care services occurred due to priority COVID-19 demand and wider impacts across the service.

- Variance in ambulatory mental health contact hours was primarily due to available mental health workforce which continues to face significant and longstanding statewide challenges. A key focus for the 2022-2023 financial year includes progressing required measures to further consolidate local workforce and improve data capture.

- As of 26 June 2022, there were 864 FTE staff employed against a target of 827 FTE. South West HHS is committed to maintaining a clinically safe and sustainable workforce. These additional staff supplemented our core workforce and supported operational requirements due to COVID-19 response and other funded positions during the reporting period.

Table 4: Service Standards – Performance 2021-2022

South West Hospital and Health Service	2021-2022 Target	2021-2022 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes[1]		
Category 1 (within 2 minutes)	100%	100%
Category 2 (within 10 minutes)	80%	100%
Category 3 (within 30 minutes)	75%	99%
Category 4 (within 60 minutes)	70%	99%
Category 5 (within 120 minutes)	70%	100%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department[1]	>80%	92%
Percentage of elective surgery patients treated within the clinically recommended times[2]		
Category 1 (30 days)	>98%	99%
Category 2 (90 days)[3]	..	93%
Category 3 (365 days)[3]	..	95%
Median wait time for treatment in emergency departments (minutes)[1]	..	2
Median wait time for elective surgery treatment (days)[2]	..	61
Efficiency measure		
Not identified		
Other measures		
Number of elective surgery patients treated within clinically recommended times[2]		
Category 1 (30 days)	200	170
Category 2 (90 days)[3]	..	179
Category 3 (365 days)[3]	..	485
Number of Telehealth outpatients service events[4]	4,000	4,732
Total weighted activity units (WAU)[5]		
Acute Inpatients	5,699	5,325
Outpatients	1,686	1,721
Sub-acute	919	968
Emergency Department	3,220	3,263
Mental Health	170	139
Prevention and Primary Care	420	568
Ambulatory mental health service contact duration (hours)[6]	>5,410	3,232
Staffing[7]	827	864

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

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

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

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

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

6 Due to a range of factors, including the stretch nature of the target and the impact of the COVID-19 pandemic on service access and capacity, the 2021-2022 Target has not been met. Figures are as of 16 August 2022.

7 Corporate FTEs are allocated across the service to which they relate. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. 2021-2022 Actual is for pay period ending 26 June 2022.

Financial Summary

South West HHS achieved an operating surplus of $3.984 million for the year ending 30 June 2022. As a statutory body for the tenth year, this is the ninth year that an operating surplus has been achieved, while still delivering on agreed major services and meeting and improving key safety and quality performance indicators.

The HHS combines an effective accountability framework with medium to long term financial modelling to ensure our service continues to deliver the appropriate level of services to our community, backed by effective and efficient systems and processes.

Our consistent financial performance reflects a commitment to delivering sustainable health services to our community. The operating surpluses from prior years are reinvested in capital and other projects which enhance our service capability enabling responses to increased prevalence of chronic disease conditions, ageing population, increasing costs from technology improvements and investment to deliver efficiency improvements.

Revenue and expenditure

South West HHS's income is primarily sourced from public health services funding (including State and Commonwealth contributions), and own source revenue and grants and other contributions. South West HHS's total income was $183,216 million, which is an increase of $4.164 million (2.33 per cent) from 2020–2021:

- Block funding, depreciation funding and general-purpose funding for public health services was 89.34 per cent or $163,694 million
- Australian Government grants and other grants funding was 5.01 per cent or $9.175 million for health services
- Own source revenue was 5.19 per cent or $9.510 million
- Other revenue was 0.46 per cent or $0.837 million.

Total expenses were $179.232 million. Total expenditure increased by $5.872 million (3.39 per cent) from last financial year. Major areas of expenditure are shown in the following table. Compared to last financial year this depicts the most significant increases in employee expenses and health service employee expenses, due to pay increases and increases in FTE largely attributable to the COVID-19 response and vaccination programs. Proportions of current year expenditure are shown in the following table:

Table 5: Expenses comparison

	2021-22	2020-2021	Variance	Variance
	$'000	$'000	$'000	%
Employee expenses	14,187	12,499	1,688	13.51
Health service employee expenses	93,862	89,503	4,359	4.87
Supplies and services	54,510	53,636	874	1.63
Depreciation and amortisation	11,758	11,403	355	3.11
Revaluation decrement	-117	121	-238	-196.69
Other expenses	5,032	6,198	-1,166	-18.81
Total	**179,232**	**173,360**	**5,872**	**3.39**

Assets and liabilities

South West HHS's asset base amounts to $276.959 million. 87.37 per cent or $241.981 million of this is invested in property, plant and equipment. $34.645 million is held in cash, receivables and inventory.

A breakdown of property, plant and equipment and a comparison to the last financial year are shown in the following table:

Table 6: Property, plant and equipment comparison

	2021-22	2020-2021	Variance	Variance
	$'000	$'000	$'000	%
Land	4,276	3,999	277	6.93
Buildings	224,148	208,293	15,855	7.61
Plant and Equipment	11,900	12,062	-162	-1.34
Capital WIP	1,657	8,609	-6,952	-80.75
Total	**241,981**	**232,963**	**9,018**	**3.87**

South West HHS received non-appropriated equity transfers of $0.288 million from the Department of Health during the financial year ended 30 June 2022 relating to Medical Equipment. South West HHS received non-appropriated equity transfers of $5.896 million from the Department of State Development, Infrastructure, Local Government and Planning for the Roma Hospital Student Accommodation Precinct. South West HHS's current liabilities are $17.572 million. With a cash balance of $27.977 million, South West HHS can meet its short-term financial commitments.

Anticipated Maintenance

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

Anticipated maintenance is defined as maintenance that is necessary to prevent the deterioration of an asset or its function, but which has not been carried out. Some anticipated maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building.

All anticipated maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe.

As of 30 June 2022, the South West HHS had reported anticipated maintenance of $4.26 million.

The South West HHS has the following strategies in place to mitigate any risks associated with these items:

- seek assistance from Priority Capital Program
- utilise Minor Capital Works funding
- seek assistance from Emergent Works Program, if required
- utilise operational maintenance budgets.

Future financial outlook

South West HHS will continue its strategy for investment in clinical service delivery, focusing on the financial sustainability of services.

Chief Financial Officer statement

For the financial year ended 30 June 2022, the Chief Finance Officer provided a statement about the HHS to the Board and Chief Executive on the HHS's financial internal controls, compliance with prescribed requirements for establishing and keeping the financial accounts and preparation of the financial statements to present a true and fair view.

South West Hospital and Health Service

Financial Statements – 30 June 2022

South West Hospital and Health Service
For the year ended 30 June 2022

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Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
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General Information

These financial statements cover the South West Hospital and Health Service (South West HHS).

The South West Hospital Health Service was established on 1 July 2012 as a statutory body under the *Hospital and Health Boards Act 2011*.

The Hospital and Health Service is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of South West HHS is:

44-46 Bungil Street
Roma QLD 4455

For information in relation to the Hospital and Health Service's financial statements please visit the website www.health.qld.gov.au/southwest/.

South West Hospital and Health Service
Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 $'000	Original Budget 2022 $'000	2021 $'000	Note 25	Actual vs Budget variance $'000
Revenue						
User charges	2	**9,510**	9,456	11,526		54
Public health services funding	3	**163,694**	152,832	157,863	a	10,862
Grants and other contributions	4	**9,175**	7,065	9,081	b	2,110
Other revenue	5	**837**	354	582		483
Total revenue		**183,216**	169,707	179,052		13,509
Expenses						
Employee expenses	6	**14,187**	13,514	12,499	c	673
Health service employee expenses	7	**93,862**	96,195	89,503		(2,333)
Supplies and services	9	**54,510**	46,384	53,636	d	8,126
Depreciation and amortisation	13 & 16	**11,758**	11,557	11,403		201
Revaluation (increment)/decrement		**(117)**	-	121		(117)
Other expenses	10	**5,032**	2,057	6,198	e	2,975
Total expenses		**179,232**	169,707	173,360		9,525
Operating result		**3,984**	-	5,692		3,984
Other comprehensive income						
Items that will not be reclassified subsequently to operating result						
Increase/(decrease) in asset revaluation surplus	17	**10,855**	-	(3,815)	f	10,855
Other comprehensive income for the year		**10,855**	-	(3,815)		10,855
Total comprehensive income for the year		**14,839**	-	1,877		14,839

The accompanying notes form part of these statements.

South West Hospital and Health Service
Statement of Financial Position
As at 30 June 2022

	Note	2022 $'000	Original Budget 2022 $'000	2021 $'000	Note 25	Actual vs Budget variance $'000
Assets						
Current assets						
Cash and cash equivalents	11	**27,977**	24,428	22,133	g	3,549
Receivables	12	**4,734**	1,513	4,573	h	3,221
Inventories		**1,934**	1,472	1,733		462
Total current assets		**34,645**	27,413	28,439		7,232
Non-current assets						
Property, plant and equipment	13	**241,981**	242,598	232,963		(617)
Right-of-use assets	16	**333**	717	1,110		(384)
Total non-current assets		**242,314**	243,315	234,073		(1,001)
Total assets		**276,959**	270,728	262,512		6,231
Liabilities						
Current liabilities						
Payables	14	**14,139**	13,474	14,678		665
Lease liabilities	16	**110**	305	203		(195)
Other liabilities	15	**3,323**	24	2,036	i	3,299
Total current liabilities		**17,572**	13,803	16,917		3,769
Non-current liabilities						
Lease liabilities	16	**231**	366	915		(135)
Total non-current liabilities		**231**	366	915		(135)
Total liabilities		**17,803**	14,169	17,832		3,634
Net assets		**259,156**	256,559	244,680		2,597
Equity						
Contributed equity		**153,336**	160,638	153,699		(7,302)
Asset revaluation surplus	17	**78,641**	71,601	67,786	j	7,040
Retained surplus		**27,179**	24,320	23,195	k	2,859
Total equity		**259,156**	256,559	244,680		2,597

The accompanying notes form part of these statements.

South West Hospital and Health Service
Statement of Changes in Equity
For the year ended 30 June 2022

	Note	Contributed equity $'000	Asset revaluation surplus $'000	Retained surplus $'000	Total equity $'000
Balance at 1 July 2020		71,081	71,601	17,503	160,185
Operating result for the year		-	-	5,692	5,692
Other comprehensive income for the year			(3,815)	-	(3,815)
Equity Contribution		-	-	-	-
Total comprehensive income for the year		-	(3,815)	5,692	1,877
Transactions with owners in their capacity as owners:					
Net assets received (transferred via non-appropriated equity transfers)	13	86,424	-	-	86,424
Equity injections (Capital works and funding swaps)	13	7,598	-	-	7,598
Equity withdrawals (Depreciation funding)	3	(11,404)	-	-	(11,404)
Balance at 30 June 2021		153,699	67,786	23,195	244,680

Net effect of Prior year adjustments

	Note	Contributed equity $'000	Asset revaluation surplus $'000	Retained surplus $'000	Total equity $'000
Balance at 1 July 2021		153,699	67,786	23,195	244,680
Operating result for the year		-	-	3,984	3,984
Other comprehensive income for the year		-	10,855	-	10,855
Equity contribution		-	-	-	-
Total comprehensive income for the year		**-**	**10,855**	**3,984**	**14,839**
Transactions with owners in their capacity as owners:					
Net assets received (transferred via non-appropriated equity transfers)	13	6,184	-	-	6,184
Equity injections (Capital works and funding swaps)	13	5,211	-	-	5,211
Equity withdrawals (Depreciation funding)	3	(11,758)	-	-	(11,758)
Balance at 30 June 2022		**153,336**	**78,641**	**27,179**	**259,156**

The accompanying notes form part of these statements.

South West Hospital and Health Service
Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 $'000	Original Budget 2022 $'000	2021 $'000	Note 25	Actual vs Budget $'000
Cash flows from operating activities						
Inflows						
User charges		**9,049**	9,399	9,055		(350)
Public health services funding		**151,161**	152,832	145,345		(1,671)
Grants and other contributions		**7,358**	7,065	7,455		293
GST input tax credits from ATO		**3,986**	4,695	3,759		(709)
GST collected from customers		**132**	-	132		132
Other receipts		**3,028**	354	2,705	l	2,674
Outflows						
Employee expenses		**(14,141)**	(13,514)	(12,921)	m	(627)
Health service employee expenses		**(93,463)**	(96,195)	(92,263)		2,732
Supplies and services		**(54,214)**	(46,204)	(48,140)	n	(8,010)
GST paid to suppliers		**(3,664)**	(4,698)	(4,240)		1,034
GST remitted to ATO		**(132)**	-	(129)		(132)
Other payments		**(4,629)**	(1,683)	(3,021)	o	(2,946)
Net cash from/(used by) operating activities	18	**4,471**	12,051	7,737		(7,580)
Cash flows from investing activities						
Inflows						
Proceeds from sale of property, plant and equipment		**11**	-	10		11
Outflows						
Payments for property, plant and equipment		**(3,665)**	-	(10,450)	p	(3,665)
Net cash from/(used by) investing activities		**(3,654)**	-	(10,440)		(3,654)
Cash flows from financing activities						
Inflows						
Equity injections	13	**5,211**	-	7,598	q	5,211
Outflows						
Equity withdrawals		**-**	(11,557)	-	r	11,557
Lease payments		**(184)**	(99)	(324)		(85)
Net cash from/(used by) financing activities		**5,027**	(11,656)	7,274		**16,683**
		-				
Net increase/(decrease) in cash held		**5,844**	395	4,571		5,449
Cash and cash equivalents at the beginning of the financial year		**22,133**	24,033	17,562		(1,900)
Cash and cash equivalents at the end of the financial year	11	**27,977**	24,428	22,133		3,549

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Note 1. Basis for preparation and other accounting policies

Basis of Financial Statement preparation

Statement of compliance

The South West Hospital and Health Service (South West HHS) has prepared these financial statements in compliance with section 62 (1) of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019.*

These financial statements are general purpose financial statements, prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's *Minimum Reporting Requirements* for the year ended 30 June 2022, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, as the South West Hospital and Health Service is a not-for-profit statutory body it has applied those requirements applicable to not-for-profit entities.

The reporting entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of South West HHS. South West HHS does not control any other entities (see Note 24 – Associates and Note 26 – Related Party Transactions).

Issuance of Financial Statements

The financial statements are authorised for issue by the Chair of the South West Hospital and Health Board (SWHHB), the Chief Executive and the Executive Director Finance, Infrastructure and Corporate Services of South West HHS at the date of signing the management certificate.

Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required. Comparative information has been reclassified where required for consistency with the current year's presentation.

Current/Non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or South West HHS does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

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

Basis of measurement

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

- Land and buildings which are measured at fair value
- Inventories which are measured at the lower of cost and net realisable value, and
- Lease liabilities are recognised at present value of the lease payments during the lease term

Historical Cost

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

Fair Value

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

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

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

Note 1. Basis for preparation and other accounting policies (continued)

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could be obtained by selling an asset in an orderly disposal.

Other accounting policies

Administrative arrangements

Transfer of assets on practical completion

In 2014-15, the Minister for Health signed an enduring designation of transfer for property, plant and equipment between Hospital and Health Services and the Department of Health. This transfer is recognised through equity when both entities agree in writing to the transfer.

	2022 $'000	2021 $'000
Transfer in - practical completion of projects from the Department of Health*	-	83,122
Net transfer of property, plant and equipment to/from the Department of Health	288	3,302
	288	86,424

* Construction of major health infrastructure continues to be managed and funded by the Department of Health. Upon practical completion of a project, assets are transferred from the Department of Health to South West HHS. This note relates to transfers (to)/from Department of Health only – transfers to/from departments other than Department of Health are not included.

Inventories

Inventories consist mainly of medical supplies held for distribution in hospitals and are provided to public admitted patients free of charge except for pharmaceuticals which are provided at a subsidised rate. Inventories are valued at cost, adjusted where applicable, for any loss of service potential. Cost is assigned on a weighted average cost.

Taxation

South West HHS is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The Australian Taxation Office has recognised the Queensland Department of Health and the sixteen Hospital and Health Services as a single taxation entity for reporting purposes.

Objectives

The objectives of the South West Hospital and Health Service (HHS) is to perform the key role in the delivery of quality public health services in South West Queensland. South West HHS works in partnership with staff, local communities and key stakeholders to plan and deliver services that matter most to the people and communities.

For further details please refer the South West HHS website - https://www.southwest.health.qld.gov.au/about-us/

First year application of new accounting standards or changes in policy

No accounting standards or interpretations that apply to South West HHS for the first time in 2021-22 have any material impact on the financial statements.

Future impact of accounting standards not yet effective

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

Climate Risk Disclosure

South West HHS has not identified any material climate related risks relevant to the financial report at the reporting date. The department continues to monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030.

Note 1. Basis for preparation and other accounting policies (continued)

Current Year Impacts

During the 2021-22 financial year, South West HHS comprehensively revalued its land and buildings portfolio. The impact to the 30 June 2022 South West HHS financial statements as a result of the revaluations is included in Note 13. Property, plant and equipment.

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

Significant financial impacts – COVID-19 pandemic

The following significant transactions were recognised by South West HHS during the 2021-22 financial year in response to the COVID-19 pandemic.

	2022 $'000	2021 $'000
Significant expense transactions arising from COVID-19		
COVID-19 response	3,337	2,470
COVID-19 vaccination program	2,556	442
	5,893	2,912

Under the National Partnership Agreement (NPA) funding for the COVID-19 response is funded 50% by the Commonwealth and 50% by the State Government. Only expenditure that meets the definitions outlined in the NPA qualifies for reimbursement. Total COVID-19 response funding received by South West HHS during the 2021-22 financial year was $3.001 million (2021: $2.383 million). Total COVID-19 vaccination program funding received by South West HHS during the 2021-22 financial year was $1.705 million (2021: $1 million).

Note 2. User charges

	2022 $'000	2021 $'000
Revenue from contracts with customers		
Sale of goods and services	2,004	3,596
Pharmaceutical Benefit Scheme	656	272
Hospital fees	6,850	7,658
	9,510	11,526

Significant accounting policies

Revenue in this category primarily consists of hospital fees, reimbursements of pharmaceutical benefits, charges for private patients and private practice fees.

Revenue is recognised in accordance with under AASB 15 *Revenue from Contracts with Customers*, at a point in time when South West HHS transfers control over a good or service to the customer, when performance obligations are satisfied and measured at the amount of the transaction price allocated to the performance obligation.

Note 3. Public health services funding

	2022 $'000	2021 $'000
Block funding	87,132	96,814
Depreciation funding	11,758	11,404
General purpose funding	64,804	49,645
	163,694	157,863

Significant accounting policies

Public health services funding

Funding is provided predominantly from the Department of Health for specific public health services purchased by the Department in accordance with a service agreement. The Australian Government pays its share of national health funding directly to the Department of Health, for on forwarding to the Hospital and Health Service. The Service Agreement is reviewed periodically and updated for changes in activities and prices of services delivered by South West HHS. Cash funding from the Department of Health is received fortnightly for State payments and monthly for Commonwealth payments and is recognised as revenue on receipt as the majority of South West HHS' funding is block and not linked to sufficiently specific performance obligations.

At the end of the financial year, an agreed technical adjustment between the Department of Health and South West HHS may be required based on services level achieved, which may result in a receivable or payable to the Department of Health. This technical adjustment process is undertaken annually according to the provisions of the service level agreement and ensures that the revenue recognised in each financial year correctly reflects South West HHS' delivery of health services.

Revenue is recognised on receipt of funds under AASB 1058 *Income of Not-for-Profit Entities* where the Service Agreement, is not enforceable and does not include sufficiently specific performance obligations. This includes block, depreciation and the majority of other general purpose funding. Where the Service Agreement is enforceable and contains sufficiently specific performance obligations, and South West HHS transfer goods and services, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers,* with revenue initially deferred and recognised as revenue when the performance obligations are satisfied.

The service agreement between the Department of Health and South West HHS dictates that the funding provided by the Department for depreciation charges incurred by the HHS are non-cash revenue. This is achieved monthly through a withdrawal of funds from equity, refer Statement of Changes in Equity.

South West HHS does not have any public health services funding revenue with sufficiently specific performance obligations at 30 June 2022 for deferral under *AASB 15 Revenue from Contracts with Customers.*

Note 4. Grants and other contributions

	2022 $'000	2021 $'000
Australian Government - Nursing home grants	**4,888**	4,840
Australian Government - Home and community care grants	**1,357**	1,487
Australian Government - Specific purpose	**431**	421
Donations	**54**	2
Other grants	**658**	705
Services received at below fair value	**1,787**	1,626
	9,175	**9,081**

Significant accounting policies

Grants, contributions and donations received arise from non-exchange transactions where South West HHS does not directly give approximately equal value to the grantor.

Grants are recognised on receipt of funds under AASB 1058 *Income of Not-for-Profit Entities* where agreements are not enforceable and do not include sufficiently specific performance obligations. Where agreements are enforceable and contain sufficiently specific performance obligations, and South West HHS transfer goods and services, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers,* with revenue initially deferred and recognised as revenue when the performance obligations are satisfied.

South West HHS does not have any grants with sufficiently specific obligations at 30 June 2022 for deferral under *AASB 15 Revenue from Contracts with Customers.*

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

South West HHS receives corporate services support from the Department of Health for no cost. Corporate services received include payroll services, accounts payable services, finance transactional services, taxation services, supply services and information technology services.

Note 5. Other revenue

	2022 $'000	2021 $'000
Recoveries	**739**	512
Other	**98**	70
	837	**582**

Note 6. Employee expenses

	2022 $'000	2021 $'000
Employee benefits		
Wages and salaries	11,843	10,602
Annual leave levy	689	622
Employer superannuation contributions	798	679
Long service leave levy	294	250
Employee related expenses		
Workers compensation premium	5	5
Other employee related expenses	558	341
	14,187	12,499

	2022 Staff No.	2021 Staff No.
Number of employees	25.9	26.0

The number of employees includes full-time employees and part-time employees measured on a standard full time equivalent (FTE) basis at 30 June 2022.

Significant accounting policies

Employees include health executives directly engaged in the service of the South West HHS in accordance with section 70 of the *Hospital and Health Boards Act 2011* (HHBA). The basis of employment for health executives is in accordance with section 74 of the *HHBA*. In addition, South West HHS directly engages senior medical officers who enter into individual contracts with South West HHS.

Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. As South West HHS expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Workers Compensation

Workers' compensation insurance is a consequence of employing staff but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised and included as part of Health Service Employee Expenses (Note 7) and not separated between Health Service and Board employees.

Employee Benefits and On-Costs

Annual leave and long service leave

Under the Queensland Government's Central Schemes for Annual Leave (ALCS) and Long Service Leave (LSL), levies are paid throughout the year by South West HHS to cover the cost of an employee's annual leave and long service leave entitlements (including leave loading and on-costs).

The 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 scheme quarterly in arrears.

Sick leave

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

Recoveries of Employee Expenses

Payments received for South West HHS employees working for other agencies or on secondment are offset against wages and salaries expenses to ensure the reported expenses reflect the actual wages and salaries incurred for employees working for the agency in that financial year.

Note 6. Employee expenses (continued)

Superannuation

Employer superannuation contributions are paid to the superannuation fund of the eligible employee's choice. For the defined benefits scheme, contributions are paid at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable and the South West HHS obligation is limited to its contribution to the eligible employee's superannuation fund. For defined contribution plans, contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector.*

Note 7. Health service employee expenses

	2022 $'000	**2021 $'000**
Department of Health	**93,862**	89,503
	93,862	89,503

The Hospital and Health Service through service arrangements with the Department of Health has engaged 745 (2021: 722) standard FTE at 30 June 2022. As well as direct payments to the Department, premium payments made to WorkCover Queensland representing compensation obligations of 2022: $0.447 million (2021: $0.440 million) and other employee expenses (including training) of 2022: $0.698 million (2021: $0.714 million) are included in this category.

Pandemic leave

An additional 2 days of leave was granted to all non-executive employees of the Department of Health and HHS's in November 2020 based on set eligibility criteria as recognition of the effects of the COVID-19 pandemic on staff wellbeing. This leave must be taken by 31 March 2023 or eligibility is lost. The entire value of the leave for Health service employees amounting to $0.504 million was paid by South West HHS to the Department of Health in advance. The leave is expensed in the period in which it is taken, and the remaining balance treated as a prepayment to the Department of Health.

Significant accounting policies

In accordance with the *Hospital and Health Boards Act 2011*, 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 the South West HHS and acknowledges and accepts its obligations as the employer of these employees.

- South West HHS is responsible for the day to day management of these departmental employees.

- South West HHS reimburses the Department for the salaries and on-costs of these employees. This is disclosed as Health service employee expense.

Note 8. Key management personnel disclosures

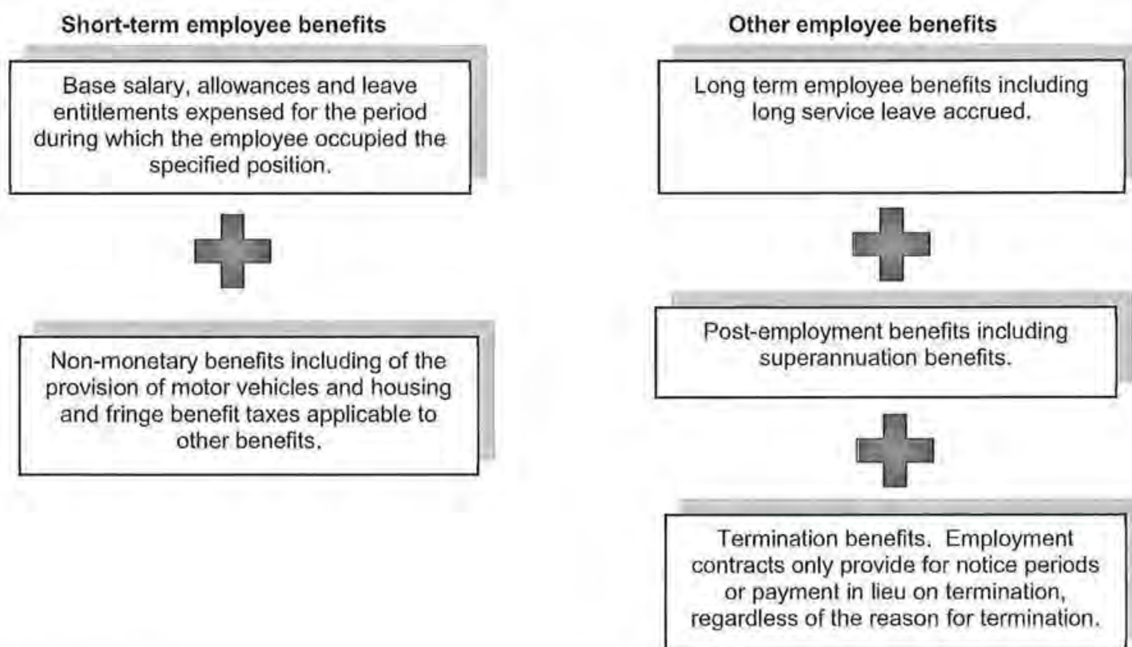
Key management personnel (KMP) include those positions that had authority and responsibility for planning, directing and controlling the activities of the HHS during the year. South West HHS' responsible Minister is identified as part of South West HHS' key management personnel, consistent with additional guidance included in *AASB 124 Related Parties Disclosures*. The responsible Minister for the year ended 30 June 2022 being the Minister for Health and Ambulance Services was Hon Yvette D'Ath.

South West HHS has determined that individuals acting in key management positions on a temporary or relieving basis are only considered to be KMP where they acted in the role for greater than four weeks during the year.

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

Remuneration policy for the South West HHS key executive management personnel is set by direct engagement common law employment contracts. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts. The contracts provide for other benefits including motor vehicles and expense payments such as rental or loan repayments. South West HHS does not have any key executive management personnel employed under an arrangement which includes the potential for performance payments.

Remuneration packages for key executive management personnel comprise of the following:



Ministerial remuneration

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

Note 8. Key management personnel disclosures (continued)

South West HHS key management personnel

Health Service Chief Executive (HSCE)

Responsible for the overall leadership and management of the South West HHS to ensure that South West HHS meets its strategic and operational objectives. The HSCE is accountable to the Board for making and implementing decisions about the Hospital and Health Service business within the strategic framework set by the Board.

Executive Director, Finance, Infrastructure and Corporate Services (EDFICS)

Responsible for management and oversight of the South West HHS finance framework including financial accounting processes, financial risk management, budget and revenue systems, activity measurement and reporting, performance management frameworks and financial corporate governance systems. The EDFICS is also accountable for the promotion of the long-term viability of the Hospital and Health Service and is responsible for infrastructure program planning and delivery.

Executive Director, Medical Services and Clinical Governance (EDMSCG)

Strategic and professional responsibility for South West HHS medical workforce, and clinical governance. The EDMSCG leads the development and implementation of Hospital and Health Service wide strategies that will ensure the medical workforce is aligned with identified service delivery needs, and an appropriately qualified, competent and credentialed workforce is maintained.

Executive Director, Nursing & Midwifery Services (EDNMS)

Responsible for strategic and professional leadership of the nursing work force. The EDNMS leads the development and implementation of Hospital and Health Service wide strategies that will ensure the nursing and midwifery workforce is aligned with identified service delivery needs. The EDNMS ensures an appropriately qualified and competent nursing and midwifery workforce is maintained, leading to the achievement of clinical excellence through education, professional development and research.

Director Workforce (formerly Director Organisational Development (DOD)

Responsible for leadership of the workforce functions including recruitment, workplace relations, learning and development, work health and safety, workforce culture and capability and workforce planning across the Hospital and Health Service.

Executive Director, Primary and Community Care (EDPCC)

Provides single point accountability and leadership for the portfolio of Primary and Community Care within the Hospital and Health Service. The position provides high level leadership, strategic direction and advocacy in the professional management of primary and community care services across the Hospital and Health Service, including contribution to state-wide initiatives.

Executive Director, Strategy, Performance and Governance (EDSPG)

The Executive Director Strategy, Performance and Governance provides overall leadership and direction for the functions of Strategic Projects, Program Management, Business Intelligence, Reporting and Analytics, Integrated Governance, Risk and Compliance Management, Corporate Performance Management, Internal Audit, Legal Liaison, and Internal and External Communications and Strategic Engagement. The EDSPG is a key member of the Executive Leadership Team (ELT). The role is responsible for the provision of leadership, strategic focus, authoritative and expert advice across a wide range of professional and policy issues to the HSCE, members of the Executive Team, the SWHHS Board, and other relevant stakeholders.

Executive Director Allied Health (EDAH) (formerly Allied Health Professional Lead (AHPL)

The Executive Director Allied Health role provides the strategic direction of Allied Health services to facilitate the operational, organisational and cultural change associated with the implementation of innovative approaches to service delivery, data collection and integration and workforce management through development and implementation of the Allied Health Workforce Ten Year Strategy to deliver high level culturally safe services within a model of comprehensive Rural and Remote Health Care. The role is responsible for contributing to the strategic Allied Health service development, governance and credentialing advice.

Director of Aboriginal and Torres Strait Islander Health and Engagement (DATSIHE)

The Director of Aboriginal and Torres Strait Islander Health and Engagement role provides overall leadership and strategic direction on the health pathways aimed at improving the health and well-being of Aboriginal and Torres Strait Islander peoples. Also, to ensure policies, services and programs focus on improving health, social and emotional wellbeing, and resilience, and promote positive health behaviours emphasising the centrality of culture in the health of Aboriginal and Torres Strait Islander people.

Note 8. Key management personnel disclosures (continued)

Remuneration expenses

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses, including:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position;
- performance payments recognised as an expense during the year; and
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

No KMP remuneration packages provide for performance or bonus payments.

Transactions with people/entities related to KMP

One entity that is controlled by related parties of KMP provided services to South West HHS during the year ended 30 June 2022. The nature of the services provided included mechanical services. All transactions during the year ended 30 June 2022 between South West HHS and key management personnel, including their related parties and related entities, were in accordance with standard processes and on standard commercial terms and conditions.

Note 8. Key management personnel disclosure (continued) 30 June 2022		Short-term benefits ($'000s)		Other Employee Benefits($'000s)			
Position title **Position holder/s**	**Term**	**Monetary expenses**	**Non-monetary expenses**	**Long term expenses**	**Post-employment expenses**	**Termination benefits**	**Total**
Health Service Chief Executive (HSCE)							
Craig Carey (Acting)	From 26 April 2021 to 27 August 2021	40	2	1	3	0	**46**
Anthony Brown	From 30 August 2021	426	20	9	38	0	**493**
Executive Director Finance, Infrastructure & Corporate Services (EDFICS)							
Samantha Edmonds	From 7 January 2019	216	0	5	21	0	**242**
Executive Director, Medical Services and Clinical Governance (EDMSCG)							
Dr Debra Tennett	From 18 January 2021	435	28	10	34	0	**507**
Executive Director Nursing & Midwifery (EDNMS)							
Chris Small	From 20 January 2020	221	0	5	22	0	**248**
Director Workforce (formerly Director Organisational Development (DOD)							
Chris Neilsen (Acting)	From 7 December 2020	153	2	3	17	0	**175**
Executive Director, Primary and Community Care *							
Rebecca Greenway (Acting)	From 18 May 2020 to 24 September 2021	49	10	1	4	0	**64**
Louisa Dufty (Acting)	From 27 September 2021	160	0	4	14	0	**178**
Executive Director Allied Health (EDAH) (formerly Allied Health Professional Lead (AHPL)							
Helen Wassman	From 9 December 2019	188	10	4	20	0	**222**
Director of Aboriginal and Torres Strait Islander Health and Engagement (DATSIHE)							
Rodney Landers (Acting)	19 March 2021 to 25 March 2022	105	0	2	8	0	**115**
Randall Taylor	From 28 March 2022	44	0	1	4	0	**49**
Executive Director, Strategy Performance & Governance (EDSPG)							
Vacant							

* Rebecca Greenway was permanently appointed to the position of Executive Director Primary and Community Care and will commence the permanent appointment from 5 September 2022. Rebecca is currently leading the COVID response in the South West as the Incident Controller.

Note 8. Key management personnel disclosure (continued) 30 June 2021		Short-term benefits ($'000s)		Other Employee Benefits($'000s)			
Position title **Position holder/s**	**Term**	**Monetary expenses**	**Non-monetary expenses**	**Long term expenses**	**Post-employment expenses**	**Termination benefits**	**Total**
Health Service Chief Executive (HSCE)							
Linda Patat	29 July 2019 to 31 July 2020	41	1	1	3	0	**46**
Samantha Edmonds (Acting)	1 August 2020 to 23 August 2020	18	1	0	2	0	**21**
Matthew Boyd (Acting)	24 August 2020 to 25 April 2021	152	7	3	12	0	**174**
Craig Carey (Acting)	From 26 April 2021	46	4	1	4	0	**55**
Executive Director Finance, Infrastructure & Corporate Services (EDFICS)							
Samantha Edmonds	From 7 January 2019	182	13	4	17	0	**216**
Executive Director, Medical Services and Clinical Governance (EDMSCG)							
Dr Ross Duncan (Acting)	21 December 2019 to 17 November 2020	193	0	4	14	0	**211**
Dr Arnel Polong (Acting)	18 November 2020 to 15 January 2021	91	2	0	0	0	**93**
Dr Debra Tennett	From 18 January 2021	203	12	4	13	0	**232**
Executive Director Nursing & Midwifery (EDNMS)							
Chris Small	From 20 January 2020	173	0	3	16	0	**192**
Matthew Boyd (Acting)	8 June 2020 to 23 August 2020	35	2	1	3	0	**41**
Director Organisational Development (DOD)							
Chris Neilsen (Acting)	From 7 December 2020	82	6	2	9	0	**99**
Executive Director, Primary and Community Care							
Rebecca Greenway (Acting)	From 18 May 2020	193	10	4	17	0	**224**
Executive Director Allied Health (EDAH) (formerly Allied Health Professional Lead (AHPL))							
Helen Wassman	From 9 December 2019	175	9	4	18	0	**206**
Director of Aboriginal and Torres Strait Islander Health and Engagement (DATSIHE) (formerly Senior Indigenous Health Coordinator (SIHC))							
Rodney Landers [1]	From 4 October 2019	128	0	2	12	0	**142**
Executive Director, Strategy Performance & Governance (EDSPG)							
Vacant							

[1] Rodney Landers was appointed Acting Director of Aboriginal and Torres Strait Islander Health and Engagement from 19 March 2021.

Note 8. Key management personnel disclosures (continued)

Board Remuneration

The South West HHS is independently and locally controlled by the South West Hospital and Health Board (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 HHS land and buildings (section 7 *Hospital and Health Boards Act 2011*).

In accordance with the *Hospital and Health Boards Act 2011*, the Governor in Council appoints Board members, on the recommendation of the Minister, for a period not exceeding 4 years. Board members are paid an annual salary based on their position as well as fees for membership on sub-committees. Remuneration is calculated in accordance with the guidance statement issued by the Department of the Premier and Cabinet.

Composition of the Board and remuneration paid to Board members was as follows:

30 June 2022			Short-term benefits			
Appointee	Role	Term	Monetary expenses* ($'000)	Non-monetary expenses ($'000)	Post-employment expenses ($'000)	Total ($'000)
Ms Karen Tully	Chairperson	18 May 2020 – 17 May 2024	77	0	7	**84**
Ms Claire Alexander	Board member	26 June 2015 - 17 May 2024	42	0	4	**46**
Mr Ray Chandler	Board member	18 May 2017 - 31 March 2026 [1]	44	0	4	**48**
Ms Jan Chambers	Board member	18 May 2019 - 31 March 2026 [1]	45	0	4	**49**
Dr Mark Waters [2]	Board member	18 May 2020 - 31 March 2024	32	0	3	**35**
Ms Kerry Crumblin	Board member	18 May 2020 - 31 March 2024	39	0	4	**43**
Mr Bruce Scott OAM	Board member	10 June 2021 - 31 March 2024	42	0	4	**46**
Brigadier Christopher Hamilton	Board member	10 June 2021 - 31 March 2024	43	0	4	**47**
Dr Marco Giuseppin [3]	Board member	31 August 2021 – 28 Feb 2022	21	0	2	**23**

* Monetary expenses include travel reimbursement.
[1] Mr Ray Chandler's & Ms Jan Chambers' previous appointment to the South West Hospital and Health Board ended on 31 March 2022. Mr Ray Chandler & Ms Jan Chambers were reappointed to the Board for a further term from 1 April 2022 to 31 March 2026 via the Queensland Government Gazette dated 25 March 2022.
[2] Dr Mark Waters took a leave of absence while acting in the position of Health Service Chief Executive for Sunshine Coast Hospital & Health Service from 7 June 2021 to 8 October 2021.
[3] Dr Marco Giuseppin was appointed to the South West HHS Board via the Queensland Government Gazette dated 3 September 2021 for a term of six months commencing on and from 31 August 2021.

30 June 2021			Short-term benefits			
Appointee	Role	Term	Monetary expenses* ($'000)	Non-monetary expenses ($'000)	Post-employment expenses ($'000)	Total ($'000)
Ms Karen Tully	Chairperson	18 May 2020 – 17 May 2024	70	0	6	**76**
Ms Claire Alexander	Board member	26 June 2015 - 17 May 2024	42	0	4	**46**
Ms Fiona Gaske [1]	Board member	18 May 2014 - 17 May 2021	22	0	2	**24**
Mr Ray Chandler	Board member	18 May 2017 - 31 March 2022	41	0	4	**45**
Ms Jan Chambers [2]	Board member	18 May 2019 – 31 March 2022	43	0	4	**47**
Dr Mark Waters	Board member	18 May 2020 - 31 March 2024	39	0	4	**43**
Ms Kerry Crumblin	Board member	18 May 2020 - 31 March 2024	41	0	4	**45**

* Monetary expenses include travel reimbursement.
[1] Fiona Gaske took a leave of absence when running for the state election
[2] Jan Chambers was appointed South West HHS Acting Board Chair for the period 18 May 2021 to 10 June 2021 during finalisation of the Queensland Government Gazette to extend Karen Tully's appointment as Chairperson to 17 May 2024

Mr Bruce Scott OAM and Brigadier Christopher Hamilton were appointed to the South West HHS Board on 10 June 2021 for a term to and including 31 March 2024. No remuneration was paid to Mr Scott and Brigadier Hamilton for the reporting period to 30 June 2021.

Note 9. Supplies and services

	2022 $'000	2021 $'000
Building services	1,194	1,287
Catering and domestic supplies	1,377	1,291
Clinical supplies and services	8,255	8,381
Communications	1,685	1,898
Computer services	2,793	2,484
Consultants and contractors	13,153	11,595
Electricity and other energy	2,178	2,084
Minor works including plant and equipment	949	2,505
Motor vehicles	415	175
Rental expenses	1,544	1,274
Other travel	2,525	2,563
Pharmaceutical supplies	1,399	907
Pathology, blood and parts	3,189	2,395
Patient transport	3,691	3,810
Patient travel	2,781	2,701
Repairs and maintenance	4,756	4,117
Other	2,626	4,169
	54,510	53,636

Significant accounting policies

For a transaction to be classified as supplies and services, the value of goods or services received by South West HHS must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note 4.

Rental expenses include lease rentals for short term leases, lease of low value assets and/or variable lease payments.

Note 10. Other expenses

	2022 $'000	2021 $'000
Advertising	265	191
Audit fees	296	296
Funding Expenses HHS	1,410	1,944
Insurance - QGIF	789	778
Insurance - Other	124	83
Interest on Lease Liabilities	9	22
Inventory written off	106	84
Losses from the disposal of non-current assets	87	343
Legal costs	49	86
Other	100	745
Services received free of charge (Note 4)	1,787	1,626
Special payments - ex-gratia payments	10	-
	5,032	6,198

Significant accounting policies

The Department of Health insures property and general losses above a $10,000 threshold through the Queensland Government Insurance Fund (QGIF). Medical indemnity (formerly known as health litigation) payments above a $20,000 threshold and associated legal fees are also insured through QGIF. For the 2021-22 year, the premium was allocated to each HHS according to the underlying risk of an individual insured party. South West HHS is required to pay the excess of $10,000 or $20,000 per event for property and general losses or medical indemnity claims respectively.

Special payments represent ex-gratia payments that South West HHS is not contractually or legally obliged to make to other parties.

Funding expenses HHS reflects the portion of the funding received under the service agreement to be repaid to the Department of Health.

South West HHS maintains a register setting out the details of all special payments. In 2021-22, ex-gratia payments of $10,040 (2021: $882) were made.

Total external audit fees payable to the Queensland Audit Office relating to the 2021-22 financial year were $160,350 (2021: $149,170) including out of pocket expenses. There are no non-audit services included in this amount.

Note 10. Other expenses (continued)

South West HHS outsources its Internal Audit function to an external agency. Internal audit fees for 2021-22 were $123,441 (2021: $158,299).

Note 11. Cash and cash equivalents

	2022 $'000	2021 $'000
Imprest accounts	**7**	7
Cash at bank	**24,471**	18,697
QTC cash funds*	**3,499**	3,429
	27,977	22,133

*Refer Note 22 Restricted assets.

South West HHS operating bank accounts are grouped as part of a Whole-of-Government (WoG) banking arrangement, and do not earn interest on surplus funds nor is it charged interest or fees for accessing its approved cash debit facility. Any interest earned on the WoG arrangement accrues to the Consolidated Fund.

General trust bank accounts and term deposits, included in Queensland Treasury Corporation (QTC) cash funds above, do not form part of the WoG banking arrangement and incur fees as well as interest. Cash deposited with QTC earns interest, calculated on a daily basis reflecting market movements in cash funds as determined by QTC. Rates achieved throughout the year range between 0.27% to 0.90% (2021: 0.51% to 1.04%).

Debt facility

South West HHS has access to a $2 million debt facility approved by Queensland Treasury which was fully undrawn at 30 June 2022 (2021: $2 million debt facility, fully undrawn).

Significant accounting policies

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 debt facility.

Note 12. Receivables

	2022 $'000	2021 $'000
Trade debtors	**1,470**	1,345
Payroll receivables	**2**	11
Loss allowance	**(158)**	(102)
	1,314	1,254
GST receivables	**427**	748
GST payable	**(11)**	(10)
	416	738
Public health services funding	**2,173**	1,927
Other	**831**	654
	4,734	4,573

The closing balance of receivables arising from contracts with customers at 30 June 2022 is $1.704 million (2021: $1.050 million).

Significant accounting policies

Receivables are measured at amortised cost which approximates their fair value at reporting date. Trade debtors are recognised at the amount due at the time of sale or service delivery i.e. the agreed purchase/contract price. The recoverability of trade debtors is reviewed on an ongoing basis at an operating unit level. Trade receivables are generally settled within 90 days (refer Note 19). No interest is charged, and no security is obtained.

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact South West HHS, along with relevant industry and statistical data where applicable.

Note 12. Receivables (continued)

Movement in the allowance for impairment

	2022 $'000	2021 $'000
Opening balance	102	151
Amounts written off during the year	(89)	(62)
Increase/(Decrease) in allowance recognised in operating result	145	13
Closing balance	158	102

Note 13. Property, plant and equipment

Balances and reconciliations of carrying amount

2022	Land (Level 2) $'000	Land (Level 3) $'000	Buildings (Level 2) $'000	Buildings (Level 3) $'000	Plant and equipment (at cost) $'000	Capital works in progress (at cost) $'000	Total $'000
Gross value	4,276	-	497	332,734	24,170	1,657	363,334
Less: Accumulated depreciation	-	-	-	(109,083)	(12,270)	-	(121,353)
Carrying amount at 30 June 2022	**4,276**	**-**	**497**	**223,651**	**11,900**	**1,657**	**241,981**
Represented by movements in carrying amount:							
Carrying amount at 1 July 2021	126	3,873	413	207,880	12,062	8,609	232,963
Reclassification between Level 2 & Level 3	3,873	(3,873)	-	-	-	-	-
Acquisitions	-	-	-	-	1,545	2,120	3,665
Disposals	-	-	-	(14)	(237)	-	(251)
Revaluation increments/(decrements)	117	-	105	10,750	-	-	10,972
Transfers in	160	-	-	5,736	288	-	6,184
Transfers between classes	-	-	-	8,708	364	(9,072)	-
Depreciation expense	-	-	(21)	(9,409)	(2,122)	-	(11,552)
Carrying amount at 30 June 2022	**4,276**	**-**	**497**	**223,651**	**11,900**	**1,657**	**241,981**

2021	Land (Level 2) $'000	Land (Level 3) $'000	Buildings (Level 2) $'000	Buildings (Level 3) $'000	Plant and equipment (at cost) $'000	Capital works in progress (at cost) $'000	Total $'000
Gross value	126	3,873	481	296,431	23,638	8,609	333,158
Less: Accumulated depreciation	-	-	(68)	(88,551)	(11,576)	-	(100,195)
Carrying amount at 30 June 2021	**126**	**3,873**	**413**	**207,880**	**12,062**	**8,609**	**232,963**
Represented by movements in carrying amount:							
Carrying amount at 1 July 2020	145	3,975	432	136,541	7,980	2,276	151,349
Acquisitions	-	-	-	32	2,672	7,746	10,450
Disposals	-	-	-	(17)	(327)	-	(344)
Revaluation increments/(decrements)	(19)	(102)	2	(3,817)	-	-	(3,936)
Transfers in from Department of Health	-	-	-	83,122	3,302	-	86,424
Transfers between classes	-	-	-	962	451	(1,413)	-
Depreciation expense	-	-	(21)	(8,943)	(2,016)	-	(10,980)
Carrying amount at 30 June 2021	**126**	**3,873**	**413**	**207,880**	**12,062**	**8,609**	**232,963**

Note 13. Property, plant and equipment (continued)

Significant accounting policies

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

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

Items below these values are expensed. Land improvements undertaken by South West HHS are included in the building class. South West HHS has an annual maintenance program for its buildings. Expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores the original service potential (lost through ordinary wear and tear) is expensed.

Acquisition of assets

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

Purchases of clinical equipment, furniture and fittings associated with capital works projects are managed by South West HHS. These outlays are funded by the State through the Department of Health as equity injections throughout the year. In 2021-22 the value of these injections was $5.211 million (2021: $7.598 million). Refer to Statement of Changes in Equity.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other agency immediately prior to the transfer. Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

Measurement using historical cost

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

Measurement using fair value

Land and buildings are measured at fair value in accordance with *AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement* and Queensland Treasury's NCAP.

These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and accumulated impairment losses where applicable. Separately identified components of assets are measured on the same basis as the assets to which they relate. In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

Fair Value Measurement

Use of specific appraisals

Revaluations using independent professional valuers or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by South West HHS are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

Use of indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept current via the application of relevant indices. South West HHS ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. Independent professional valuers or internal expert appraisers supply the indices used for the various types of assets. Such indices are either publicly available or are derived from market information available to valuers or appraisers. Valuers or appraisers provide assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by valuers or appraisers based on South West HHS' own particular circumstances.

Note 13. Property, plant and equipment (continued)

Fair value

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

Observable inputs are publicly available data relevant to the characteristics of the assets being valued, such as published sales data for land and residential dwellings.

Unobservable inputs are data, assumptions and judgements not available publicly, but relevant to the characteristics of the assets being valued. Significant unobservable inputs used by the HHS include subjective adjustments made to observable data to take account of any specialised nature of the buildings (i.e. primary health care, acute care), including historical and current construction contracts (and/or estimates of such costs), and assessments of technological and external obsolescence and physical deterioration as well as remaining useful life. Inputs used to determine the level rating for land include zoning which may restrict use to health service provision only. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

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

Fair value hierarchy

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

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

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

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

Reflecting the specialised nature of health service buildings, fair value is determined using current replacement cost methodology. Current replacement cost represents the price that would be received for the asset, based on the estimated cost to construct a substitute asset of comparable utility, adjusted for obsolescence. This requires identification of the full cost of a replacement asset, adjusted to take account of the age and obsolescence of the existing asset. The cost of a replacement asset is determined by reference to a modern-day equivalent asset, built to current standards and with modern materials.

Refer to the table *Balances and reconciliation of carrying amount* in this note for disclosure of categories for assets and liabilities measured at fair value.

Revaluation of property measured at fair value

The HHS's land and buildings are independently and professionally valued. South West HHS also revalue significant, newly commissioned buildings in the same manner to ensure that they are transferred from the Department of Health at fair value.

Land and building values are comprehensively revalued at least every five years. Indices approximating market movement are applied to assets in the intervening periods. This ensure that land balances are materially accurate and represent fair value at reporting date.

Accounting for changes in fair value

Any revaluation increment arising on the revaluation of an asset is credited to the 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.

For assets revalued using a cost valuation approach (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

Note 13. Property, plant and equipment (continued)

Impact from valuation program

Land
During 2021-22 APV Valuers and Asset Management were engaged to comprehensively value South West HHS' land portfolio as at 30 June 2022. The valuation resulted in a revaluation increment to South West HHS's land portfolio as at 30 June 2022 of $0.117 million which was recognised in the revaluation increment line in the Statement of Comprehensive Income.

Buildings
During 2021-22 APV Valuers and Asset Management were engaged to comprehensively value South West HHS' buildings portfolio as at 30 June 2022. The valuation resulted in a revaluation increment to South West HHS's land portfolio as at 30 June 2022 of $10.855 million which was recognised in other comprehensive income in the Statement of Comprehensive Income.

Transfer from Department of State Development, Infrastructure, Local Government and Planning
South West HHS received $5.896m of non-reciprocal equity transfers in 2021-22 from the Department of State Development, Infrastructure, Local Government and Planning for the Roma Hospital Student Accommodation Precinct which was funded by the Growth Area and Regional Infrastructure Investment Fund (GAFIIF), comprising; land, buildings and site improvements.

Depreciation

Depreciation (representing a consumption of an asset over time) is calculated on a straight-line basis (equal amount of depreciation charged each year) as that is consistent with the even consumption of service potential of these assets over their useful life to South West HHS. The residual (or scrap) value is assumed to be zero. Annual depreciation is based on the cost or the fair value of the asset and the HHS's assessment of the remaining useful life of the individual assets (in the case of building assets, individual asset components, as deemed appropriate). Land is not depreciated as it has unlimited useful life. Assets under construction (work in progress) are not depreciated until they are ready for use. These assets are then reclassified to the relevant class within property, plant and equipment.

Any expenditure that increase the originally assessed capacity of service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

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

Class	Depreciation Rates
Building and improvements	0.69% - 4.76%
Plant and Equipment	1.49% - 20.00%

Indicators of impairment and determining recoverable amount

All property, plant and equipment are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. If an indicator or impairment exists, South West HHS determines the asset's recoverable amount (higher or value in use and fair value less costs of disposal). Any amounts by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss.

<u>Recognising impairment losses</u>
For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the revaluation surplus of the relevant class to the extent available. Where no revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

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

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

Note 14. Payables

	2022 $'000	2021 $'000
Trade creditors	9,675	10,689
Accrued health service labour - Department of Health	1,135	759
Other payables	3,329	3,230
	14,139	14,678

Significant accounting policies

Trade creditors 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, net of applicable trade and other discounts. The amounts are unsecured and normally settled within 30-45 days.

Note 15. Other liabilities

	2022 $'000	2021 $'000
Funding for public health services to be returned	1,415	1,944
Unearned revenue	1,908	92
	3,323	2,036

Significant accounting policies

Funding for public health services to be returned reflects the portion of the funding received under the service agreement to be repaid to the Department of Health.

Special purpose capital grants received to construct non-financial assets to be controlled by South West HHS are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as South West HHS satisfies its obligations under the grant through construction of the asset.

During 2021-22 South West HHS received $1.800 million (2021: $0 million) in special purpose capital grants from the Commonwealth for upgrades and improvements to the Cunnumulla, Augathella, Surat and Injune multi-purpose services residential care facilities. As at 30 June 2022, construction is yet to commence therefore the special purpose capital grants have been recorded as unearned revenue in line with AASB 1058 *Income of Not-for-Profit Entities* and will be recognised as revenue in line with construction.

Note 16. Right-of-Use Assets and Lease Liabilities

Leases as a lessee

Right-of-use assets

2022	**Buildings $'000**	**Total $'000**
Gross value	597	597
Less: Accumulated amortisation	(264)	(264)
Carrying amount at 30 June 2022	**333**	**333**
Represented by movements in carrying amount:		
Carrying amount at 1 July 2021	1,110	1,110
Additions	146	146
Amortisation expense	(206)	(206)
Disposals	(717)	(717)
Carrying amount at 30 June 2022	**333**	**333**

2021	**Buildings $'000**	**Total $'000**
Gross value	1,412	1,412
Less: Accumulated amortisation	(302)	(302)
Carrying amount at 30 June 2021	**1,110**	**1,110**
Represented by movements in carrying amount:		
Carrying amount at 1 July 2020	1,053	1,053
Additions	480	480
Amortisation expense	(423)	(423)
Carrying amount at 30 June 2021	**1,110**	**1,110**

	2022 $'000	**2021 $'000**
Current		
Lease liabilities	**110**	203
	110	203
Non-Current		
Lease liabilities	**231**	915
	231	915
	341	1,118

	2022 $'000	**2021 $'000**
Lease liability commitments		
within 1 year	**110**	203
1 year to 5 years	**176**	397
more than 5 years	**55**	518
	341	1,118

During the reporting period ended 30 June 2022 amortisation expense on right of use assets $206,134 (2021: $423,204) and interest recognised on lease liabilities was $9,349 (2021: $22,032) (Refer to Note 10 - Other expenses).

Note 16. Right-of-Use Assets and Lease Liabilities (continued)

Significant accounting policies

Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs

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

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

The South West HHS measures all right-of-use assets at cost subsequent to initial recognition.

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

Where a contract contains both lease and non-lease components such as asset maintenance services, the HHS allocates the contractual payments to each component based on their stand-alone prices.

Lease liabilities

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the HHS under residual value guarantees
- the exercise price of a purchase option that the HHS is reasonably certain to exercise
- if the lease term reflects the early termination, payments for termination penalties

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

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

Disclosures – Leases as lessee

(i) Details of leasing arrangements as lessee

The HHS routinely enters leases for property including residential and office accommodation. Some of these leases are short-term leases or leases of low value assets. Lease terms for property leases that are recognised on the Statement of Financial Position can range from 2 to 12 years. Property leases have renewal or extension options. The options are generally exercisable at market prices and are not included in the right-of-use asset or lease liability unless the HHS is reasonably certain it will renew the lease. They are not expected to vary materially from year to year.

(ii) Office accommodation, employee housing and motor vehicles

The Department of Energy and Public Works (DEPW) provides the South West HHS with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets.

Note 17. Asset revaluation surplus by class

2022	Buildings $'000	Total $'000
Carrying amount at 1 July 2021	67,786	67,786
Asset revaluation increment/(decrement)	10,855	10,855
Carrying amount at 30 June 2022	**78,641**	**78,641**

2021	Buildings $'000	Total $'000
Carrying amount at 1 July 2020	71,601	71,601
Asset revaluation increment/(decrement)	(3,815)	(3,815)
Carrying amount at 30 June 2021	67,786	67,786

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

Note 18. Reconciliation of operating result to net cash provided by operating activities

	2022 $'000	2021 $'000
(Deficit)/Surplus for the year	**3,984**	5,692
Adjustments for:		
Depreciation and amortisation	**11,758**	11,403
Depreciation funding	**(11,758)**	(11,404)
Services free of charge	**1,787**	1,626
Services received below fair value	**(1,787)**	(1,626)
Revaluation increment	**(117)**	121
Net (gain)/loss on disposal of non-current assets	**87**	343
Loss allowance	**145**	-
Other income	**(15)**	(8)
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	**(483)**	(1,588)
(Increase)/Decrease in GST receivables	**321**	(484)
(Increase)/Decrease in inventories	**(201)**	(270)
Increase/(Decrease) in accounts payable	**(915)**	5,146
Increase/(Decrease) in accrued contract labour	**376**	(2,856)
Increase/(Decrease) in GST payable	**1**	6
Increase/(Decrease) in unearned revenue	**1,817**	68
Increase/(Decrease) in funding payable	**(529)**	1,568
Net cash from operating activities	4,471	7,737

Note 19. Financial instruments

Categorisation of financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when South West HHS becomes party to the contractual provisions of the financial instrument. South West HHS has the following categories of financial assets and financial liabilities:

	Note	2022 $'000	2021 $'000
Financial assets measured at amortised cost:			
Cash and cash equivalents	11	**27,977**	22,133
Receivables	12	**3,903**	3,919
Total financial assets		**31,880**	26,052
Financial liabilities measured at amortised cost:			
Payables	14	**14,139**	14,678
Other liabilities	15	**1,415**	1,944
Lease liabilities	16	**341**	1,118
Total financial liabilities		**15,895**	17,740

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

Financial risk management

South West HHS activities expose it to a variety of financial risks - credit risk, liquidity risk and market risk. Financial risk management is implemented pursuant to Government and South West HHS policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of South West HHS. South West HHS measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by active management of accrual accounts
Market risk	Interest rate sensitivity analysis

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.

Credit risk is considered minimal given all South West HHS deposits are held by the State through the Commonwealth Bank of Australia and Queensland Treasury Corporation.

No collateral is held as security and no credit enhancements relate to financial assets held by South West HHS. In terms of collectability, receivables will be categorised based on the debtor type (i.e. government, private health funds, individuals etc) and the aging of the debts held.

South West HHS applies the *AASB 9 Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the HHS' debtors, along with relevant industry and statistical data where applicable. Throughout the year, South West HHS will assess whether there is evidence that trade receivables (grouped based on shared credit risk characteristics) are impaired. Evidence includes financial difficulties of the debtor, changes in debtor credit ratings and current outstanding accounts over 120 days. The allowance for impairment reflects South West HHS's assessment of the recoverability of receivables and is determined based on historical rates of bad debts (by category) over the past three years and management judgement. Management judgement will include assessments of expected lifetime credit losses, particularly in relation to ineligible debt categories. All known bad debts are written off when identified.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with South West HHS, and a failure to make contractual payments for a period of greater than 120 days past due.

Note 19. Financial instruments (continued)

The following table shows the value of South West HHS receivable balance separated into the time categories used by management in the monitoring of credit risk. South West HHS standard credit terms are payment within 30 days from the date of invoice. Any amounts which are less than 30 days from date of invoice are considered current. All amounts which are outstanding for 30 or more days after the date of invoice are considered to be overdue.

	Current	Overdue			
	Less than 30 days ($'000)	30-60 days ($'000)	61-90 days ($'000)	More than 90 days ($'000)	Total ($'000)
Financial assets 2022					
Receivables	3,407	183	199	272	4,061
Allowance for impairment	0	(6)	(10)	(142)	(158)
Carrying amount	3,407	177	189	130	3,903
2022 Loss rate %					**3.89**
Financial assets 2021					
Receivables	3,461	188	146	226	4,021
Allowance for impairment	(6)	(9)	(3)	(84)	(102)
Carrying amount	3,455	179	143	142	3,919
2021 Loss rate %					**2.54**

Liquidity risk

Liquidity risk is the risk that South West HHS will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. South West HHS 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 always available to meet employee and supplier obligations. The lease liability is recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Lease payments are apportioned between a reduction in the lease liability and interest expense calculated at the applicable discount rate. All other financial liabilities are current in nature and will be due and payable within twelve months. As such no discounting of cash flows has been made to these liabilities in the Statement of Financial Position.

The overdraft facility available to South West HHS remains undrawn at 30 June 2022 (refer note 11).

Interest Rate Risk

The HHS is exposed to interest rate risk on its cash deposited in interest bearing accounts with Queensland Treasury Corporation. The HHS does not undertake any hedging in relation to interest rate risk. Changes in interest rate have a minimal effect on the operating result.

Note 20. Contingencies

Litigation in progress

As at 30 June 2022, the following cases were filed in the courts naming the State of Queensland acting through the South West Hospital and Health Service as defendant:

	2022 No. of cases	2021 No. of cases
Federal Court	-	-
Supreme Court	-	2
District Court	-	-
Tribunals, commissions and boards	-	5
	-	7

Medical and general litigation is underwritten by the Queensland Government Insurance Fund (QGIF). South West HHS' liability in this area is limited to an excess per insurable event of $20,000. As at 30 June 2022, South West HHS has no Medical Indemnity and General Liability claims currently managed by QGIF.

Note 21. Commitments

At 30 June 2022 South West HHS had commenced capital projects with outstanding commitments of $1.298 million (2021: $1.551 million). These projects are largely funded by the Department of Health through the Priority Capital Program or through retained earnings. These capital projects will be completed during the 2022-23 financial year.

South West HHS leases commercial and residential property from the Department of Energy and Public Works to an annual value of $0.699 million on an ongoing basis (2021: $0.598 million).

Note 22. Restricted assets

Contributions are received from benefactors in the form of gifts, donations and bequests for stipulated purposes. South West HHS also holds Refundable Accommodation Deposits from aged care facility residents which form part of South West HHS cash balance in the QTC cash accounts line item in Note 11 however are refunded to residents when they leave the facility. The refundable deposits liability is included in the other liabilities line item in Note 14. At 30 June 2022 amounts of $3.499 million (2021: $3.429 million) were set aside.

South West HHS administers the Cunnamulla Primary Health Care Centre bank account in accordance with the Collaborative Services Agreement with the Cunnamulla Aboriginal Corporation for Health (CACH). The balance of this restricted asset as at 30 June 2022 was $100,001 (2021: $37,777). These balances are not recognised in the financial statements.

Note 23. Fiduciary trust transactions and balances

	2022 $'000	2021 $'000
Patient trust assets opening balance 1 July 2021	150	150
Receipts		
Patient trust receipts	1,221	1,266
Total receipts	1,221	1,266
Payments		
Patient trust related payments	1,193	1,256
Total payments	1,193	1,256
Increase/(decrease) in net patient trust assets	28	10
Patient trust assets closing balance 30 June 2022	178	150
Patient trust assets		
Current assets		
Cash at bank and on hand	178	150
Total current assets	178	150

Significant Accounting Policy

South West HHS acts in a fiduciary trust capacity in relation to patient trust accounts. Consequently, these transactions and balances are not recognised in the financial statements. Although patient funds are not controlled by South West HHS, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

Note 24. Associates

Western Queensland Primary Care Collaborative Limited (WQ PCC) was registered in Australia as a public company limited by guarantee on 22 May 2015. South West HHS is one of the three founding members along with North West Hospital and Health Service (North West HHS) and Central West Hospital and Health Service (Central West HHS), each holding one voting right in the company and the entitlement to appoint one Director to the Board of the company. Since formation, 12 additional members have been added to the WQ PPC membership. The principal place of business of WQ PCC is Mount Isa, Queensland.

On 12 January 2018 the Constitution of WQ PCC was amended to allow the transition from a public-sector entity to a non-public sector entity to meet the requirements of the WQ PCC funding agreement with the Commonwealth. At this time the Queensland Audit Office were consulted and agreed to the amendment of the Constitution to remove the Auditor-General from auditing WQ PCC.

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 South West HHS 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 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 South West HHS or reimbursing South West HHS for goods or services delivered to WQ PCC.

South West HHS's interest in WQ PCC is immaterial in terms of the impact on South West HHS'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 South West HHS'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.

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

Note 25. Actual vs Budget comparison

The original budget has been reclassified to be consistent with the presentation and classification adopted on the financial statements. For the purposes of these comparatives the "Original Budget" refers to the South West HHS budget included as part of the June 2021 Service Delivery Statements (SDS) process which reflected the budget at that point in time. Since then there have been adjustments to funding including, but not limited to:

- Enterprise bargaining agreements
- Deferred funding
- New funding for programs and initiatives per the Service Agreement

Explanations of major variances

Statement of Comprehensive Income

a) The $10.862 million (7%) increase in public health service funding relates to unbudgeted amendments to the Service Agreement between South West HHS and the Department of Health during the financial year. Amendments included additional program initiatives approved to expand service delivery, funding for enterprise bargaining wage increases, higher than budgeted depreciation funding due to acquisitions and transfers during the financial year and $5.9 million in funding for COVID-19 (including response, management and vaccination).

b) The $2.11 million (30%) increase in grants and other contributions is mainly due to an unbudgeted $1.787 million for corporate services support from the Department of Health for no cost. Refer to note 4 for details of the services received by South West HHS.

c) The $0.673 million (5%) increase in employee expenses is due to the HHS' unbudgeted use of COVID-19 Hospital in the Home (HiTH) and Virtual Medical leading to an increase in Medical FTE. Additionally, the increase is attributable to pay increases for Senior Officers, Senior Executive Services and Chief Executives that were not anticipated in advance of the original budget.

d) The $8.126 million (18%) increase in supplies and services is mainly due to higher than anticipated aeromedical retrieval services, clinical supplies, drug costs, pathology charges and patient travel caused by increased fuel costs, COVID-19 infection waves impacting service availability in the HHS, severe weather events and patients requiring high cost drugs for treatment.

e) The $2.975 million (145%) increase in other expenses is due to an unbudgeted $1.787 million for corporate services support received by South West HHS from the Department of Health for no cost. Additionally, the increase relates to unbudgeted $1.41 million funding expenses to be repaid to the Department of Health for program funding that will be moved to FY23 due to program delivery difficulties experienced in FY22 attributable to the increased demand for essential health services due to the COVID-19.

f) The $10.855 million increase is due to unbudgeted revaluation increments resulting from the 2021-22 building revaluation program.

Statement of Financial Position

g) The $3.549 million (15%) increase in cash and cash equivalents is due to unbudgeted income statement items (refer to income statement commentary) and unbudgeted $1.8 million for multi-purpose services capital grants.

h) The $3.221 million (213%) increase in receivables is primarily due to unbudgeted funding receivables owed to South West HHS from the Department of Health for program delivery throughout the financial year and the Aged Care Workforce Retention Payment.

i) The $3.299 million increase in other liabilities is mainly due to an unbudgeted $1.8 million for multi-purpose services capital grants and unbudgeted $1.41 million funding liabilities to be repaid to the Department of Health for program funding that will be moved to FY23 due to program delivery difficulties experienced in FY22 attributable to the increased demand for essential health services due to the COVID-19.

j) The $7.040 million (10%) increase in asset revaluation surplus is due to unbudgeted revaluation increments resulting from the 2021-22 building revaluation program.

k) The $2.859 million (12%) increase in retained surplus is due to unbudgeted income statement items. Refer to income statement commentary.

Statement of Cash Flows

l) The $2.674 million (755%) increase in other receipts is due to an unbudgeted $1.8 million for multi-purpose services capital grants and higher than budgeted recoveries for staff and project expenditure.

Note 25. Actual vs Budget comparison (continued)

m) The $0.627 million (5%) increase in employee expenses is due to the HHS' unbudgeted use of COVID-19 Hospital in the Home (HiTH) and Virtual Medical leading to an increase in Medical FTE. Additionally the increase is attributable to pay increases for Senior Officers, Senior Executive Services and Chief Executives that were not anticipated in advance of the original budget.

n) The $8.010 million (17%) increase in supplies and services is mainly due to higher than anticipated aeromedical retrieval services, clinical supplies, drug costs, pathology charges and patient travel caused by increased fuel costs, COVID-19 infection waves impacting service availability in the HHS, severe weather events and patients requiring high cost drugs for treatment.

o) The $2.946 million (175%) increase in other payments is mainly due to an unbudgeted $1.787 million for corporate services support received by South West HHS from the Department of Health for no cost. Additionally, the increase relates to unbudgeted $1.41 million funding expenses to be repaid to the Department of Health for program funding that will be moved to FY23 due to program delivery difficulties experienced in FY22 attributable to the increased demand for essential health services due to the COVID-19.

p) The $3.665 million increase in payments for property, plant and equipment relates to $1.545 million in plant and equipment purchases and $2.120 million in payments relating to works in progress. Works in progress include the water reticulation project, solar project and mechanical services upgrade project across South West HHS facilities expected to optimise existing infrastructure across South West HHS to support service delivery.

q) The $5.211 million variance relates to the budget recognising no cash impact for Department of Health funded projects. South West HHS pays for all capital and are reimbursed for Department of Health funded projects monthly in arrears.

r) The $11.557 million variance relates to depreciation and amortisation funding being treated as a cash item (equity withdrawal) in the budget, however this has been accounted as a non-cash item in the statement of cash flow.

Note 26. Related Party Transactions

	2022 $'000	2021 $'000
Entity - Department of Health		
Revenue	**131,776**	125,167
Expenditure	**108,840**	103,348
Asset	**2,233**	2,092
Liability	**9,511**	7,532
Entity - Department of Energy & Public Works		
QBuild project expenditure	**3,074**	6,929
Expenditure	**1,482**	1,535
Liability	**-**	328

Transactions with people/entities related to Key Management Personnel

See Note 8 for key management personnel disclosure for South West HHS.

Transactions with Queensland Government controlled entities

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

Department of Health

South West HHS receives funding in accordance with a service agreement with the Department of Health as outlined in Note 3. The Department of Health receives its revenue from the Queensland Government (majority of funding) and the Commonwealth. South West HHS is funded for eligible services through block funding. The service agreement is reviewed periodically and updated for changes in services delivered by the Hospital and Health Service.

The signed service agreements are published on the Queensland Government website and publicly available.

The Hospital and Health Service, through service arrangements with the Department of Health, has engaged 745 (2021: 722) full time equivalent persons. In 2022, $93.862 million (2021: $89.407 million) was paid to the Department for Health service employees. The terms of this arrangement are fully explained in Note 7.

The Department of Health centrally manages, on behalf of Hospital and Health Services, a range of services including pathology testing, pharmaceutical drugs, patient transport, telecommunications and technology services. These services are provided on a cost recovery basis. In 2022, these services totalled $13.568 million (2021: $$11.997 million).

In addition to services provided on a cost recovery basis, the Department of Health also provides a range of corporate support services to South West HHS at no cost as outlined in Note 4. The value of these services in 2022 totalled $1.787 million (2021: $1.626 million).

Note 26. Related Party Transactions (continued)

Queensland Treasury Corporation

South West HHS has accounts with the Queensland Treasury Corporation (QTC) for general trust monies and aged care refundable deposits. South West HHS receives interest on these deposits from QTC as outlined in Note 11.

Department of Energy and Public Works

South West HHS pays rent to the DEPW for several properties used for employee accommodation, offices etc. In addition, the DEPW provides vehicle fleet management services (Qfleet) to South West HHS as outlined in Note 9. South West HHS also engages QBuild for significant capital projects.

Other Hospital and Health Services

Payments to and receipts from other Hospital and Health Services occur to facilitate the transfer of patients, drugs, staff and other incidentals. These transactions are not individually significant.

Other

Grants are also received from other governments departments and related parties, but they are not individually significant transactions.

Transactions with non-Queensland Government controlled entities

As disclosed in Note 24, South West HHS is a participant in the Western Queensland Primary Health Network and is a shareholder of Western Queensland Primary Care Collaborative Ltd (WQ PCC).

During the 2021-22 financial year the WQPCC and South West HHS continued the service agreements whereby WQ PCC provided funds for the delivery of a Healthy Ageing program at various locations within the South West HHS area and provision of visiting Physiotherapy services in the communities of Cunnamulla and Wallumbilla. During the year South West HHS received revenue of $123,881 (2021: $54,138) for the delivery of physiotherapy services, $20,000 (2021: $51,000) for the provision of the Health Care Home program and $225,000 (2021: $300,000) for the provision of the Healthy Ageing program. There was $nil (2021: $4,840) in amounts receivable and $nil in amounts payable (2021: nil) in relation to these agreements at 30 June 2022.

South West HHS has joint operational control of Southern Queensland Rural Health (SQRH), in collaboration with University of Queensland (UQ), University of Southern Queensland (USQ), and Darling Downs Hospital and Health Service (DDHHS). South West HHS offers placement opportunities for SQRH students across South West HHS facilities.

Note 27. Events after the balance date

There are no significant matters or circumstances that have arisen since 30 June 2022 that have significantly affected, or may significantly affect South West HHS operations, the results of those operations, or the HHS state of affairs in future financial years.

South West Hospital and Health Service
Financial Statements for the year ended 30 June 2022

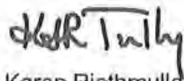
Certificate of South West Hospital and Health Service

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

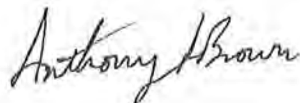
a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of South West Hospital and Health Service for the financial year ended 30 June 2022 and of the financial position of South West Hospital and Health Service at the end of that year.

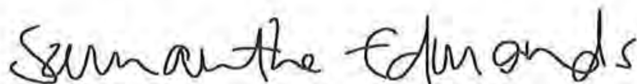
We acknowledge responsibility under s.7 and s.11 of *the Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout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



Karen Riethmuller Tully
Chair, South West Hospital and Health Board
22/8/22



Anthony Brown
Health Service Chief Executive
22/08/2022



Samantha Edmonds
Executive Director, Finance, Infrastructure and Corporate Services
22/8/22

Queensland
Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Board of South West Hospital and Health Service

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Specialised buildings valuation ($224.1 million)

Refer to Note 13 in the financial report.

<table>
<tr><th>Key audit matter</th><th>How my audit addressed the key audit matter</th></tr>
<tr><td>
Buildings were material to South West Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method.

In 2022 South West Hospital and Health Service performed a comprehensive revaluation for whole building/site improvement portfolio except for new buildings capitalised during year which were not considered material.

The current replacement cost method comprises:
• gross replacement cost, less
• accumulated depreciation

South West Hospital and Health Service derived the gross replacement cost of its buildings at the balance date using unit prices that required significant judgements for:
• identifying the components of buildings with separately identifiable replacement costs
• developing a unit rate for each of these components, including:
o estimating the current cost for a modern substitute (including locality factors and oncosts
o identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference

The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components.

The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.
</td><td>
My procedures included, but were not limited to:
• assessing the adequacy of management's review of the valuation process and results
• reviewing the scope and instructions provided to the valuer
• assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices
• assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices
• assessing the competence, capabilities and objectivity of the experts used to develop the models
• for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the:
o modern substitute (including locality factors and oncosts)
o adjustment for excess quality or obsolescence
• Evaluating useful life estimates for reasonableness by:
o reviewing management's annual assessment of useful lives
o at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets
o testing that no building asset still in use has reached or exceeded its useful life
o enquiring of management about their plans for assets that are nearing the end of their useful life
o reviewing assets with an inconsistent relationship between condition and remaining useful life
• Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.
</td></tr>
</table>

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

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

23 August 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

Acute Care	Care in which the clinical intent or treatment goal is to: • manage labour (obstetric) • cure illness or provide definitive treatment of injury • perform surgery • relieve symptoms of illness or injury (excluding palliative care) • reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures
AMS	Aboriginal Medical Service
Board	The South West Hospital and Health Service Board
CWAATSICH	Charleville and Western Areas Aboriginal and Torres Strait Islander Community Health
CACH	Cunnamulla Aboriginal Corporation for Health
CAN	Community Advisory Network
DAMA	Discharge Against Medical Advice
DFV	Domestic and Family Violence
FTE	Full-time equivalent
GP	General Practitioner
HHS	Hospital and Health Service
HiTH	Hospital in the Home
HSCE	Health Service Chief Executive
ICT	Information Communication Technology
MOHRI	Minimum obligatory human resource information
Outpatient	Non-admitted health service provided or assessed by an individual at a hospital or health service facility
PPH	Potentially Preventable Hospitalisation
Primary Health Care	The types of services delivered under primary health care are broad ranging and include: health promotion, prevention and screening, early intervention, treatment and management
QAO	Queensland Audit Office
RFDS	Royal Flying Doctor Service
Telehealth	Delivery of health-related services and information via telecommunication technologies, including: • live, audio and/or video inter-active links for clinical consultations and educational purposes • store-and forward Telehealth, including digital images, video, audio and clinical (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists • teleradiology for remote reporting and clinical advice for diagnostic images • telehealth services and equipment to monitor people's health in their home
WAU	Weighted Activity Unit

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	• **A letter of compliance from the accountable officer or statutory body to the relevant Minister/s**	ARRs – section 7	Page 5
Accessibility	• **Table of contents** • **Glossary**	ARRs – section 9.1	Page 6 Page 77
	• **Public availability**	ARRs – section 9.2	Inside front cover
	• **Interpreter service statement**	*Queensland Government Language Services Policy* ARRs – section 9.3	
	• **Copyright notice**	*Copyright Act 1968* ARRs – section 9.4	
	• **Information Licensing**	*QGEA – Information Licensing* ARRs – section 9.5	
General information	• **Introductory Information**	ARRs – section 10	Pages 8-16
Non-financial performance	• **Government's objectives for the community and whole-of-government plans/specific initiatives**	ARRs – section 11.1	Page 7
	• **Agency objectives and performance indicators**	ARRs – section 11.2	Pages 15-18
	• **Agency service areas and service standards**	ARRs – section 11.3	Pages 31-32
Financial performance	• **Summary of financial performance**	ARRs – section 12.1	Pages 33-34
Governance – management and structure	• **Organisational structure**	ARRs – section 13.1	Page 23
	• **Executive management**	ARRs – section 13.2	Pages 22-23
	• **Government bodies (statutory bodies and other entities)**	ARRs – section 13.3	Page 19
	• **Public Sector Ethics**	*Public Sector Ethics Act 1994* ARRs – section 13.4	Page 23
	• **Human Rights**	*Human Rights Act 2019* ARRs – section 13.5	Page 29
	• **Queensland public service values**	ARRs – section 13.6	Page 23
Governance – risk management and accountability	• **Risk management**	ARRs – section 14.1	Pages 26-27
	• **Audit committee**	ARRs – section 14.2	Page 21
	• **Internal audit**	ARRs – section 14.3	Pages 27-28
	• **External scrutiny**	ARRs – section 14.4	Pages 28-29
	• **Information systems and recordkeeping**	ARRs – section 14.5	Pages 28-29
	• **Information Security attestation**	ARRs – section 14.6	Not applicable

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• **Strategic workforce planning and performance**	ARRs – section 15.1	Pages 24-26
	• **Early retirement, redundancy and retrenchment**	Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	Page 26
Open Data	• **Statement advising publication of information**	ARRs – section 16	Pages 2 and 26
	• **Consultancies**	ARRs – section 31.1	https://data.qld.gov.au
	• **Overseas travel**	ARRs – section 31.2	https://data.qld.gov.au
	• **Queensland Language Services Policy**	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• **Certification of financial statements**	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 72
	• **Independent Auditor's Report**	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Pages 73-76

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

ANNUAL REPORT 2021–2022

South West Hospital and Health Service

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