

ANNUAL REPORT 2022–23



Information about consultancies, overseas travel, and the Queensland language services policy is available at the Queensland Government Open Data website¹. During 2022-2023, Central West Hospital and Health Service has nil overseas travel and Queensland language services expenditure to report.

Public Availability

An electronic copy of this report is available at www.centralwest.health.qld.gov.au². Hard copies of the annual report are available by phoning Central West Hospital and Health Service on 07 4652 8000. Alternatively, you can request a copy by emailing CWHHS-Board@health.qld.gov.au.

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⁴ Central West Hospital and Health Service Annual Report 2022-2023

Acknowledgement of Traditional Owners

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

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

Recognition of Australian South Sea Islanders

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

01 September 2023

The Honourable Shannon
Fentiman MP

Minister for Health, Mental Health
and Ambulance Services and Minister
for Women.

GPO Box 48

Brisbane Qld 4001

Dear Minister

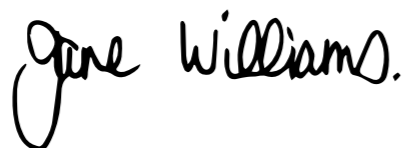
I am pleased to submit for presentation to the Parliament
the Annual Report 2022-2023 and financial statements
for Central West Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements
is provided at page 89 of this annual report.

Yours sincerely



Jane Williams

Chair

Central West Hospital and Health Board

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Statement on Queensland Government Objectives for the Community

Central West Hospital Health Strategic Plan 2021-2025 (the Strategic Plan) details its priorities and is aligned with the requirements of the Financial Accountability Act 2009.

Central West Hospital and Health Service (Central West HHS) contributes to the government's objectives for the community built around Good Jobs, better Services and Great Lifestyle.

Good Jobs:

By sustaining an organisational culture which attracts and retains a workforce that supports the delivery of safe, quality healthcare services. Focusing investment in innovation and staff development to strengthen community access to appropriate and sustainable healthcare services.

Better Services:

By Backing our frontline services and delivering efficient, effective and equitable patient-centred healthcare to the Central West communities. Additionally, keeping Queenslanders safe by expanding our capacity to respond to growing demand and staying pandemic-ready.

Great Lifestyle:

By promoting grow our region in attracting people and skill sets to the Central West and improving healthcare by investing in modern medical technology. Central West HHS prioritise health equity for First Nations peoples to honour and embrace our rich and ancient cultural history.

From the Chair and the Chief Executive

On behalf of the Board, Executives and employees of the Central West HHS are proud to present our 2022-2023 Annual Report.

At the heart of all our work, are our people, our teams and our service delivery partners who have demonstrated their collective commitment and dedication to the communities of the Central West. We express our sincere thanks and gratitude to every single team member. Their unwavering care and tireless efforts have set standards for excellence in remote healthcare service delivery and improved patient outcomes.

We acknowledge the traditional owners and custodians of the lands in which communities served by Central West HHS are located on. We pay our respect to elders both past and present and thank them for their contribution to the development of our services. We also acknowledge the many other diverse cultures that make up our community.

The *Central West First Nations Health Equity Strategy 2022-2025* (Central West FNHES) represents a commitment to the way we engage First Nations communities in health service delivery. It provides both a mandate and an opportunity to genuinely sit and listen to the voices of our communities to ensure their needs are reflected in the strategic priorities of the health service. After significant work and engagement with our Aboriginal and Torres Strait Islander community members across the district, the Central West FNHES launched on 8 November 2022.

With the launch of our FNHES, Central West HHS is looking forward to the continued collaboration with our First Nations communities, to work together to ensure fair and equitable health services, and best health outcomes.

We acknowledge recruitment of permanent, suitably qualified clinical staff, including medical, nursing, allied health and Aboriginal and Torres Strait Islander health workers remains both a challenge and a priority for health service. Our dedicated staff continue to collaborate closely with partners to

attract and retain a skilled workforce to ensure we can continue to provide safe, high-quality healthcare for our remote communities in a sustainable way.

Central West HHS delivered a new state-of-the-art Primary Health Centre (PHC) to the Windorah community which became fully operational on 2 February 2023. During construction, the Windorah PHC replacement provided an enormous economic boost to the region, supporting approximately 36 full-time equivalent jobs during the life of the project, while also providing opportunities for local businesses to participate. The positive flow-on effects through the community, including hospitality, civil, mechanical and electrical trades added to the local economy. Windorah now has a facility which was perfectly designed and built for both the people of the region and our valued healthcare workers. Thank you to all our delivery partners, particularly the Barcoo Shire Council, Ausco Modular Building Solutions and the community for your engagement and support which enabled the successful delivery of this project.

I am incredibly happy to announce on behalf of the Board that Anthony West was appointed as the Health Service Chief Executive in January 2023. Anthony's understanding and relationships throughout the west, combined with extensive experience in leadership positions throughout health, will continue to strengthen the governing areas of safety and quality, financial sustainability, risk management and community and staff engagement.

During 2022, in the interest of improving the everyday safety and quality of our health service, Central West HHS made the decision to transition to 'Short Notice' Assessments under the National Safety and Quality Health Service Standards (NSQHS). In April 2023, with two business days' notice, the health service was subject to its first short notice assessment.

Central West HHS was pleased to receive an overwhelmingly positive report against ninety-eight standards assessed by four NSQHS staff who visited twelve of our fifteen facilities. We are heartened by the report on our safety and quality performance and are determined to continue to deliver the highest quality health services possible in our remote communities. Safety is, and always will be, our highest priority.

A range of service development activities and improvements occurred during 2022-2023. The Local Area Needs Assessment was completed in November 2022 and highlighted key areas of focus and priorities of the Central West area communities. These areas of focus provide future service directions for promoting healthy living, transforming our care pathways, aligning services to provide equitable access, and enhancing our partnerships.

Central West HHS acquired the general practices in Longreach and Barcaldine, following the departure of a private provider. This decision was made to support ongoing continuity of primary care in these communities and leaves the health service as the only Medicare-funded general practice provider in the region. We acknowledge the years of commitment from Dr John Douyere, Mr Dean Workman and the staff of Outback Medical Services to deliver effective general practice services in the Central West and will strive to maintain this high-quality and reliable service.

Following passing of the *Voluntary Assisted Dying Act 2021*, this service became available to eligible Queenslanders on 1 January 2023. Central West HHS staff have collaborated with our partners to put the necessary clinical and administrative arrangements in place to ensure that voluntary assisted dying delivered in the HHS is high-quality, safe, accessible and compassionate.

Ongoing planning and development work has continued to deliver a three-chair haemodialysis unit, along with pharmacy and pathology department upgrades at Longreach Hospital. These exciting and challenging service improvements are expected to become operational midway through 2023-2024.

Despite many challenges in rural and remote health services throughout the world, we have much to be thankful for. We especially note the support received from the Hospital and Health Board, the Executive Leadership Team, our staff and the people of the region who contribute so significantly to the delivery of healthcare in communities we serve, as we strive to remain leaders in far-reaching healthcare.

“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.” Nelson Mandela

About Us

Strategy and Services

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

Vision

Leaders in far-reaching healthcare, the Central West Hospital and Health Service is a resourceful and dedicated provider in quality, far-reaching healthcare.

Purpose

To deliver safe, quality and accessible rural and remote healthcare services to the people of Central West Queensland.

Values

People-centred care

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

Quality and safety

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

Integrity and accountability

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

Investment in staff

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

Innovation and change

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

Strategic direction

The Strategic Plan details priority strategies and relevant measures of success. This plan supports the organisation to achieve its priorities and ensure integrity, safety, inclusivity, diversity, and innovation are present in our decision-making and planning processes.

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

Our strategic priorities recognise the need to maintain a flexible and innovative approach to continuing to provide access to safe, quality and appropriate healthcare services.

The key strategic priorities for the Central West HHS are:

- **People** – Lead and empower an engaged, valued and skilled workforce to address community needs.
- **Services** – Deliver integrated prevention, primary and acute healthcare services for optimal continuity of care and health outcomes.
- **Systems** – Ensure our efforts and process continuously improve delivery of safe, quality, consumer-focused healthcare services.

Targets and Challenges

The population of the Central West communities is approximately 10,100 people with a large portion ageing and socioeconomically disadvantaged. Our geography that spans over 382,800 square metres has always presented challenges for the way that Central West HHS supports timely and equitable access to healthcare services.

Targets

Central West HHS' targets and objectives are guided by three strategic priorities of People, Service and Systems and include:

- Lead and empower an engaged, valued and skilled workforce to address community needs.
- Deliver integrated prevention, primary and acute healthcare services for optimal continuity of care and health outcomes.
- Ensure our efforts and processes continuously improve delivery of safe, quality, consumer-focused healthcare services.

Challenges

The Central West HHS continues to experience significant issues around the attraction and retention of critical talent, which has been a long term issue exacerbated more recently by systemwide labour demand and shortages.

With people being our most important asset in service delivery, the HHS is focusing on the following challenges and areas for improvement:

- The quality and quantity of staff accommodation in our remote communities which does not meet expectations. These shortages are further exacerbated by low numbers of private rental properties which can be sourced by incoming staff.
- Implementation of regulatory changes such as new public sector legislation and the Psychosocial Code of Practice.
- Attracting staff to very remote communities with variable access to benefits such as Remote Area Nursing Incentive Package (RANIP).

The Central West HHS continues to meet these challenges through its investment in its people to drive improved outcomes. These have been actively demonstrated through this period, through the following key initiatives:

- Introduction of an enhanced workforce recruitment model which has taken on clinical recruitment and contingent-workforce arrangements.
- Continued investment in staff and increased access to learning and education activities (in partnership with Clinical -Excellence Queensland).
- Continued marketing and promotion through engagement activities across clinical streams, such as attendance at professional forums, social media, and collaborative national media campaigns such as the 'Blackall Doctor' video clip.
- Improved pipeline recruitment efforts in the medical officer stream resulting in several permanent appointments from 2024 onwards.
- Implementation of pipeline recruitment efforts for nursing and midwifery.
- Implementation of Government Workforce Attraction Incentives scheme and access to centrally funded RANIP from 2023-2024.
- Collaboration with the Office of the Chief Nursing and Midwifery Officer to develop a graduate nursing and midwifery video and photography resources to promote and market Central West HHS.
- Increased flexibility when considering job role locations throughout the Central West, particularly with regard to non-patient facing roles.
- Strengthened our efforts to better measure critical aspects of staff culture and engagement and foster improvements across the Central West HHS through significantly increasing participation in the Working for Qld Survey and the development of an action plan to address matters raised.
- Reinvigorated Town Hall meetings with a whole-of-HHS focus and an opportunity for different teams and facilities to showcase their achievements to all staff.

Priorities

People Priority- Lead and empower an engaged, valued and skilled workforce to address community needs.	
Culture, staff and consumer surveys and feedback reflect continued improvement.	Staff culture and engagement remain critical in the provision of an engaged and valued workforce. The Central West HHS has continued to develop its approach to how this is conducted through the Working for Queensland Survey, which, after a concerted awareness campaign, saw a response rate of 62 per cent and identified key areas for improvement. The Central West HHS recognises the challenges and has worked towards improvement across a range of metrics with staff across the Hospital and Health Service (HHS). We look forward to reviewing the impact of these efforts and on organisational performance through the 2023 survey. Central West HHS continues to engage with consumers through our Consumer Advisory Networks (CANs), which are community-led forums throughout the wider Central West focused on advocating for the needs of local consumers. Direct consumer engagement is being further incorporated through patient feedback mechanisms such as the Patient reported experience and outcome measures (PREMS). These systems continue to provide valuable feedback to the HHS, although consumer feedback rates remain low compared to other areas across the State. These matters have been addressed as part of a revised and refreshed consumer engagement plan due for release in late 2023.
Demonstrated improvement in staff retention rate.	Staff retention has continued to be challenging across the Central West HHS as a direct consequence of increased competition in the labour market. The HHS continues to rely on temporary and locum staff to ensure the safe provision of services across our communities. With concerted effort from our facilities and workforce teams, there is some evidence this situation may be settling, although there remains significant work underway to support our people better and continue to strengthen our organisational culture.
Participation of Aboriginal and Torres Strait Islander peoples in the workforce reflects	Aboriginal and Torres Strait Islander workforce representation throughout the Central West HHS is at 6.36 per cent and we continue to strive to maintain our target of 6.01%.
Delivery of clinician-initiated healthcare improvement and innovation.	The Central West HHS operates with a geographically dispersed and isolated workforce. We continue to engage our people to identify areas where we can improve our approach to health, safety and a positive organisational culture, with rural and remote digital health strategies and infrastructure improvements continuing to be key enablers. Central West HHS is participating in statewide Clinical Teletrials initiative which aims to afford patients from rural and remote areas the opportunity to participate in clinical trials. Clinicians have been educated and empowered to identify suitable teletrial candidates amongst their patients and facilitate their involvement in trials through the project.

Services Priority – Deliver integrated prevention, primary and acute healthcare services for optimal continuity of care and health outcomes.	
Alliance contracting is achieved, and benefit is demonstrated.	<p>Central West HHS has continued to collaborate with external partners including, the Western Queensland Primary Health Network, Royal Flying Doctors Service, CheckUP and North West Remote Health, to ensure the communities of Central West Queensland have access to safe and quality healthcare services close to home.</p> <p>The Central West HHS continues the strong partnership with Metro North Hospital and Health Service in the co-design, delivery and implementation of a range of clinical and non-clinical services to enhance our ability to deliver safe, quality and efficient care.</p> <p>Clinical services achievements include:</p> <p>In March 2023, Central West HHS launched its new Ambulatory Blood Pressure Monitoring Service with the support of Metro Norths HHS's Royal Brisbane and Women's Hospital.</p> <p>A successful pilot of remotely delivered pulmonary rehabilitation has become a permanent service and now includes the addition of cardiac rehabilitation.</p>
Relevant actions from the 2020-2025 Health Service Plan are on track or completed.	<p>Central West HHS completed Local Area Needs Assessment (LANA) in 2022. Based on LANA priorities identified, the Health Service Plan 2020-2025 actions were reprioritised and are currently gradually being implemented.</p> <p>Out of the sixty actions identified within the Health Service Plan, 25% are now complete and another 25% are more than 50% complete. Most of the balance of the actions are progressing. The HHS will undertake an annual review of the Health Service Plan during the second quarter of 2023/2024.</p>
Emergency, outpatient and elective surgery performance targets are met or exceeded.	<p>Central West HHS is pleased that all emergency department presentation targets were met during 2022-2023. This reflects that the people of Central West Queensland continue to be supported efficiently when at their most vulnerable.</p> <p>The healthcare access performance indicators demonstrate a continued improvement, as well as trust in the safe, quality, and accessible care that is provided in the Health Service's inpatient and outpatient facilities.</p>
Positive performance against Health Equity Strategy key performance indicators.	<p>The Aboriginal and Torres Strait Islander Health Team has undertaken strategic planning as part of the Health Equity legislative requirements. The First Nations Health Equity (FNHE) Strategy was launched in November 2022 with the FNHE Implementation Plan continuing to be developed in consultation with community, staff, and other service providers. The FNHE Strategy outlines strategic priorities for First Nations communities, while the FNHE Implementation Plan will nominate the specific actions agreed with the community to be completed in 2023-2024 and beyond.</p> <p>A Healing Garden has progressed for the Winton community and visitors. The Healing Garden has designated garden spaces and a centrally located fire pit for the community to come together and enjoy an outside space. The Central West team will complete the project in 2023-2024 for the families and friends visiting at the Winton Hospital and Multi-Purpose Service.</p>
All of our eligible population has completed COVID-19 vaccination schedules.	<p>A high percentage of our eligible population completed COVID-19 vaccination schedules.</p>

Systems Priority – Ensure our efforts and processes continuously improve delivery of safe, quality, consumer-focused healthcare services.	
All quality and safety requirements consistently met.	<p>In the interest of improving the everyday safety and quality of our health service, Central West HHS made the decision to transition to 'Short Notice' Assessments under the National Safety and Quality Health Service Standards (NSQHS). In April 2023, the health service was subject to its first short notice assessment.</p> <p>Central West HHS was pleased to receive a positive report against ninety-eight standards assessed by four NSQHS staff who visited twelve of our fifteen facilities. The report reflects the health service's safety and quality performance and its continued delivery of the highest quality health services possible in our remote communities.</p>
Balanced budget and maximised revenue	<p>Central West HHS achieved a \$2.34million surplus for the 2022/2023 financial year. The main driver of the surplus position was a liquidity injection to support the cash position due to historical budget deficits. Central West HHS also benefited from once-off additional funding due to over delivery of activity in some program areas. Once these two drivers are considered, the operational performance of Central West HHS was close to balanced. This was achieved as part of a program of work that commenced in early 2022/2023 called 'Delivering Sustainable Healthcare'. This program involved a series of targeted initiatives to address cost pressures and improve operational management. This was achieved in an environment that not only maintained but enhanced the delivery of front-line services.</p>
Increased use of transparent Patient Reported Outcome Measures	<p>Feedback from consumers through the 'Have Your Say' and Patient Reported Experience Measures surveys has been widely advocated throughout the health service. These systems continue to provide valuable feedback, although consumer feedback rates remain low compared to other areas across the State. These matters have been addressed as part of a revised and refreshed consumer engagement plan due for release in late 2023.</p> <p>The survey results continue to be monitored through our quality assurance systems with experiences being shared at all levels of the organisation including through the Board.</p> <p>The rural and remote patient QR code armband initiative that resulted from consumer feedback continues to evolve with the aim of positively supporting consumers, providing peace of mind and promoting advocacy and awareness for consumers from remote areas while receiving healthcare away from home.</p>
Revenue is appropriately maximised	<p>Central West HHS continued to mature revenue generation activities in 2022/2023. This included an improved focus on patient own source revenue generation, access to grant funding and improved access to incentive payments through the Department of Health. The additional revenue achieved through these activities helped to offset the impacts of inflationary pressures and premium employment costs.</p> <p>Further work will be prioritised to improve data quality and assurance activities in subsidiary billing systems.</p>
Performance against relevant rural and remote digital health strategies	<p>Central West HHS contributes to the implementation of the Digital Health Strategy for Rural and Remote Healthcare through participation in statewide governance that oversees the implementation the strategy. An achievement for this financial year was the migration of Medical Director and Smart Referrals from end-of-life infrastructure to eHealth Queensland hosted, supported and maintained environment.</p> <p>ePrescribing has been implemented across the whole HHS, resulting in patients being able to opt into receiving electronic prescriptions.</p> <p>Culminating with installations at Isisford, Muttaborra, Jundah, Jericho and Tambo, all facilities at Central West HHS now have emergency telehealth cameras installed in their resuscitation areas.</p> <p>The vast majority of facilities are now operating on fibre optic network with only one location to be upgraded from microwave to fibre optic in the coming months.</p>
Performance against capital expenditure key performance indicators	<p>Central West HHS has achieved a 3.88%, or \$0.51M, favourable variance against Budget Paper 3 (BP3) baseline measures, meaning that across the capital program, Central West HHS delivered more capital than planned. Data completeness was 98.54%, putting Central West HHS in the top five HHSs for the state.</p>
Improved consumer and community service sentiment	<p>Central West HHS continues to engage with consumers through our Consumer Advisory Networks (CANs). Direct consumer engagement is further being incorporated through patient feedback mechanisms such as the Patient reported experience measures (PREMs). These systems continue to provide valuable feedback to the HHS and assist in improving both consumer and community sentiment.</p>

Aboriginal and Torres Strait Islander Health

The Aboriginal and Torres Strait Islander Health team commenced the 2022-2023 year by celebrating NAIDOC events with communities throughout the month of July. The 2022 NAIDOC theme of Get Up! Stand Up! Show Up! links to a proud history of Aboriginal and Torres Strait Islander people ‘getting up, standing up and showing up.’ Aboriginal and Torres Strait Islander people continue to champion systemic change and celebrate the many people who have led change over generations.

Central West HHS demonstrates its commitment to be equitable and accessible to everyone, no matter where you live, and sustainable into the future by partnering across the health system to deliver safe, accessible, equitable and sustainable healthcare.

The Aboriginal and Torres Strait Islander Health Team have undertaken strategic planning under the Health Equity legislative requirements. The *FNHES* was launched in November 2022 with the FNHE Implementation Plan continuing to be developed in consultation with community, staff, and other service providers. The *FNHES* outlines strategic priorities for First Nations communities, with a review of 2022-2023 outcomes to be delivered in 2023-2024. The FNHE Implementation Plan will be released by October 2023.

The Central West HHS team has progressed with the Healing Garden for the Winton community and visitors. The Healing Garden has designated garden spaces and a centrally located fire pit. This space is for the community to come together and enjoy an outside space. The Central West team will complete the project in 2023-2024 for the families and friends visiting at the Winton Multi-Purpose Health Service.

Central West HHS continues to focus on First Nations Workforce and exceeded the target of 6.01 per cent. Across all service streams there were 6.36 per cent of staff identifying as Aboriginal or Torres Strait Islander, on 30 June 2023.

In March 2023, the health service recruited a Clinical Nurse Consultant (CNC) located in Longreach. Aboriginal and Torres Strait Islander Health Workers, recruited the previous year, continue to support communities in Longreach, Boulia and Bedourie. The team is further complemented by an Indigenous Health Coordinator, Barcaldine and Indigenous Chronic Disease Coordinator located at Winton. The previous Executive Director Aboriginal and Torres Strait Islander Health for Central West HHS, Mr Daniel Carter, led the team and program delivery through to early June 2023. The Executive Director Aboriginal and Torres Strait Islander Health position will be advertised in 2023-2024.

Central West communities continue to access the visiting Indigenous Respiratory (IROC) and Cardiac (ICOP) Outreach Clinics delivered in partnership between Central West and Metro North health services throughout the year. Appointments are coordinated through the Specialist Outpatients Department, ensuring that referrals are managed and that clients are being engaged before clinics.

Central West HHS makes the continued commitment to improve the health outcomes of Aboriginal and Torres Strait Islander peoples by partnering with Institute for *Urban Indigenous Health and Deadly Choices* in 2023-2024. This commitment to improving health outcomes is underpinned by culturally safe environments and culturally capable staff. Central West HHS will partner with Children’s Health Queensland Hospital and Health Service to deliver Cultural Capability training to its staff in 2023-2024.

Service Summary

Central West HHS provides a network of community, primary and hospital-based services to enable our diverse communities to access safe and appropriate healthcare services as close to home as possible. Longreach Hospital is the largest facility operated by Central West HHS and provides inpatient and emergency services to the town of Longreach and surrounds. Longreach Hospital is also home to the only maternity and Computed Tomography (CT) radiology service in the region. Additional inpatient and emergency care services are delivered locally in the communities of Barcaldine, Blackall, Alpha and Winton and these are further supported by several nurse-led primary healthcare centres. Barcaldine Winton and Alpha inpatient facilities operate as Multi-Purpose healthcare services (MPHS) providing residential aged care services in those communities in the absence of alternative facilities.

Coordinated outreach allied health, oral health, mental health, pharmacy, maternal and child health and medical services are provided to ensure residents of our communities receive safe, quality care as close to home as possible. Central West HHS-owned general practices are located in Longreach, Barcaldine, Blackall and Winton with outreach General Practitioner visits provided to smaller communities.

Medical and oral health care services in the west of our health service area are provided by the Royal Flying Doctor Service, with allied health services also provided across the region by North and West Remote Health, supplementing the allied health services provided by Central West HHS.

In many of our seventeen communities, Central West HHS is the only community and primary care provider in the region. Many of these sites also operate a clinic-based ambulance service, providing the emergency response to the community.

The primary corporate home of Central West HHS is in Longreach, which includes the Executive Leadership, Building Engineering and Maintenance Services, Clinical Governance, Finance, Strategy and Governance and project teams.

Other corporate functions are hosted at sites across the health service as follows:

- Patient and staff travel – Blackall Hospital
- Human resource management – Barcaldine MPHS
- Vehicle fleet management – Winton MPHS.

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

Car parking

Central West HHS provides 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.

Governance

Our People

Board Membership

The Central West Hospital and Health Board (the Board) established under the *Hospital and Health Boards Act 2011* is responsible for the efficient and effective use of public sector health system resources in the best interests of patients and other users. The Board currently consists of eight members, each of whom have been appointed by the Governor in Council on the recommendation of the Minister for Health, Mental Health and Ambulance Services and Minister for Women. The Board's diverse skills and experience in the unique nature of service delivery in rural and remote settings provides strong leadership in the delivery of health services across Central West Queensland.

Board members:

Jane Williams

29/06/2012 (Initial appointment)
18/05/2016 (Chair)
01/04/2022-31/03/2026 (Current term)

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

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

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

David Arnold

29/06/2012
21/10/2021 (Deputy Chair)
18/05/2021 – 31/03/2024

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

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

David has a Graduate Certificate of Science in Strategic Foresight, a Bachelor of Business and an Associate Diploma of Applied Science and is a member of the Australian Institute of Company Directors.

Dr Clare Walker

18/05/2016
01/04/2022-31/03/2026

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

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

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

Leisa Fraser

18/05/2016
18/05/2021 – 31/03/2024

Leisa Fraser has more than twenty five years professional experience in finance, human resource management, workplace health and safety and quality improvement across the Health and Community Services Sector. Leisa has undertaken extensive work in the Aged Care and Aboriginal Community Controlled Health Service Environment and works tirelessly to ensure that the needs of rural and remote people in relation to accessing health services in-line with their needs are achieved. Leisa currently works for the Western Queensland Primary Health Network as the Head of Primary Health and Commissioned Services. Leisa lives in Winton and works across the vast Western Queensland Primary Health Network region spanning an area encompassing approximately 55 percent of Queensland. Leisa is passionate about providing comprehensive primary health care and support services to the people of Western Queensland and when she is not working, she spends time with her family and serving the Winton Community through various community groups. Leisa has a Certificate IV in Mental Health (Non-Clinical) and a Certificate IV in Business and is a member of the Australian Institute of Company Directors.

Jonathan (Blake) Repine

18/05/2018
01/04/2022-31/03/2026

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

Blake leads organisations to facilitate growth by establishing targeted solutions and strategic plans to improve operational efficiency, effectiveness and overall financial standing. Blake is a member of the Australian Institute of Company Directors.

Kieran Chilcott

18/05/2021
18/05/2021-31/03/2024

Kieran Chilcott is an Aboriginal man from the Yugarabul people in South East Queensland. He is an experienced Chief Executive Officer and board director primarily in the health and human services sector.

Kieran has been employed by Kalwun Development Corporation Ltd, an Aboriginal community-controlled health organisation on the Gold Coast, for over 15 years. He is also a board member of the Gold Coast Primary Health Network and CheckUp Ltd, and is a founding director and current Chairperson of the Institute for Urban Indigenous Health. Kieran is passionate about the improving the lives of those most vulnerable and advocating for health equity for all people.

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

William (Bill) Ringrose

29/06/2012
10/06/2021 – 31/03/2024

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

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

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

Elizabeth (Liz) Fraser

18/05/2016
18/05/2021 – 31/03/2024

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

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

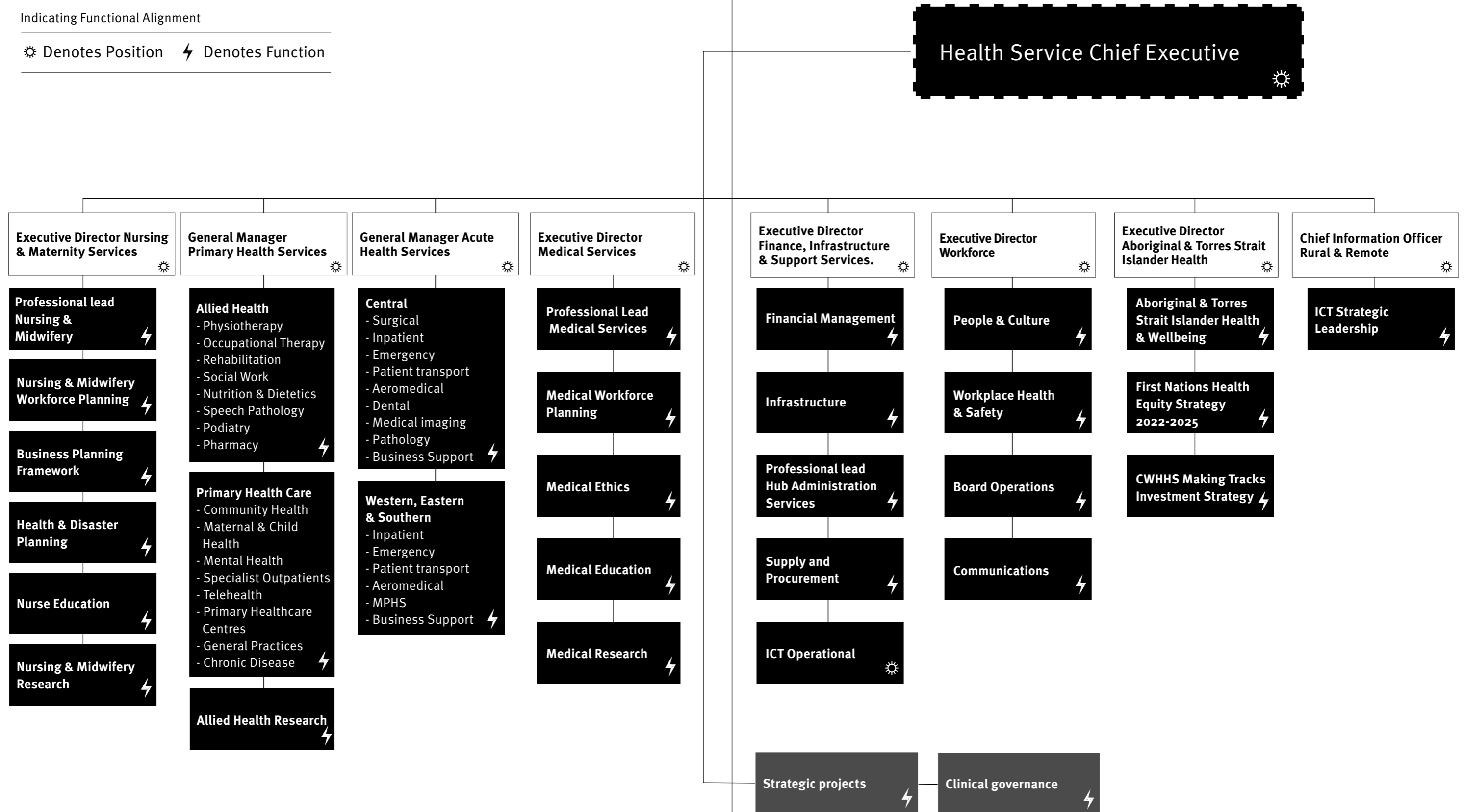
Diploma in Multicultural Studies, a Royal Society of Arts Certificate in Teaching English as a Second Language and is an Executive Fellow of the Australian New Zealand School of Government and is a member of the Australian Institute of Company Directors.

Central West Hospital and Health Service					
Act or instrument: Hospital and Health Boards Act 2011					
Functions: The Board are responsible for the governance activities of the organisation and sets the strategic direction for the health service. The Board is accountable for the organisations performance against key objectives and goals to ensure it meets the needs of the communities of the Central West.					
Achievements: During 2022-2023, Central West HHS opened the new Windorah PHC in February 2023. The Windorah PHC is now a brand new facility built for the modern age and can continue the delivery of quality health services into the future. In November 2022, the First Nations Health Equity Strategy was launched. In March 2023, Central West HHS launched its new Ambulatory Blood Pressure Monitoring Service with the support of Metro North's Hospital and Health Service and Royal Brisbane and Women's Hospital. In April 2023, Central West HHS completed its first Short Notice Assessment and were pleased to receive a positive report. In December 2022, the Central West HHS acquired the general practices in Longreach and Barcaldine, following the departure of a private provide to support ongoing continuity of primary care in these communities.					
Financial reporting: Financial reporting for Central West Hospital and Health Service is prepared and published in accordance with Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies as mandated under Section 43 (1) of the <i>Financial and Performance Management Standard 2019</i> . The Central West HHS 2022-2023 Annual Financial Statements are appendices to this report.					
Remuneration					
Position	Name	Meeting attendance ^a	Approved annual fee	Approved sub-committee fee	Actual fees received
Board Chair	Jane Williams	10-Board 4-Executive Committee 4-Safety and Quality Committee	\$68,243	\$2,000	\$71,995
Deputy Chair	David Arnold	9-Board 3-Executive Committee 4-Audit and Risk Committee	\$35,055	\$2,500	\$39,726
Member	William (Bill) Ringrose	11-Board 4-Finance Committee 4-Audit and Risk Committee	\$35,055	\$2,500	\$38,921
Member	Elizabeth (Liz) Fraser	10-Board 3-Executive Committee 5-Safety and Quality Committee	\$35,055	\$2,500	\$39,419
Member	Dr Clare Walker	9-Board 5-Audit and Risk Committee 4-Safety and Quality Committee	\$0 (Nil remuneration as member is a Health System employee)	\$0	\$0
Member	Leisa Fraser	11-Board 4-Finance Committee 1-Audit and Risk Committee	\$39,419	\$2,500	\$39,419
Member	Jonathan (Blake) Repine	9-Board 5-Finance Committee 5-Audit and Risk Committee 1-Safety and Quality Committee	\$35,055	\$2,000	\$41,029
Member	Kieran Chilcott	10-Board 3-Executive Committee 3-Finance Committee 5-Safety and Quality Committee	\$35,055	\$2,000	\$40,991
No. scheduled meetings/sessions: 11	Total out of pocket expenses: Out of pocket expenses totalling \$4,762.07 were recorded during the period 1 July 2022 to 30 June 2023. This amount reflects payments made to members in accordance with the Queensland Public Service Motor Vehicle Allowances and Domestic Travelling and Relieving Expenses as provided for in the Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies.				

Executive Structure

Indicating Functional Alignment

⚙ Denotes Position ⚡ Denotes Function



Executive Leadership Membership

Health Service Chief Executive

Anthony West

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

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

This belief has driven Anthony to focus on improving the systems that enable delivery of healthcare across a diverse range of service areas such as allied health, health prevention and promotion, mental health, community health, child health, Aboriginal and Torres Strait Islander health, maternity, and sexual and reproductive health. He is very proud of being the co-founder of the Old Thomson River Rd parkrun in Longreach, providing a great opportunity for the community to engage in physical activity and social participation each week.

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

Executive Director Finance, Infrastructure and Support Services

Joseph (Joe) Byrne

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

Joe Byrne is an experienced financial professional with over 12 years' experience in leadership roles, most recently as Finance Manager of QEII Hospital. He has extensive experience delivering financial services, leading projects and providing strategic analysis and advice in large and complex organisations, having previously held roles with Children's Health Queensland Hospital and Health Service, Metro North HHS and the Department of Housing and Public Works. Joe is also a member of CPA Australia and holds a Bachelor of Business majoring in Human Resource Management.

Acting General Manager Primary Health Services

Anna Hartfiel

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

Anna Hartfiel joined Central West Hospital and Health Service in October 2022 as the Acting Manager Health Informatics. Anna's experience spans over 20 years, working as a clinician in rural and remote settings.

Anna is a senior Nurse and a qualified Health Economist with skills in leadership, management, business planning, clinical governance, and healthcare performance. Anna has worked in professional services and consulting within private and public sectors where she has been involved in large scale health service planning, workforce planning and service redesign projects. Additionally, she is a non-executive Board Director of Women's Health Education Network.

Anna has a Bachelor of Nursing from University of Southern Queensland and a Bachelor of Business from University of Queensland. She also has a Master of Health Economics from Deakin University.

General Manager Acute Health Services

Karen McLellan

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

Karen McLellan is a Director of Nursing with over 33 years' experience across nursing, midwifery, and project management roles. Karen began her nursing career at Longreach Hospital as a Registered Nurse in 1987 after completing her nursing training at the Princess Alexandra Hospital in Brisbane.

Karen expanded her clinical experience through time at the Mater Mothers, Toowoomba, Warwick, Guyra, Armidale and Blackall hospitals, before returning to Longreach Hospital in 1996. In February 2010, Karen was appointed to the Longreach Director of Nursing position and established a close relationship with staff and the wider hospital community.

A passion for project management saw Karen appointed to a new role with Central West HHS as the Director of Nursing – Transition and Commissioning in 2017. To support her in this role Karen completed a Diploma of Project Management (UNE Partnerships) and she is currently undertaking a Bachelor of Healthcare with Professional Honours – clinical Redesign (University of Tasmania). Karen led recent design and construct projects at the Longreach Hospital, Aramac PHC, Boulia PHC and Well-being Centre and Blackall Hospital Redevelopment.

Karen is an Adjunct Senior Lecturer with Mt Isa Centre for Rural and Remote Health in recognition of her longstanding association with James Cook University.

Executive Director Workforce Governance and Information Management

Lorelle Coombe

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

Lorelle Coombe commenced with the health service in August 2015. Lorelle's role is a key leadership and a member of an interdisciplinary team of executives that work together to develop innovative ways to deliver high quality patient care, for the best possible outcomes to deliver value and achieve key performance deliverables for the people of the Central West. The Executive Director Workforce, Governance and Information Management is responsible for the development and execution of the strategy for all aspects of workforce, governance and information management for Central West HHS as well as being the lead advisor on workforce, governance and information management matters, providing sophisticated and insightful analysis and recommendations. The role also provides support to the Board in executing its governance responsibilities and ensuring the Board is appropriately informed on a timely basis on all significant workforce, governance and information management matters.

Lorelle has extensive experience in the government sector. Her first professional position was with Australia Post as a management accountant. Lorelle's previous roles with the Queensland Public Service were with Central Queensland Institute of TAFE and the Department of Natural Resources and Mines. Her roles with TAFE included Corporate Services Manager, Campus Manager (Rockhampton) and later Director, Human Resources. Prior to joining Central West HHS she held the role of Regional Manager Business Services with the Department of Natural Resources and Mines. This role had a broad portfolio including human resource management, workplace health and safety, finance and assets, information technology and customer service centre management. Lorelle has a Bachelor of Business (Accounting) and subsequently undertook further study to complete a Master of Business Administration, with a focus on human resource management.

Executive Director Medical Services

David Walker

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

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

After 12 years within the Longreach Community and five years as Director of Medical Services, Dr Walker stepped up to the role of providing professional leadership across the entire health service. He appreciates the challenges associated with delivering healthcare in remote settings and is committed to helping the health service facilitate the delivery of high-quality health care as close to home as possible.

David has completed Bachelor's degrees in Science, Medicine and Surgery. He completed a postgraduate qualification in Mental Health and more recently has obtained an associate fellowship of the Royal Australian College of Medical Administrators. David is currently completing a Master of Health Administration and is a Graduate of the Australian Institute of Company Directors.

Acting Executive Director Nursing and Midwifery Services

Karlee Quin

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

Karlee Quin is a Registered Nurse with 25 years' experience in clinical and administrative roles across public and private health care sectors. She specialises in leading team rebuilding and restructuring projects during times of significant change and has a strong focus on investing in staff and the systems in which they operate.

Karlee's contributions to health service delivery and change management projects in lead agencies across Australia have included; Australian Army Medical Centre, NGOs, remote Northern Territory health facilities, Children's Health Queensland, Mater Health Services, Children's Advice and Transportation Coordination Hub, Health Improvement Unit within Queensland Patient Access Coordination Hub and Navigate Your Health Program within Children's Health Queensland, Department of Child Safety and Youth Justice.

Karlee has a Bachelor of Nursing from the Australian Catholic University, a Graduate Certificate in Paediatrics from The Royal College of Nursing and a Graduate Certificate in Management from the Australian Institute of Business.

Acting Executive Director of Aboriginal and Torres Strait Islander Health

Tina Griffiths

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

Tina Griffiths is an Aboriginal woman from the Yugara lands of Meanjin, Southeast Queensland. Tina relocated to the Central West in 1999. She is an experienced senior officer with almost 25 years' experience across business administration, quality improvement and project management.

Tina has previously held roles of State Regional Coordinator Primary Health Care Quality Improvement and Audit of Best Practice, and Chronic Disease Strategic Coordinator for Central West HHS Her focus is on improving the health outcomes of Aboriginal and Torres Strait Islander peoples in the Central West communities and advocating for health equity for all people.

Having lived and raised a family in the central west gives her an in-depth understanding of the communities' needs. Through interactions with community groups, Tina better understands the issues of people of the central west. In recognition of her commitment to Customer Focus and working collaboratively with clinicians she accepted the Queensland Health Award of Excellence specifically for engagement of Aboriginal and Torres Strait Islander people.

Chief Information Officer- Rural and Remote

Helen Murray

Oversees the operation and strategic initiatives, implementation and governance of the information technology.

Helen Murray has had a passion for all things health and Information Technology (IT) for over 25 years. With a solid track record in delivery from her first project role implementing Hospital Based Corporate Information system (HBCIS) through to delivering innovative technologies in rural and remote Queensland.

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

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

Originally from the Darling Downs, Helen is a practising Registered Nurse of over 30 years, with both hospital-based and tertiary qualifications, including a Bachelor of Nursing and a Graduate Certificate of Information Technology. Helen brings extensive experience as a Company Director serving on several not-for-profit Boards and is a Graduate of the Australian Institute of Company Directors.

Acting Executive Director of Governance, Performance, and Innovation

Nadish Kariyawasam

Leading organisational redesign and provides strategic oversight for Governance and Health Service Planning.

Nadish Kariyawasam started his professional career as a Medical Officer in the Sri Lankan Department of Health. As the Medical Officer of Health Informatics, he led a pioneering Health Informatics project in Sri Lanka. Further, he successfully coordinated several inter-departmental and inter-agency projects for the Sri Lankan Department of Health.

Nadish joined Central West Hospital and Health Service as the Manager – Health Informatics in January 2017. He was appointed as the Director of Clinical Governance and Innovation in August 2019. During his tenure as the Director, he oversaw significant transformation and achievements in the Clinical Governance space, including leading the HHS to positive outcomes at the last two accreditation assessments. Nadish also acted as the General Manager of Primary Health Services for a few months in 2022.

Nadish holds a bachelor's degree in Medicine and Surgery, a master's degree Bio-Medical Informatics, and a Graduate Certificate in Research. Nadish is a Certified Health Informatician Australasia (CHIA), a Fellow of the Australian Institute of Digital Health (FAIDH), and a Member of the Australian Institute of Company Directors (AICD). Nadish completed Queensland Health NextGen Executive Leadership Programme in 2022.

Governance Structure

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

Accountability

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

Transparency/openness

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

Integrity

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

Stewardship

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

Efficiency

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

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

Committees

Board Committees

The Board maintained its monthly meeting schedule and the Board committee meetings continued to meet its responsibilities under the Act and supporting *Hospital and Health Boards Regulations 2012*.

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

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

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

Executive Committee

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

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

The Committee received reports which support the provision of assurance and inform risk assessments by the Board relative to:

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

The Strategic Plan outlines the critical priorities relative to the empowerment of an appropriately designed and supported workforce which will continue to be prioritised in the work of this Committee.

Safety and Quality Committee

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

The Safety and Quality Committee is a prescribed committee under s31 of the *Hospital and Health Board Regulation 2012* (HHB Regulation) and functions in accordance with the requirements of section 32 of the HHB Regulation. The Safety and Quality Committee met five times during the period and received scheduled reports in alignment with its responsibilities relative to the safety, quality and appropriate nature of the services being provided. This information was further supported by reports which detailed the effectiveness of identification and management of clinical and professional risk.

Other assurance reports provided to the Safety and Quality Committee during the 2022-2023 period include:

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

In April 2023, Central West HHS undertook its first short notice assessment and were pleased with the overall outcomes from the report.

Audit and Risk Committee

The Audit and Risk Committee of the Board is chaired by Mr William Ringrose with Mr Kieran Chilcott (May 2023), Ms Leisa Fraser and Mr David Arnold in its membership.

The Committee is a prescribed committee under s31 of the HHB Regulation and functions in accordance with the requirements of section 34 of the HHB Regulation.

The Audit and Risk Committee met five times during the current period at timing which aligns with the approved 2022-2023 Audit Plan.

Each meeting of the Audit and Risk Committee is attended by representatives of contracted internal and external auditors and the Queensland Audit Office.

The Audit and Risk Committee's work plan is guided by the requirements of the *Financial Accountability Act 2009* and other relevant legislation including the *Financial and Performance Management Standard 2019*.

The Audit and Risk Committee's effective functions include oversight of the management of operational and strategic risk, open audit recommendations, internal control evaluations, risk management and compliance monitoring. The endorsement to the Board for approval of the internal and external audit plans and annual financial statements is a core focus of the Audit and Risk Committee's work.

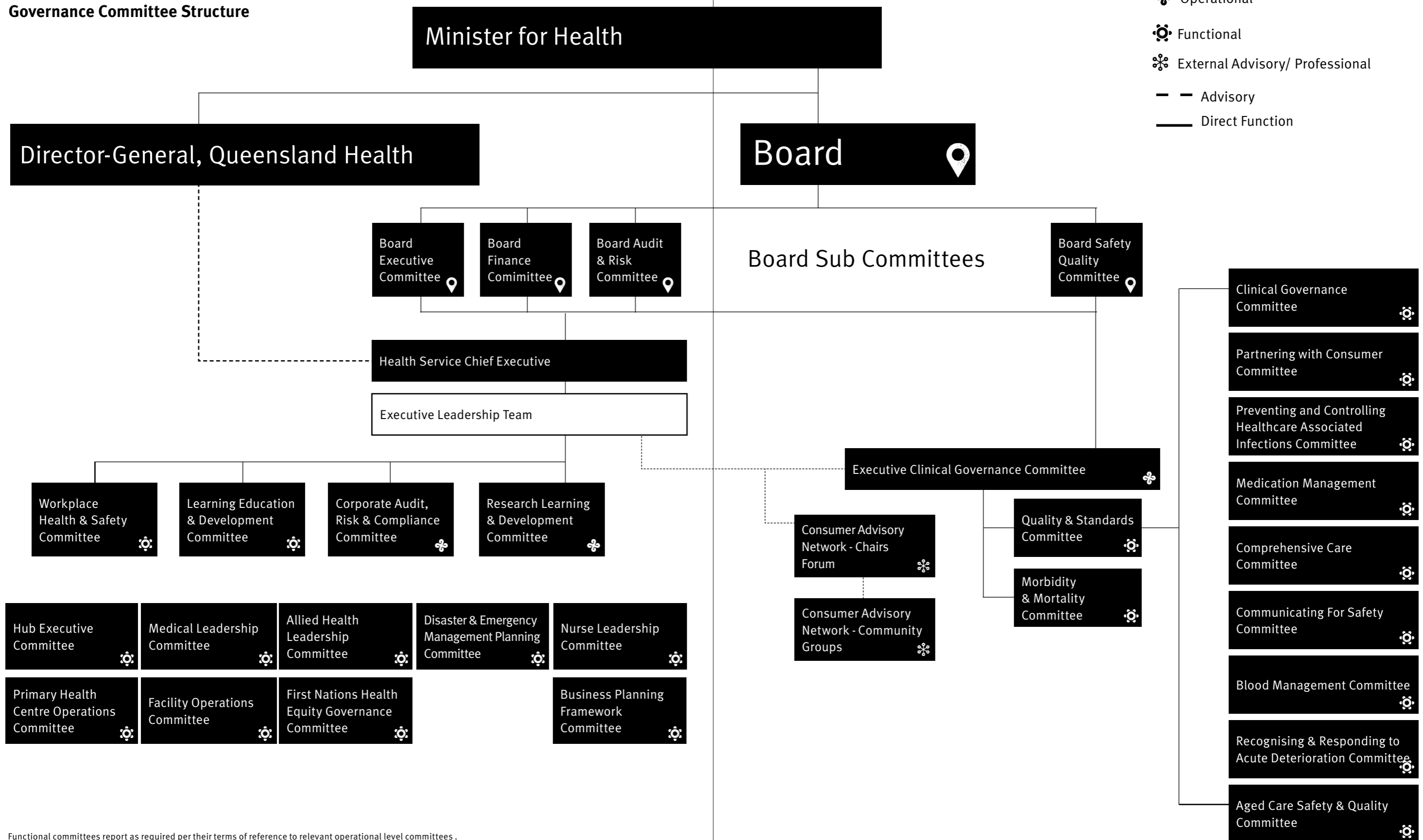
Finance Committee

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

The Finance Committee is a prescribed committee under s31 of the HHB Regulation and functions in accordance with the requirements of section 33 of the HHB Regulation. The committee is accountable to the Board for overseeing matters relating to the financial position, resource management strategies and the performance objectives of the health service. The committee assesses the health service budget to ensure consistency with identified organisational objectives and monitors financial and operating performance monthly. The committee provides assurance and oversight to the Board regarding financial risks that may impact on the service's financial performance and ensures appropriate management strategies are in place.

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

Governance Committee Structure



Functional committees report as required per their terms of reference to relevant operational level committees .
The list of functional committees including in this structure is not exhaustive.
Current as at June 2023.

Workforce Profile

Total Staffing	
Headcount	440
Paid FTE	382.94

Occupation Types by FTE	FTE	%
Corporate	36.84	9.62%
Frontline	216.51	56.54%
Frontline Support	129.59	33.84%

Appointment Type by FTE	FTE	%
Permanent	309.83	80.91%
Temporary	65.18	17.02%
Casual	6.93	1.81%
Contract	1.00	0.26%

Employment Status by Headcount	Headcount	%
Full-time	272	61.82%
Part-time	152	34.55%
Casual	16	3.64%

Figure 1: Gender

Gender	Headcount	%
Woman	375	85.23%
Man	65	14.77%
Non Binary	-	0.00%

Figure 2: Diversity target group data*

Diversity Groups	Headcount	%
Women	375	85.23%
Aboriginal Peoples and Torres Strait Islander Peoples	28	6.36%
People with disability	17	3.86%
Culturally and Linguistically Diverse – Speak a language at home other than English ^	19	4.32%

* To ensure privacy, in tables where there are less than 5 respondents in a category, specific numbers should be replaced by < 5

^ This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home.

Figure 3: Target group data for Women in Leadership Roles

Group	Headcount	%
Senior Officers (classified and s122 equivalent combined)	1	50.00%
Senior Executive Service and Chief Executives (classified and s122 equivalent combined)	-	0.00%

Strategic Workforce Planning and performance

Central West HHS had a MOHRI occupied FTE of 382.94 as 30 June 2023, spread across a head count of 440. This consists of the following breakdown:

- frontline clinical FTE of 216.51;
- frontline support (non-clinical) FTE of 129.59 FTE; and
- non- frontline FTE of 36.84 as at 30 June 2023.

The Central West HHS continues to support permanent employment, with 80.91 per cent (309.83) of employees being permanent.

The Central West HHS continues to have high diversity and inclusion rates, with performance exceeding targets across our Aboriginal and Torres Strait Islander representation (target 6.01%, achieving 6.36%) and people with a disability (target 3.39%, achieving 3.86%). The Non-English speaking background target was 5.22%, with 4.32% being achieved.

Code of Conduct Training

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

This module is a mandatory compliance requirement for all staff and its completion is monitored by line managers and the Executive Leadership Team on a regular basis. As at 30 June 2023, 75 per cent of Central West HHS staff have completed the module with a focus on increasing this compliance currently underway.

Early Retirement, Redundancy and Retrenchment

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

Open Data

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

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

Risk Management and Accountability

Risk Management

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

A distributed management and advisory model are used to manage its risks. Accountable officers are assigned responsibility according to risk category and undertake to monitor, review and report on relevant risks. The Corporate Audit Risk and Compliance Committee is a functional-level committee established to support the above model for all risks relevant

to the corporate functions of Central West HHS. Regular meetings of key stakeholders to conduct a review of the clinical operational risk register are held and report to the Executive Clinical Governance Committee. Each committee reports in alignment with the committee structure as defined in the Framework.

A fully integrated compliance management framework provides assurance to the Board and Executive that the organisation is meeting its various legislative and regulatory obligations. Risk management and compliance management reports are submitted to the Audit and Risk Committees of both the Executive and Board.

The Board receives regular updates via its Safety and Quality Committee (clinical risk) and Audit and Risk Committee (corporate risk) and are provided with assurance that both operational and strategic risk management activities are appropriate.

The Act requires annual reports to state each direction given by the Minister of Health, Mental Health and Ambulance Services and Minister for Women. to the HHS during the financial year and the action taken by the HHS as a result of the direction. During the 2022-2023 period, no directions were given by the Minister to Central West HHS.

Internal Audit

Central West HHS internal audit function operates under a Board-approved charter in accordance with the requirements of the *Financial and Performance Management Standard 2019*, and the Institute of Internal Auditors' *Professional Practice Standards*. The Internal Audit Charter gives due regard to Queensland Treasury's *Audit Committee Guidelines*.

In the conduct of its activities, internal audit assists in maintaining a culture of accountability, integrity, and promoting a culture of cost-consciousness, self-assessment and adherence to high ethical standards.

Internal audit work is independent of, but collaborative with, the external financial audit. The role of internal audit is to conduct independent assessment and evaluation of the effectiveness and efficiency of organisational systems, processes, and controls, thereby providing assurance and value to the Executive and the Board.

In line with its approved Strategic Internal Audit Plan and in connection with external audit activities, Central West HHS conducted internal audits across areas of the business that included: Revenue in General Practices, Rostering, Overtime and Leave Management and Clinical Incident Management.

The regular status reporting of prior audit recommendations has remained a key focus which continues to support quality improvements. Implementation of recommendations arising from these audits is monitored and regularly reported to the Audit and Risk Committees of both the Executive and the Board.

External Scrutiny

Central West HHS operations are subject to regular scrutiny from external state oversight bodies such as the Auditor-General, the Office of the Health Ombudsman, the Queensland Coroner, Queensland Audit Office and Crime and Corruption Commission. There were no reportable recommendations for Central West HHS from external state oversight bodies in 2022-2023.

Appointed external auditors, Ernst and Young, have led the development and implementation of the 2022-2023 External Audit Plan as approved by the Board. Regular reports are provided to each meeting of the Audit and Risk Committee of the Board which provide a status update on all external audit activities and identify any risks and highlight any audit areas of significance.

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

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

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

Information Systems and Recordkeeping

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

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

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

During the period, Central West HHS archived 4054 clinical records across seven sites in line with the requirements of the *Public Records Act 2002* which requires Queensland Government records to be created, managed, and retained for as long as required.

Of these records, 2685 were retained for destruction later and 3234 archived files from this and previous periods were destroyed.

During the 2022-2023 financial year, the Central

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

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

Central West HHS contributes to the implementation of the Digital Health Strategy for Rural and Remote Healthcare through participation in statewide governance that oversees the implementation of the strategy.

An achievement for this financial year was the migration of Medical Director and Smart Referrals from end-of-life infrastructure to an eHealth Queensland-hosted, supported, resilient and maintained environment.

ePrescribing has been implemented across the whole HHS, resulting in patients being able to opt into receiving electronic prescriptions.

Culminating with installations at Isisford, Muttaborra, Jundah, Jericho and Tambo, all facilities at Central West HHS now have emergency telehealth cameras installed in their resuscitation areas.

The vast majority of HHS facilities are now operating on the fibre optic network with only one location to be upgraded from microwave to fibre optic in the coming months.

Central West continues to monitor, manage and improve its application of health technology and infrastructure investment to deliver quality, consumer focused services.

Queensland Public Service Values

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

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

Ethical lobbying is a legitimate activity and an important part of the democratic process. Central West HHS have a Lobbyist Contact Management Guideline and register that is supported by the Office of the Queensland Integrity Commissioner who maintains a statewide register of lobbyists.

Central West HHS always expects the highest level of conduct from its staff and, as a public service agency, the *Code of Conduct for the Queensland Public Service* under the *Public Sector Ethics Act 1994* is applicable to all employees of the health service. Staff of Central West HHS are expected to act in accordance with the principles of the Code of Conduct and report any actions which do not meet this expected level. In this regard, staff have a responsibility to disclose any suspected wrongdoing and to ensure any disclosure is in accordance with the ethics expected within the organisation. Staff are supported in the making of public interest disclosures.

As an added measure, all Central West HHS staff are required to undertake regular mandatory education activities with a focus on code of conduct and fraud awareness which directly align with the promotion of the public good through accountable, transparent and impartial behaviours at all times.

Human Rights

Central West HHS has continued to integrate the *Human Rights Act 2019* into our processes.

The Queensland Health Human Rights staff education module is included in the Central West HHS's online learning platform – CWLearn. This module is a mandatory compliance requirement for all staff and its completion is monitored by line managers and the Executive Leadership Team on a regular basis.

Under the Act, public entities are required to include the number of human rights complaints received.

As at 30 June 2023, Central West HHS received one complaint and was referred to the Director-General as part of the statewide response to the COVID-19 Vaccination Health Employment Directive and is closed.

Confidential Information

The *Hospital and Health Board Act 2011*, section 160 requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year.

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

Performance

Service Standard

Central West HHS is proud to report that all emergency department presentation targets were met or exceeded.

The people of Central West Queensland continue to be supported through accessible and responsive care. The dedicated and resilient Central West HHS staff are committed to continue delivering compassionate, exceptional quality care to their remote communities.

The reported percentage of elective surgery patients treated within clinically recommended timeframes were impacted to some degree by the circumstances outlined in Note 2 during the period, but reported results tell an additional story. The existing positive relationships that Central West HHS has with its tertiary partners resulted in all stakeholders supporting staff efforts to reorganise services to achieve the results reported.

The overall performance indicates a continued trust in the safe, quality, and accessible care that is provided at all Central West HHS inpatient and outpatient facilities and it is recognised that professional and capable clinical leadership is a contributing factor in this result.

Central West Hospital and Health Service	2022-2023 Target	2022-2023 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes		
Category 1 (within 2 minutes)	100%	100%
Category 2 (within 10 minutes)	80%	96%
Category 3 (within 30 minutes)	75%	96%
Category 4 (within 60 minutes)	70%	98%
Category 5 (within 120 minutes)	70%	99%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	>80%	93%
Percentage of elective surgery patients treated within the clinically recommended times¹		
Category 1 (30 days)	>98%	94%
Category 2 (90 days) ²	..	88%
Category 3 (365 days) ²	..	98%
Median wait time for treatment in emergency departments (minutes)	..	1
Median wait time for elective surgery treatment (days) ¹	..	132
Efficiency measure		
Not identified		
Other measures		
Number of elective surgery patients treated within clinically recommended times¹		
Category 1 (30 days)	41	31
Category 2 (90 days) ²	..	43
Category 3 (365 days) ²	..	164
Number of Telehealth outpatients service events ³	4,426	4,306
Total weighted activity units (WAU)⁴		
Acute Inpatient	2,460	2,481
Outpatients	2,379	2,504
Sub-acute	260	475
Emergency Department	1,146	1,281
Mental Health	39	66
Prevention and Primary Care	158	229
Ambulatory mental health service contact duration (hours) ⁵	>2,016	1,725
Staffing ⁶	441	383

1. In response to the COVID-19 pandemic, the delivery of planned care services has been impacted. This has resulted from a period of temporary suspension of routine planned care services during 2021-2022 and subsequent increased cancellations resulting from patient illness and staff furloughing due to illness and isolation policies.

2. Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for elective surgery and the continual impacts to services as a result of responding to COVID-19, treated in time performance targets for category 2 and 3 patients are not applicable for 2022-2023.

3. Telehealth 2022-2023 Actual is as at 21 August 2023.

4. The 2022-2023 target varies from the published 2022-2023 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q25. 2022-2023 Actuals are as at 14 August 2023.

5. Ambulatory Mental Health service contact duration 2022-2023 Actual is as at 14 August 2023.

6. 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. 2022-2023 Actual is for pay period ending 25 June 2023.

Key Achievements for 2022-2023

During 2023, Central West Hospital and Health Service delivered a new state-of-the-art Primary Health Centre to the Windorah community which became fully operational on 2 February 2023. During construction, the Windorah replacement provided an enormous economic boost to the region, supporting approximately 36 full-time equivalent jobs during the life of the project, while also providing opportunities for local businesses to participate.

Central West HHS delivered a new state-of-the-art Primary Health Centre to the Windorah community which became fully operational on 2 February 2023.

The Central West's *First Nations Health Equity Strategy 2022-2025* launched on 8 November 2022, representing a commitment to the way we engage First Nations communities in health service delivery.

During 2022, the Health Service made the decision to transition to 'Short Notice' Assessments under the NSQHS. In April 2023, the health service was subject to its first short notice assessment. The Central West HHS was pleased to receive an overwhelmingly positive report against ninety-eight standards assessed by four NSQHS staff who visited twelve of our fifteen facilities.

Central West HHS undertook a range of service development activities and improvements during 2022-2023. The Local Area Needs Assessment was completed in November 2022 and highlighted key areas of focus and priorities of the Central West area communities.

In December 2022, Central West HHS acquired the general practices in Longreach and Barcaldine, following the departure of a private provider. This decision was made to support ongoing continuity of primary care in these communities.

The health service had another successful year facilitating twelve new nursing graduates which was four fewer than 2022's record intake of sixteen.

In March 2023, a new Ambulatory Blood Pressure Monitoring Service commenced in Central West

HHS with the support from Metro North HHS. The Ambulatory Blood Pressure Monitoring Service is an expansion of an extensive cardiac telehealth service already in place in the Central West HHS since 2016 and is supported by the Metro North HHS through its specialist hospitals – the Royal Brisbane and Women's Hospital and The Prince Charles.

Although there are many challenges in rural and remote healthcare, we are very thankful for our staff and the people of the region who contribute significantly to ensuring the delivery of safe, quality and consumer-focused healthcare.

Central West HHS is immensely proud of its achievements, the growth in health services and the continued collaborations with external partners in providing far-reaching healthcare to the communities we serve.

Financial Summary

Central West HHS has posted a \$2.34 million operating surplus for the year ending 30 June 2023. The main driver of the surplus position was a liquidity injection to support the cash position, which largely offsets partial year losses. Central West HHS also benefited from once-off additional funding due to over delivery of activity in some program areas. Once these two drivers are considered, the operational performance of CWHHS was close to balanced. This was achieved as part of a program of work that commenced in early 2022/2023 called 'Delivering Sustainable Healthcare'. This program involved a series of targeted initiatives to address cost pressures and improve operational management. This was achieved in an environment that not only maintained but enhanced the delivery of front-line services.

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

During 2023, additional funding was provided through the SA to support:

- Enterprise Bargaining (EB) Agreements, employer superannuation contributions and staff training with labour costs growing 10.8 per cent overall. Staff engaged across the service increased 2 per cent on average, with improved recruitment practices (lower vacancies) and employment of additional officers for new initiatives. Wages growth was strong as award entitlements under new EB agreements and changes to state government policy on superannuation increased expenditure. All EB agreements delivered a 4 per cent growth in base wage plus cost-of-living adjustment up to 3 per cent. At 30 June, only nursing and medical officers were entitled to COLA top-ups;
- New initiatives to expand service delivery, including Virtual Care and Better Care Together programs.
- Continued tight medical workforce markets resulted in an inability to recruit to vacant senior medical officer positions. Temporary medical staff were engaged to backfill vacancies to support the delivery of daily health services.
- Inflationary driven cost increases across supplies in general, and national energy shortages with significant rises in electricity tariffs from 1 July 2022 with rates increasing 36 per cent at hospital facilities.
- Incentive funding for activity above targets established in the service agreement.
- Higher depreciation funding - As part of a wider program managed by the department, several of Central West HHSs aging staff accommodation facilities will be replaced next year. The scheduled demolition of existing accommodation earlier than forecast and amortisation of practice accreditation assets increased expenses.

Funding and expenditure on managing the COVID-19 pandemic declined from \$5.4 million in 2022 to \$0.8 million in 2023, with activities now part of business as usual for the health service.

Total revenue received during the period increased by 10.4 per cent from what was received in 2022, with \$107.9 million being invested across the People, Services and Systems aspects of our business to support the delivery of far-reaching healthcare to the people of Central West Queensland.

Revenue	
	\$'000
Funding public health services	95,130
User charges and fees	8,058
Grants and other contributions	4,057
Other revenue (inc land revaluations)	621
TOTAL	107,866
Expenses	
Labour costs	59,884
Supplies and services	34,557
Depreciation	8,433
Other expenses	2,650
TOTAL	105,524

Figure 1 shows the breakdown of funding types and expenditure incurred in 2022-2023.

Total expenses reported provide an average of \$289,107 a day to deliver health services across our 18 communities. Just over 55.5 % of revenue during the year has been invested in providing a resourceful, dedicated and adaptable workforce to meet the healthcare needs of the community. The remaining 42.3% covers the cost of supplies, temporary medical staff, services and depreciation charges.

Where the money goes	%
General hospital services	53%
General medical services	14%
Mental health including community services	6%
Nursing and convalescent home services	3%
Patient transport	3%
Community and public health services	16%
Health administration	5%

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

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

Deferred 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 deferred maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building. All deferred maintenance items are risk assessed to identify any potential impact on users and services and are actively managed to ensure all facilities are safe. This allows Central West HHS to carefully evaluate the priorities and risks of their built infrastructure portfolio by placing a focus on condition standards and assessing the most cost-effective solutions to maintain the desired building standard.

Central West HHS has reported deferred maintenance of \$8,111,295 as at 30 June 2023. Based on condition assessment reports in 2023, a number of assets previously earmarked for maintenance were replaced, providing better outcomes for the service.

All these are not items that will immediately affect the current day-to-day operations of health facilities, or the normal delivery of health services. However, their replacement, upgrading, repair or demolition must still be considered as part of Central West HHS's overall infrastructure and asset plan as part of sensible future planning.

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

- Maximisation of the service potential of existing and new assets by ensuring they are appropriate for purpose and properly maintained
- Reducing the demand for new assets through appropriate asset life cycle renewal and demand management techniques and consideration of alternate delivery options
- Ensuring capital expenditure decisions are based on rigorous economic appraisal of options that include financial and non-financial parameters.

Financial Statements

Central West Health Financial Statements For the Year Ended 30 June 2023

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Central West Health
Statement of Comprehensive Income

Year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Income			
User charges and fees	B1-1	8,058	8,835
Funding for public health services	B1-2	95,130	85,577
Grants and other contributions	B1-3	4,057	2,858
Other revenue	B1-4	483	395
Revaluation increment - land	C5	138	-
Total Income		107,866	97,665
Expenses			
Employee expenses	B2-1	9,781	8,869
Health service employee expenses	B2-2	50,103	45,165
Supplies and services	B2-3	34,557	35,722
Depreciation and amortisation	C5, C6 & C10	8,433	7,119
Other expenses	B2-4	2,650	3,463
Total Expenses		105,524	100,338
Operating surplus/(deficit)		2,342	(2,673)
Other comprehensive income			
<u>Items that will not be reclassified to operating result</u>			
Increase/(decrease) in asset revaluation surplus	C11	12,074	5,694
Other comprehensive income for the year		12,074	5,694
Total comprehensive income		14,416	3,021

Central West Health
Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	C1	1,886	(208)
Receivables	C2	611	474
Inventories	C3	802	746
Other assets	C4	2,327	2,059
Total current assets		5,626	3,071
Non-current assets			
Property, plant and equipment	C5	119,922	101,920
Intangible assets	C6	767	-
Right-of-use assets	C10	1,445	1,539
Total non-current assets		122,134	103,459
Total assets		127,760	106,530
Current liabilities			
Payables	C7	8,248	6,457
Accrued employee benefits	C8	603	136
Other liabilities	C9	584	1,279
Lease liability	C10	625	611
Total current liabilities		10,060	8,483
Non-current liabilities			
Lease liability	C10	804	856
Total non-current liabilities		804	856
Total liabilities		10,864	9,339
Net assets		116,896	97,191
Equity			
Contributed equity		77,539	72,250
Accumulated surplus/(deficit)		(668)	(3,010)
Asset revaluation surplus	C11	40,025	27,951
Total equity		116,896	97,191

Central West Health
Statement of Changes in Equity
for the year ended 30 June 2023

	Accumulated surplus/ (deficit) \$'000	Asset revaluation surplus \$'000	Contributed equity \$'000	Total equity \$'000
Balance as at 1 July 2021	(337)	22,257	76,887	98,807
Operating result	(2,673)	-	-	(2,673)
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus - buildings (Note C11)	-	5,694	-	5,694
Total Comprehensive Income for the year	(2,673)	5,694	-	3,021
Transactions with Owners as Owners:				
Net assets received	-	-	39	39
Equity injections - cash	-	-	2,445	2,445
Equity withdrawals - depreciation	-	-	(7,121)	(7,121)
Net transactions with Owners as Owners	-	-	(4,637)	(4,637)
Balance at 30 June 2022	(3,010)	27,951	72,250	97,191
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022	(3,010)	27,951	72,250	97,191
Operating result	2,342	-	-	2,342
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus - land and buildings (Note C11)	-	12,074	-	12,074
Total Comprehensive Income for the Year	2,342	12,074	-	14,416
Transactions with Owners as Owners:				
Net assets received	-	-	10,070	10,070
Equity injections - cash	-	-	3,652	3,652
Equity withdrawals - depreciation	-	-	(8,433)	(8,433)
Net Transactions with Owners as Owners	-	-	5,289	5,289
Balance at 30 June 2023	(668)	40,025	77,539	116,896

Central West Health
Statement of Cash Flows
Year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and fees		8,000	8,766
Funding for public health services		86,315	78,513
Grants and other contributions		2,954	1,817
GST input tax credits from ATO		2,622	2,243
GST collected from customers		142	102
Other receipts		449	385
<i>Outflows:</i>			
Employee expenses		(9,315)	(8,905)
Health service employee expenses		(49,216)	(45,031)
Supplies and services		(34,276)	(34,558)
GST paid to suppliers		(2,610)	(2,267)
GST remitted to ATO		(120)	(113)
Other		(2,162)	(2,150)
Net cash from/(used by) operating activities	CF-1	2,783	(1,198)
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		24	12
<i>Outflows:</i>			
Payments for property, plant and equipment		(3,162)	(2,205)
Payments for intangibles		(582)	-
Net cash (used by) investing activities		(3,720)	(2,193)
Cash flows from financing activities			
<i>Inflows:</i>			
Equity Injections		3,652	2,445
<i>Outflows:</i>			
Lease payments	CF-2	(621)	(756)
Net cash from financing activities		3,031	1,689
Net increase/(decrease) in cash and cash equivalents		2,094	(1,702)
Cash and cash equivalents at the beginning of the financial year		(208)	1,494
Cash and cash equivalents at the end of the financial year	C1	1,886	(208)

Central West Health
Statement of Cash Flows

Year ended 30 June 2023

NOTES TO THE STATEMENT OF CASH FLOWS

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

	2023	2022
	\$'000	\$'000
Operating surplus/(deficit)	2,342	(2,673)
Non-cash items:		
Depreciation and amortisation expense	8,433	7,119
Non-cash equity withdrawal - depreciation and amortisation funding	(8,433)	(7,121)
Net (gain)/loss on disposal of property, plant and equipment	(22)	47
Impairment losses	85	76
Revaluation (increment)/decrement	(138)	-
Change in assets and liabilities:		
(Increase)/decrease in receivables	(149)	242
(Increase)/decrease in contract assets and other assets	(269)	(762)
(Increase)/decrease in inventories	(129)	(102)
Increase/(decrease) in payables	1,288	1,359
Increase/(decrease) in contract liabilities and unearned revenue	(693)	653
Increase/(decrease) in accrued employee benefits	468	(36)
Net cash from/(used by) operating activities	2,783	(1,198)

CF-2 Changes in liabilities arising from financing activities

	2023	2022
	\$'000	\$'000
Lease liabilities		
Balance at 1 July	1,467	1,431
Non-cash items:		
New leases acquired	690	817
Remeasurement	(107)	(25)
Cash flows:		
Lease payments	(621)	(756)
Balance at 30 June	1,429	1,467

CF-3 Non-cash investing and financing activities

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

Assets received or liabilities transferred between the Hospital and Health Service and state health portfolio agencies are set out in the Statement of Changes in Equity.

Central West Health
Notes to the Financial Statements

for the year ended 30 June 2023

SECTION A
ABOUT CENTRAL WEST HEALTH AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

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

For information in relation to the financial statements of Central West Health, please visit the website www.centralwest.health.qld.gov.au.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

These financial statements have been prepared in compliance with section 62 (1) of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's *Financial Reporting Requirements for Queensland Government Agencies for reporting periods beginning on or after 1 July 2022*, and other authoritative pronouncements.

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

A1-3 PRESENTATION DETAILS

Currency and rounding

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

Comparatives

Comparative information reflects the audited 2021-22 financial statements.

Current/Non-Current classification

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

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

A1-5 BASIS OF MEASUREMENT

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

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

Historical cost

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

Central West Health
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Fair value

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

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

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

Accounting estimates and judgements

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

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

A1-6 THE REPORTING ENTITY

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of Central West Hospital and Health Service.

A2 OBJECTIVES OF CENTRAL WEST HEALTH

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

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

A3 CONTROLLED ENTITIES

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

Disclosures about non wholly-owned entities

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

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

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

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

As WQPCC is not controlled by Central West Health and is not considered a joint operation or an associate of Central West Health, financial results of WQPCC are not required to be disclosed in these statements. During 2023, Central West Health received grant funding from WQPCC, including the Diamantina Primary Health Service Agreement and programs supporting health services across the region, totalling \$979,000 (2022: \$610,000). No payments were made to WQPCC during 2023 (2022: nil) by Central West Health.

Central West Health
Notes to the Financial Statements
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SECTION B
NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 USER CHARGES AND FEES

	2023 \$'000	2022 \$'000	Accounting Policy - Revenue from contracts with customers (User charges)
Revenue - contracts with customers			
Medical practice receipts	3,159	3,862	Revenue from contracts with customers is recognised when Central West Health transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for user charges rising from revenue from contracts with customers.
Sales of goods and services	3,289	3,662	
Hospital fees	1,111	831	
Pharmaceutical benefits scheme	499	480	
	8,058	8,835	

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

Central West Health
Notes to the Financial Statements
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B1-1 USER CHARGES AND FEES (continued)

Accounting Policy - Revenue from contracts with customers (User charges continued)

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

B1-2 FUNDING FOR PUBLIC HEALTH SERVICES

Accounting Policy - Public health services

	2023 \$'000	2022 \$'000	Revenue is recognised on receipt of funds under AASB 1058 <i>Income of Not-for-Profit Entities</i> where the Service Agreement (SA) does not include sufficiently specific performance obligation. This includes block, depreciation and the majority of other general-purpose funding. Where the SA contains sufficiently specific performance obligations, and Central West Health transfers goods or services, the transaction is accounted for under AASB 15 <i>Revenue from Contracts with Customers</i> , with revenue initially deferred and recognised as revenue as or when the performance obligations are satisfied.
Block funding	54,984	32,612	
Depreciation funding	8,433	7,121	
General purpose funding	31,713	45,844	
	95,130	85,577	

Disclosure about funding received to deliver public health services

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

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

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

Other general-purpose funding supports the provision of a wide range of services for primary and community healthcare, and includes other services that fall outside the scope of the National funding model. These are state-funded services and have specific conditions attached. Recognition of revenue for other 'general purpose' funding is dependent of the specific performance obligations attached to each funding sub-type. Where the obligations are not sufficiently specific, revenue is recognised as it is received. Funding with sufficiently specific obligations, are recognised over time as the services/goods are provided and obligations met with the price implicit in the SA. There are no material contracts with sufficiently specific obligations at 30 June 2023.

B1-3 GRANTS AND OTHER CONTRIBUTIONS

Accounting Policy - Grants and contributions

	2023 \$'000	2022 \$'000	Grants, contributions, and donations arise from non-exchange transactions where Central West Health does not directly give approximately equal value to the grantor.
Revenue from contracts with customers			
Home and community care	240	460	
Rural and remote primary care	557	452	
	797	912	
Other grants			
Other specific purpose	1,873	740	Where the grant agreement is enforceable and contains sufficiently specific performance obligations for Central West Health to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 <i>Revenue from Contracts with Customers</i>
	1,873	740	In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.
	2,670	1,652	
Contributions			
Services received below fair value	1,323	1,200	Otherwise the grant is accounted for under AASB 1058 <i>Income of Not-for-Profit Entities</i> , whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants, received to construct non-financial assets controlled by Central West Health. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as Central West Health satisfies its obligations under the grant.
Donations other	64	6	
	1,387	1,206	
	4,057	2,858	

Accounting Policy - Services received below fair value

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

Disclosure - Grants and other contributions

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

Contributed assets are recognised at their fair value.

Central West Health
Notes to the Financial Statements
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Commonwealth grants - recognised as performance obligations are satisfied

Home and community care

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

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

Rural and remote primary care

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

The performance obligation is for medical staff within approved facilities to provide treatment to public patients (non-admitted, non-referred) principally within emergency departments and primary health services. Claims for services performed are lodged electronically, with amounts received based on Medicare item numbers and rates set by the Commonwealth. Revenue is recognised as services are provided to patients.

B1-4 OTHER REVENUE	2023 \$'000	2022 \$'000	Accounting Policy - Other revenue
Recoveries	445	375	Other revenue primarily reflects WorkCover recoveries for health service employees, and contributions from universities for student clinical placements. Other revenue is recognised based on either invoicing for related goods, services and/or the recognition of accrued revenue based on estimated volumes of good or services delivered.
Other	38	20	
	<u>483</u>	<u>395</u>	

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES	2023 \$'000	2022 \$'000	Accounting Policy - Employee benefits
Employee benefits			The <i>Hospital and Health Boards Act 2011</i> (the Act) outlines the employment arrangements for Central West Health. Board members, the Health Service Chief Executive and Senior Medical Officers are directly engaged by Central West Health while Health Service employees remain employed by the Department of Health.
Wages and salaries	7,994	7,494	
Annual leave levy	802	477	
Employer superannuation contributions	653	542	
Long service leave levy	187	174	
Employee related expenses			Wages and salaries due but unpaid at reporting date are recognised as liabilities in the Statement of Financial Position at the salary rates applicable at the time the service was delivered. As such liabilities are expected to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.
Workers compensation premium	65	22	
Other employee related expenses	80	160	
	<u>9,781</u>	<u>8,869</u>	
No. of Central West Health employees	19	19	

Annual Leave, Long Service Leave and Superannuation

Central West Health participates in the Queensland Government's Annual Leave Central Scheme and the Long Service Leave Scheme. Under these schemes, levies are payable by Central West Health to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. In 2023, the annual leave levy was broadened to include an additional 273 staff allowances, contributing to higher annual leave levies in the current year. These levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears which is currently facilitated by the Department of Health. Employer superannuation contributions are paid to the Australian Retirement Trust (previously Qsuper), at rates determined on the advice of the State Actuary. The Australian Retirement Trust has defined benefit and defined contribution categories. Contributions are expensed in the period in which they are payable and the obligation of Central West Health is limited to its contribution to the superannuation fund.

Central West Health
Notes to the Financial Statements
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Employee related expenses

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

The number of employees as at 30 June includes full-time and part-time employees measured on a full-time equivalent (FTE) basis (reflecting Minimum Obligatory Human Resource Information (MOHRI) based on the fortnight ending 25 June 2023). The number of employees does not include the chair, deputy chair and board members unless employed concurrently by Central West Health. Key management personnel and remuneration expense disclosures are detailed in Note E2.

B2-2 HEALTH SERVICE EMPLOYEE EXPENSES

	2023 \$'000	2022 \$'000
Department of Health		
Health service employees	<u>50,103</u>	<u>45,165</u>

Central West Health through service arrangements with the Department of Health has engaged 364 (2022: 378) full-time equivalent persons at 30 June 2023. As well as direct payments to the department, premium payments made to WorkCover Queensland representing compensation obligations are included in this category 2023: \$0.385 million (2022: \$0.383 million).

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

B2-3 SUPPLIES AND SERVICES	2023 \$'000	2022 \$'000	Accounting Policy – Inventories consumed
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Accommodation - office/employee housing	825	811	All inventories held for distribution in hospital and health facilities are expensed at the time of issue. Stock held and available for use in the wards and other facilities, at 30 June is recorded as inventory in the Statement of Financial Position where material.
Building services	668	497	
Computer and communication services	2,601	2,679	
Consultants and contractors			Accounting Policy – Lease expenses
Medical	9,877	10,195	
Non-medical	1,032	1,192	Lease expenses include lease rentals for short-term leases, leases of low-value assets and variable lease payments. Refer to Note C10 for other lease disclosures.
Electricity and other energy	1,248	1,085	
Inventories consumed			Accounting Policy - Consultants and contractors
Drugs	850	799	
Clinical supplies	1,791	1,969	Temporary staff employed through employment agencies and consultants engaged for professional services are expensed as services are provided. Payments are categorised as either medical or non-medical based on services provided.
Catering and domestic supplies	624	589	
Medical practice facility fees	573	1,056	
Lease expenses	327	208	
Other	1,649	2,303	
Other travel and vehicle costs	1,709	1,922	
Patient transport	4,703	4,336	
Pathology, blood and parts	1,451	1,459	
Repairs and maintenance	4,629	4,622	
	<u>34,557</u>	<u>35,722</u>	

Accommodation - office/employee housing

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

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

B2-4 OTHER EXPENSES

	2023 \$'000	2022 \$'000	
			Accounting Policy - Insurance
			Property and general losses above a \$10,000 threshold are insured through the Queensland Government Insurance Fund (QGIF) under the Department of Health's insurance policy. Health litigation payments above a \$20,000 threshold and associated legal fees are also insured through QGIF. Premiums are calculated by QGIF on a risk assessed basis.
Audit expenses*	240	244	
Funding expense	346	1,277	
Inventory written off	84	89	
Lease interest	33	24	
Legal expenses	105	125	
Other expenses	214	175	
Net losses from disposal of property, plant and equipment	-	47	
Services received free of charge	1,323	1,200	
QGIF Insurance	305	282	
	<u>2,650</u>	<u>3,463</u>	Accounting Policy - Special payments

*Total audit fees quoted by the Queensland Audit Office relating to the 2023 financial statements are \$163,000 (2022: \$162,000) including out of pocket expenses. Some of these services will be finalised in the 2024 financial year and as such are not included in the above audit fees.

Audit expenses includes both internal and external audit fees. Payments made to other service providers for internal audit services are \$83,000 (2022: \$102,000)

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

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

Special payments represent ex-gratia payments Central West Health is not contractually or legally obliged to make to other parties. During 2023 no special payments were made (2022: nil).

Central West Health
Notes to the Financial Statements
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SECTION C
NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2023 \$'000	2022 \$'000
Cash on hand	3	5
Cash at bank	1,831	(253)
Restricted cash*	52	40
	<u>1,886</u>	<u>(208)</u>

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

These monies are held in a general trust fund bank account held with the Commonwealth Bank of Australia and Queensland Treasury Corporation at call accounts. Cash held in these accounts earn interest at a rate of 3.35% (2022: 0.61%). The use of these funds is restricted, in accordance with the conditions established at the time of the donation.

C2 RECEIVABLES

	2023 \$'000	2022 \$'000
Trade receivables	409	230
Less: Loss allowance	(15)	(7)
	<u>394</u>	<u>223</u>
GST receivable	245	257
GST payable	(28)	(6)
	<u>217</u>	<u>251</u>
	<u>611</u>	<u>474</u>

Disclosure - Receivables

The closing balance of receivables arising from contracts with customers at 30 June 2023 is \$409,000 (2022: \$230,000).

C2-1 Impairment of receivables

Accounting Policy – Impairment of trade receivables

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

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

Disclosure – Credit risk exposure of receivables

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

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

Accounting Policy - Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions and cash debit facility. Central West Health's operational bank accounts form part of the Whole-of-Government banking arrangement with the Commonwealth Bank of Australia and, as a result, does not earn interest on surplus funds nor is it charged interest or fees for accessing its approved cash overdraft facility.

Debt facility

Central West Health has access to a \$1.5 million debt facility approved by Queensland Treasury which was nil at 30 June 2023 (2022: \$226,000).

Accounting Policy - Receivables

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

Central West Health
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C2-1 Impairment of receivables (continued)

Disclosure – Credit risk exposure of receivables (continued)

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

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

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

Impairment group - Receivables:

	2023			2022		
	Gross receivables	Loss rate	Expected credit losses*	Gross receivables	Loss rate	Expected credit losses*
		%	\$'000	\$'000	%	\$'000
Private patients - ineligible	11	21%	2	30	21%	6
Third party patients - legal court cases	1	100%	1	1	3%	-
Other private patients	181	6%	11	57	1%	1
Aged care fees	7	0%	-	8	0%	-
State and federal government agencies	342	0%	-	313	0%	-
Other debtors	84	1%	1	72	0%	-
	626		15	481		7

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

Disclosure - Movement in allowance for impairment of receivables

	2023	2022
	\$'000	\$'000
Balance at 1 July	7	12
Amounts written off during the year	(4)	(4)
Increase/(decrease) in allowance recognised in operating result	12	(1)
Balance at 30 June	15	7

C3 INVENTORIES

	2023	2022	Accounting Policy - Inventories held for distribution
	\$'000	\$'000	
Pharmaceutical drugs	265	274	Inventories consist mainly of pharmaceutical and medical supplies held for distribution in hospitals and are provided to patients free of charge except for pharmaceuticals which are provided at a subsidised rate. Inventories are valued at cost, adjusted where applicable, for any loss of service potential. Cost is assigned on a weighted average cost.
Clinical supplies	534	468	
Other	3	4	
	802	746	

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

Central West Health
Notes to the Financial Statements
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C4 OTHER ASSETS

Accounting Policy - Other current assets

	2023	2022	
	\$'000	\$'000	
Current			Central West Health recognised its right to consideration for services/goods delivered to customers under a contract, but not yet billed, as a contract asset. Contract assets are transferred to receivables when Central West Health's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.
Prepayments	252	330	
Contract assets	1,400	988	
Other	675	741	
	2,327	2,059	

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

Disclosure - Contract assets

The Department of Health owed \$1.8 million (2022: \$1.5 million) at 30 June, including \$1.152 million (2022: \$0.771 million) for project management and purchases of additional health activity; and \$0.670 million (2022: \$0.736 million) for reimbursement of COVID19 costs and general health funding (disclosed as other assets). For further details on the nature of these transactions refer to Note E3 Related Party Transactions.

Disclosure - Prepayments

An additional 2 days of leave was granted to all non-executive employees of the Department of Health in November 2020 based on set eligibility criteria as recognition of the effects of the COVID-19 pandemic on staff wellbeing, with unused entitlements expiring 31 March 2023. Health service employee expenses include \$65,000 (2022: \$66,000) of COVID-19 leave.

C5 PROPERTY PLANT AND EQUIPMENT

Accounting Policy - Property plant and equipment

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

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

Items below these values are expensed on acquisition.

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

Acquisition of assets

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

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

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

Measurement using historical cost

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

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

Measurement using fair value

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

Depreciation

Property, plant and equipment are depreciated on a straight-line basis. Annual depreciation is based on fair values and Central West Health assessments of the useful remaining life of individual assets. Land is not depreciated as it has an unlimited useful life.

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

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

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

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

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

Class	Span of Useful Life
Buildings	10 to 47 Years
Plant and Equipment	4 to 20 Years
Right-of-use assets	14 months to 7 Years

Indicators of impairment and determining recoverable amount

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

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

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

C5 PROPERTY PLANT AND EQUIPMENT (continued)

Indicators of impairment and determining recoverable amount - continued

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

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

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

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

Revaluation of property measured at fair value

Land and building measured at fair value are revalued on an annual basis either by specific appraisals undertaken by independent qualified valuers or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process for Central West Health is managed by the finance and infrastructure asset services branch.

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

The fair values reported by Central West Health are based on appropriate valuation techniques that maximises the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset warrant revaluation.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. APV Valuers and Asset Management (APV) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to APV. APV provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent qualified valuer, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided based on Central West Health's own circumstances.

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

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

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

C5 PROPERTY PLANT AND EQUIPMENT(continued)

Fair value measurement

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

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

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

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

Fair value measurement hierarchy

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

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

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

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

Significant valuation inputs and impact on fair value

Land

Effective date of last specific appraisal	30 June 2023 by APV Valuers & Asset Management
Valuation approach	Market based assessment
Fair value hierarchy	Level 2
Inputs	Publicly available data on sales of similar land and buildings in nearby localities obtained from PDSLIVE. Where market evidence was limited or new sales were yet to be processed in PDSLIVE, additional enquiries were made with local real estate agents. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restrictions for each individual land parcel or building.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

C5 PROPERTY PLANT AND EQUIPMENT (continued)

Buildings - specialised for delivery of health services

Effective date of last specific appraisal	Comprehensive revaluations are undertaken as part of a rolling valuation spanning a maximum of four years by APV Valuers & Asset Management. - Alpha, Aramac, Isisford, Tambo and Yarka regions valued 30 June 2023; - Jundah, Muttaborra, Windorah and Winton regions valued 30 June 2022; - Blackall and Barcardine regions valued 30 June 2021; and - Longreach and Boulia regions valued 30 June 2020.
Valuation approach	Current replacement cost (CRC)
Fair value hierarchy	Level 3
Inputs	Inputs to the valuation include the design and construction, average cost of construction, condition and consumption score for each component and well as the dates of acquisition and decommissioning. Replacement cost is estimated through the use of APV's construction cost database which uses local construction/or purchase prices paid, recent construction projects across the region, and construction cost guidelines such as Rawlinson's and Cordell. Key cost drivers include the asset type (Hospital, Multipurpose Health Service etc), the standard of the facility (basic, standard or superior), construction material type and the gross floor area (GFA) or building footprint. The estimate has been compiled by measuring quantities using drawings obtained from Central West Health and verified on site or by completing a site measurement. Cost estimates are benchmarked against other valuations. The value of each part is determined based on the inter-relationship between asset condition, legal and commercial obsolescence, and the determination of key depreciation related assumptions such as residual value and useful life. Significant judgement is used to assess the remaining service potential of the facility, given local climatic and environmental conditions and records of the current condition of the facility. Physical site inspections by APV, combined with refurbishment history, local knowledge of asset performance, obsolescence and future planned asset replacement programs were used to inform these assumptions. Valuations assume a nil residual value.

Buildings - general

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

During 2022, buildings withdrawn permanently from use (surplus to requirements) valued at \$130,000 transferred from level 3 to 2 within the fair value hierarchy during the reporting period, reflecting the assessed market value (previously current replacement cost) in accordance with Queensland Treasury's *Non-Current Asset Policies for Queensland Public Sector - Guideline 3* paragraph 10.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

C5 PROPERTY PLANT AND EQUIPMENT (continued)

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

	Land at fair value	Buildings at fair value	Buildings at fair value	Plant and equipment	Capital works in progress	Total
	(Level 2)	(Level 2)	(Level 3)	at cost	at cost	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Gross	1,305	130	229,122	13,318	1,090	244,965
Less: Accumulated depreciation	-	-	(117,535)	(7,508)	-	(125,043)
Carrying amount at 30 June 2023	1,305	130	111,587	5,810	1,090	119,922
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July 2022	1,073	130	94,628	5,081	1,008	101,920
Acquisitions	-	-	169	1,508	1,485	3,162
Transfers in/(out) from other Queensland Government Entities	13	-	9,902	155	-	10,070
Transfers between classes of assets	-	-	1,369	34	(1,403)	-
Net revaluation increment in operating surplus	138	-	-	-	-	138
Net revaluation increment to asset revaluation surplus	81	-	11,993	-	-	12,074
Depreciation/amortisation	-	-	(6,474)	(968)	-	(7,442)
Carrying amount at 30 June 2023	1,305	130	111,587	5,810	1,090	119,922
	Land at fair value	Buildings at fair value	Buildings at fair value	Plant and equipment	Capital works in progress	Total
	(Level 2)	(Level 2)	(Level 3)	at cost	at cost	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Gross	1,073	130	199,447	12,455	1,008	214,113
Less: Accumulated depreciation	-	-	(104,819)	(7,374)	-	(112,193)
Carrying amount at 30 June 2022	1,073	130	94,628	5,081	1,008	101,920
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July 2021	1,073	-	91,053	5,076	3,245	100,447
Acquisitions	-	-	1	613	1,591	2,205
Disposals	-	-	(51)	(8)	-	(59)
Transfers in/(out) other Queensland Government entities	-	-	-	39	-	39
Transfers between fair value hierarchy levels	-	130	(130)	-	-	-
Transfers between classes of assets	-	-	3,358	470	(3,828)	-
Net revaluation increment to asset revaluation surplus	-	-	5,694	-	-	5,694
Depreciation	-	-	(5,297)	(1,109)	-	(6,406)
Carrying amount at 30 June 2022	1,073	130	94,628	5,081	1,008	101,920

Impact from valuation program

All land holdings were comprehensively revalued at 30 June 2023 by independent valuers APV Valuers and Asset Management (APV). The revaluation resulted in an increment of \$0.219 million or 20.9% (2022: nil) to the carrying value of land, with \$0.081 million recorded as an increase in the asset revaluation reserve for land and \$0.138 million as a land increment revenue (reversing the 2020 revaluation decrement expense for land).

All buildings with a replacement cost exceeding \$300,000 are comprehensively revalued by independent valuers as part of a four-year rolling valuation program. Sixteen buildings were comprehensively revalued in 2023, completing the current valuation program (2020 to 2023).

Buildings with values below this threshold, or those not comprehensively revalued in the current year, are updated via an annual index for cost escalation provided by the valuers. The 2023 revaluation program resulted in a net increment of \$11.993 million or 12.9% (2022: \$5.694 million) to the carrying amount of buildings, primarily from growth in construction costs.

Central West Health
Notes to the Financial Statements
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C6 INTANGIBLES

C6-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2023	2022	Accounting policy - Intangibles
	\$'000	\$'000	
Intellectual property at cost			
Gross	1,081	-	Central West Health's intangible asset comprises purchased intellectual property, with an historical cost or other value equal to or greater than \$100,000. Items with a lesser value are expensed. Any training costs are expensed as incurred.
Less: Accumulated amortisation	(314)	-	
Carrying amount at 30 June	767	-	
<i>Represented by movements in carrying amount:</i>			
Opening balance at 1 July	-	-	There is no active market for Central West Health's intangible asset, as such the asset is recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.
Additions	1,081	-	
Amortisation	(314)	-	
Balance at 30 June	767	-	Expenditure on research activities relating to internally-generated intangible assets is expensed when incurred. No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Amortisation expense

All intangible assets have finite useful lives and are amortised on a straight line basis over their estimated useful life to Central West Health. Straight line amortisation is used, reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. No residual value is recognised for intangible assets.

Intellectual property is amortised over 22 months.

Impairment

Intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Central West Health determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset, including discontinuing the use of the intellectual property. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

C7 PAYABLES

	2023	2022	Accounting Policy - Payables
	\$'000	\$'000	
Trade creditors	6,301	5,899	Payables are recognised for amounts to be paid in the future for goods and services received. Trade creditors are measured at the purchase/contract price, net of applicable trade and other discounts. The amounts are unsecured and generally settled in 30 - 60 days.
Capital creditors	513	-	
Queensland Health - accrued labour	1,434	558	
	8,248	6,457	

Payables of \$5.269 million (2022: \$3.568 million) were owing to the Department of Health at 30 June, including trade creditors \$3.836 million (2022: \$3.029 million), and accrued labour \$1.433 million (2022: \$540,000). For further details on the nature of these transactions refer to Note E3 Related Party Transactions.

C8 ACCRUED EMPLOYEE BENEFITS

	2023	2022	Accounting policy - Accrued employee benefits
	\$'000	\$'000	
Current			Liabilities for annual leave, long service leave and the QSuper defined benefit scheme are held on a whole-of-government basis and reported in the Whole-of-Government financial statements pursuant to AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> .
Wages outstanding	587	129	
Superannuation contributions payable	16	7	
	603	136	

Central West Health
Notes to the Financial Statements
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C9 OTHER LIABILITIES

Accounting policy - Contract liabilities and funding repayable

	2023	2022	
	\$'000	\$'000	
Current			Monies received in advance for services yet to be provided are represented as unearned revenue. Contract liabilities arise from contracts with customers where conditions have not been met for revenue recognition.
Contract liabilities	221	3	
Funding repayable - Department of Health	363	1,276	
	<u>584</u>	<u>1,279</u>	

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

Contract liabilities at 30 June include \$0.221 million of advanced funding from the Commonwealth for home and community care services (refer B1-3), with performance obligations yet to be delivered. Revenue is recognised as services are performed.

C10 RIGHT OF USE ASSETS AND LEASE LIABILITIES

C10-1 LEASES AS LESSEE

	2023			2022		
	Plant and equipment		Total	Plant and equipment		Total
	Buildings	\$'000		Buildings	\$'000	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	3,038	790	3,828	2,678	790	3,468
Less: Accumulated depreciation	(1,856)	(527)	(2,383)	(1,534)	(395)	(1,929)
Carrying amount at 30 June	<u>1,182</u>	<u>263</u>	<u>1,445</u>	<u>1,144</u>	<u>395</u>	<u>1,539</u>
<i>Represented by movements in carrying amount:</i>						
Opening balance at 1 July	1,144	395	1,539	933	527	1,460
Additions	690	-	690	817	-	817
Remeasurement - change in terms	(107)	-	(107)	(25)	-	(25)
Depreciation	(545)	(132)	(677)	(581)	(132)	(713)
Balance at 30 June	<u>1,182</u>	<u>263</u>	<u>1,445</u>	<u>1,144</u>	<u>395</u>	<u>1,539</u>
	2023	2022				
	\$'000	\$'000				
Lease liabilities						
Current	625	611				
Non-current	804	856				
	<u>1,429</u>	<u>1,467</u>				

Accounting policy - Leases as lessee

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

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

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

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

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

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

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

Central West Health
Notes to the Financial Statements
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C10-1 LEASES AS LESSEE (continued)

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

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
 - variable lease payments that depend on an index or a rate, initially measured using the index or rate at commencement date
 - amounts expected to be payable under a residual value guarantee
 - the exercise price under a purchase option that Central West Health is reasonably certain to exercise and
 - payments for termination penalties, if the lease term reflects the early termination.
- For further details on lease interest costs refer to Note B2-4.

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

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

Disclosures - Leases as lessee

(i) *Details of leasing arrangements as lessee*

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

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

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

C11 ASSET REVALUATION SURPLUS BY CLASS

	2023	2022	Accounting policy - Asset revaluation surplus
	\$'000	\$'000	
Land			Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.
Balance at 1 July	-	-	
Revaluation increment/(decrement)	81	-	
Balance at the end of the financial year	<u>81</u>	<u>-</u>	
Buildings			The asset revaluation surplus represents the net effect of revaluation movements in assets refer to Note C5-1.
Balance at 1 July	27,951	22,257	
Revaluation increment/(decrement)	11,993	5,694	
Balance at the end of the financial year	<u>39,944</u>	<u>27,951</u>	
Total	<u>40,025</u>	<u>27,951</u>	

Central West Health
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SECTION D
NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

D1 FINANCIAL RISK DISCLOSURE

D1-1 FINANCIAL INSTRUMENTS CATEGORIES

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

	Note	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents (fair value)	C1	1,886	(208)
Receivables (amortised cost)	C2	611	474
		2,497	266
Financial liabilities			
Payables (amortised cost)	C7	8,248	6,457
Lease liabilities (amortised cost)	C10	1,429	1,467
		9,677	7,924

Accounting Policy - Financial instruments

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

D1-2 RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

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

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

Liquidity risk

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

Central West Health is exposed to liquidity risk through its trading in the normal course of business and aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times. An approved debt facility of \$1.5 million (2022: \$1.5 million) under Whole-of-Government banking arrangements to manage any short term cash shortfalls has been established.

Payables are current in nature and will be due and payable within twelve months. As such no discounting has been applied. Lease liability is discounted using an incremental borrowing rate refer Note C10-1.

Interest risk

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

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

D1-3 LIQUIDITY RISK - CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

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

Financial liabilities	2023				2022			
	Total \$'000	< 1 Yr \$'000	1-5 Yrs \$'000	> 5 Yrs \$'000	Total \$'000	< 1 Yr \$'000	1-5 Yrs \$'000	> 5 Yrs \$'000
Payables	8,248	8,248	-	-	6,457	6,457	-	-
Leased liabilities	1,465	660	758	47	1,508	623	885	-
	9,713	8,908	758	47	7,965	7,080	885	-

D2 CONTINGENCIES

As at 30 June 2023, there was nil cases filed in the Supreme court naming the State of Queensland acting through the Central West Hospital as defendant. Health litigation is underwritten by the Queensland Government Insurance Fund (QGIF). Central West Health's maximum exposure is limited to an excess per insurance event up to \$20,000. Central West Health's net exposure is not material.

D3 COMMITMENTS

Capital expenditure commitments

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

	2023 \$'000	2022 \$'000
Buildings		
Within twelve months	611	734
Twelve months or longer and not longer than five years.	-	71
Plant and equipment		
Not later than 1 year	952	193
	1,563	998

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION E
OTHER INFORMATION

E1 FIDUCIARY TRUST TRANSACTIONS AND BALANCES

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

	2023	2022
	\$'000	\$'000
Patient Trust receipts		
Winton Patient Trust	169	125
Longreach Patient Trust	-	1
Barcaldine Patient Trust	-	17
Total receipts	169	143
Patient Trust related payments		
Winton Patient Trust	155	121
Longreach Patient Trust	-	1
Barcaldine Patient Trust	-	43
Total payments	155	165
Trust assets		
Current assets - cash	40	26
Represented by patient trust deposits		
Winton Patient Trust	40	26
Total current assets	40	26

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

E2 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

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

The following details for non-Ministerial key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Central West Health during 2023. Further information on key management personal positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities
Health Service Chief Executive	Responsible for the efficient and effective management of Central West Health and to support and implement the Board's strategic plans for the improved health care of Central West residents and visitors.
Executive Director, Medical Services	Responsible for safe and effective delivery of medical and allied health services, including recruitment, retention and development of workforce, and leads clinical governance within the Health Services.
Executive Director, Nursing and Midwifery Services	Oversees the safe and efficient operations of all hospitals and health centres, maternity and community health services and provides leadership to the nursing streams.
Executive Director, Workforce, Governance and Information Management	Responsible for all aspects of workforce, governance and information management within Central West Health.
Executive Director, Finance, Infrastructure and Support Services (EDFISS)	Responsible for budget planning and forecasting, financial control and performance, statutory compliance and supporting effective business decision making within Central West Health.
Executive Director, Aboriginal and Torres Strait Islander Health	Responsible for strategic leadership and operation of multidisciplinary programs to promote Aboriginal and Torres Strait Islander health and wellbeing.
General Manager, Primary Health Services	Responsible for operational management of Primary Health Care facilities with oversight of community health, mental health, maternity and child health, allied health, telehealth and specialist outpatients.
General Manager, Acute Health Services	Responsible for operational management of facilities including Longreach, Winton, Barcaldine, Alpha and Blackall with oversight of site-specific in-patients, surgical and emergency care, medical imaging, oral health, aeromedical and patient transport programs.
Chief Information Officer, Rural and Remote	Provides a strategic view of Digital Health, Information and Communications Technology (ICT), and is operationally and strategically responsible for the three western hospital and health services. Hosted by eHealth Queensland and funded 50%, the remaining 50% is proportionally on-charged to each of the western hospital and health services.

Remuneration policies

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

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

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

E2 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

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

Remuneration of other KMP are determined by their awards and industrial agreements determined by the Department of Health.

Remuneration packages for KMP comprise the following components:

Short-term employee expenses include:

- 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.
- non-monetary expenses – consisting of provision of remote area housing, motor vehicles and applicable fringe benefits tax benefits.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned. Post employment expenses include amounts expensed in respect of employer superannuation obligations. Termination benefits 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 officer of termination of employment.

There were no performance bonuses paid in the 2023 financial year (2022: nil).

1 July 2022 - 30 June 2023

Position	Short Term Employee Expenses		Long term employee expenses \$'000	Post employment expenses \$'000	Total \$'000
	Monetary expenses \$'000	Non-monetary expenses \$'000			
Acting Health Service Chief Executive (1/7/2022 - 30/9/2022)	86	14	2	6	108
Health Service Chief Executive (acting 1/10/2022 - 19/1/2023; substantive from 20/1/2023)	192	15	5	19	231
Executive Director, Medical Services	483	-	11	39	533
Executive Director, Nursing and Midwifery Services returned from secondment 12/9/2022	151	13	3	14	181
Acting Executive Director, Nursing and Midwifery Services (1/7/2022 - 11/9/2022)	52	6	-	1	59
Executive Director, Workforce, Governance and Information Management	159	17	4	18	198
Executive Director, Finance, Infrastructure and Support Services (acting 1/7/2022 - 12/2/2023; substantive from 13/2/2023)	225	10	5	20	260
Executive Director, Aboriginal and Torres Strait Islander Health (resigned 2/6/2023)	153	18	3	17	191
General Manager Primary Health Services (1/7/2022 - 30/9/2022)	57	5	1	5	68
Acting General Manager Primary Health Services (31/10/2022 - 2/4/2023)	94	9	2	7	112
Acting General Manager Primary Health Services (3/4/2023 - 31/5/2023)	25	3	1	2	31
General Manager Acute Health Services (acting 1/7/2022 - 28/8/2022; substantive from 29/8/2022)	194	-	4	19	217
Chief Information Officer, Rural and Remote	29	-	-	-	29

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

E2 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

1 July 2021 - 30 June 2022

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

Board remuneration

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

Remuneration arrangements for the Central West Health Board are approved by the Governor in Council and the chair, deputy chair and members are paid in annual fee calculated in accordance with the guidance statement issued by the Department of Premier and Cabinet, titled "Remuneration procedures for part-time chairs and member of Queensland Government bodies". Under the procedure, Hospital and Health Services are assessed as 'Governance' entities and grouped into different levels of a remuneration matrix based on a range of indicators including: revenue/budget, net and total assets, independence, risk and complexity.

Responsibility

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

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

E2 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

Appointment authority

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

Position and Name	Date of initial appointment
Board Chair, Jane Williams	Appointed 1/7/2012 - 31/3/2026
Deputy Chairperson, David Arnold	Appointed 1/7/2012 - 31/3/2024
Board member, William Ringrose	Appointed 1/7/2012 - 17/5/2021; re-appointed 10/6/2021 - 31/3/2024
Board member, Elizabeth Fraser	Appointed 18/5/2016 - 31/3/2024
Board member, Leisa Fraser	Appointed 18/5/2016 - 31/3/2024
Board member, Dr Clare Walker*	Appointed 18/5/2016 - 17/5/2021; re-appointed 10/6/2021 - 31/3/2026
Board member, Jonathan Repine	Appointed 18/5/2018 - 31/3/2026
Board member, Kieran Chilcott	Appointed 18/5/2021 - 31/03/2024

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

Remuneration paid or owing to board members during 2023 was as follows:

Board Member	Short Term Employee Benefits		Post employment expenses \$'000	Total \$'000
	Monetary expenses \$'000	Non-monetary expenses \$'000		
Jane Williams	72	-	8	80
David Arnold	40	-	4	44
William Ringrose	40	-	4	44
Elizabeth Fraser	40	-	4	44
Leisa Fraser	40	-	4	44
Jonathan Repine	41	-	5	46
Kieran Chilcott	41	-	4	45

Remuneration paid or owing to board members during 2022 was as follows:

Board Member	Short Term Employee Benefits		Post employment expenses \$'000	Total \$'000
	Monetary expenses \$'000	Non-monetary expenses \$'000		
Jane Williams	71	-	7	78
David Arnold	39	-	4	43
William Ringrose	38	-	4	42
Elizabeth Fraser	39	-	4	43
Leisa Fraser	39	-	4	43
Jonathan Repine	42	-	4	46
Kieran Chilcott	40	-	4	44

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

E3 RELATED PARTY TRANSACTIONS

Transactions with Queensland Government Controlled Entities

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

Category	2023 \$'000	2022 \$'000
<i>Entity - Department of Health</i>		
Revenue	99,139	89,873
Expenditure	60,470	55,921
Asset	1,864	1,621
Liability	5,615	4,845
<i>Entity - Department of Energy and Public Works including Qfleet and Building and Asset Services</i>		
Expenditure	5,104	5,704
Liability	362	641

Department of Health

Central West Health's primary source of funding is provided by the Department of Health, with payments made in accordance with a service agreement. The signed service agreements are published on the Queensland Government website and are publicly available. Revenue under the service arrangement was \$95.1 million for the year ended 30 June 2023 (2022: \$85.6 million). For further details on the purchase of health services by the Department refer to Note B1-2.

Central West Health, through service arrangements with the Department of Health, has engaged 364 (2022: 378) full time equivalent persons. In accordance with the *Hospital and Health Boards Act 2011*, the employees of the Department of Health are referred to as health service employees. In 2023, \$49.7 million (2022: \$44.8 million) was paid to the department for health service employees. The terms of this arrangement are fully explained in Note B2-2.

The Department of Health centrally manages, on behalf of Hospital and Health Services, a range of services including pathology testing, pharmaceutical drugs, clinical supplies, telecommunications and technology services. These services are provided on a cost recovery basis. In 2023, these services totalled \$9 million (2022: \$8.9 million). In addition, Central West Health receives corporate services support from the Department at no cost. Corporate services received include payroll services, financial transactions services (including accounts payable and banking services), administrative services and information technology services. In 2023, the fair value of these services was \$1.3 million (2022: \$1.2 million).

Any associated receivables or payables owing to the Department of Health at 30 June 2023 are separately disclosed in Notes C2, C4, C7 and Note C9. No impairment has been applied to these balances.

The Department of Health also provides funding from the State as equity injections to purchase property, plant and equipment. All construction of major health infrastructure is managed and funded by the Department of Health. Upon practical completion of a project, assets are transferred from the Department to Central West Health. Where departmental funded capital projects are managed by Central West Health, revenue is received from the Department of Health at the value of costs incurred. This revenue is recognised as sales of goods and services. In 2023, \$2.7 million (2022: \$3.1 million) in revenue was recognised for these services. Refer to Note B1-1 for more detail. Throughout the year, funding received to cover the cost of depreciation is offset by a withdrawal of equity by the State for the same amount. For further details on equity transactions with the Department refer to the Statement of Changes in Equity.

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

Department of Energy and Public Works – Central West Health pays rent to the Department of Energy and Public Works for a number of properties. In addition, Central West Health pays the Department of Energy and Public Works for vehicle fleet management. Further details on these arrangements are outlined in B2-3. During 2023, Building and Asset Services (commercial business unit of the department) was engaged to undertake construction and repairs valued at \$3.7 million (2022: \$4.3 million).

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

Transactions with People/Entities Related to KMP

All transactions in the year ended 30 June 2023 between Central West Health key management personnel, including their related parties were on normal commercial terms and conditions and were immaterial in nature.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

E4 TAXATION

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

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

E5 CLIMATE RISK DISCLOSURE

Whole-of Government Climate Reporting

The State of Queensland, as the ultimate parent of Central West Health, has published a wide range of information and resources on climate change risks, strategies and actions (<https://qld.gov.au/environment/climate-change>) including the following key whole-of-Government publications:

- Climate Action Plan 2020-30 (<https://www.des.qld.gov.au/climateaction>)
- Queensland Energy and Jobs Plan (<https://www.epw.qld.gov.au/energyandjobsplan>)
- Climate Adaptation Strategy (<https://qld.gov.au/environment/climate-change/adapting/strategy>)
- Queensland Sustainability Report accessible via <https://www.treasury.qld.gov.au/programs-and-policies/esg/>

Central West Health accounting estimates and judgements - climate-related risks

Central West Health considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks. Central West Health continues to monitor the emergence of material climate-related risks that may impact the financial statements, including those arising under the *Queensland Government Climate Action Plan 2020-2030* and other government publications or directives.

E6 FIRST YEAR APPLICATION OF NEW STANDARDS OR CHANGE IN POLICY

Accounting standards applied for the first time

No accounting standards or interpretations that apply to Central West Health for the first time in 2023 have any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2023.

E7 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

In December 2022, AASB 2022-10 *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* was issued, modifying AASB 13 *Fair Value Measurement*, with prospective application to annual periods beginning on or after 1 January 2024. This amendment to AASB13, includes additional authoritative implementation guidance and provides related illustrative examples, for application by not-for-profit public sector entities. Central West Health, in consultation with our valuers APV have reviewed current policies and valuations, with no material impact expected.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

E8 GOING CONCERN

These accounts have been prepared on a going concern basis which assumes the entity realises its assets and discharges its liabilities as and when they fall due in the ordinary course of business. Central West Health has a current year surplus and accumulated losses of \$0.668 million as at 30 June 2023. The Board and management of Central West Health believe the terms and conditions of its funding arrangements under its Service Agreement with the Department of Health will provide Central West Health with sufficient cash resources to meet its financial obligations for at least the next financial year. On this basis the application of the going concern basis is appropriate.

E9 EVENTS AFTER THE BALANCE DATE

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect Central West Health's operations, the results of those operations, or Central West Health's state of affairs in future financial years.

E10 OTHER DISCLOSURE

To ensure continuity of care for the Longreach, Barcaldine and surrounding communities, general practice and primary health care services transitioned from the Outback Medical Service (sole provider for the region) to Central West Health in December 2022. CWHHS acquired the intangible assets associated with practice accreditation required to operate the practices, as well as physical assets and minor clinical/office supplies used within the facilities, with cash consideration payable as twelve monthly instalments commencing December 2022.

The contract purchase price of \$1,205,000 has been attributed as follows:

- Intangibles - the IP that supports accreditation - \$1,080,730; and
- Medical and office equipment (fair value greater or equal to \$5,000) - \$21,500.

The balance of the purchase price \$102,770 represented minor assets and clinical supplies, and was expensed in the current year.

Refer Note C6 for further information on the intangible.

Given challenges with the recruitment and retention of staff across the region, CWHHS worked with existing staff at the medical practices to transition them across to Queensland Health.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION F
NOTES ON OUR PERFORMANCE TO BUDGET

This section discloses Central West Health's original published budgeted figures for 2023 compared to actual results, with explanations of major variances, in respect of Central West Health's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. Note original published budget from the Service Delivery Statement (SDS) has been reclassified to improve transparency and analysis by remapping particular budgeted transactions on the same basis as reported in actual financial statements.

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

Materiality for notes commentary is based on the calculation of the line item's actual value percentage of the group total. Where a line item contributes 5% or greater to the associated sub-total, it is deemed to be material to the Statement. A note is provided where the variance percentage is 5% or greater for Employee expenses, Health service employee expenses, Supplies and services, and Property, plant and equipment and 10% or greater for others.

F1 BUDGET TO ACTUAL COMPARISON - STATEMENT OF COMPREHENSIVE INCOME

	Variance Notes	Actual 2023 \$'000	Budget 2023 \$'000	Variance \$'000
Income				
User charges and fees	A1	8,058	5,529	2,529
Funding public health services	A2	95,130	84,535	10,595
Grants and other contributions	A3	4,057	3,019	1,038
Other revenue		483	486	(3)
Revaluation increment		138	-	138
Total Income		107,866	93,569	14,297
Total income		107,866	93,569	14,297
Expenses				
Employee expenses	A4	9,781	8,645	1,136
Health service employee expenses	A5	50,103	46,685	3,418
Supplies and services	A6	34,557	29,034	5,523
Depreciation and amortisation	A7	8,433	7,315	1,118
Other expenses	A8	2,650	1,890	760
Total Expenses		105,524	93,569	11,955
Operating surplus/(deficit)		2,342	-	2,342
Other comprehensive income				
Items not reclassified to operating result				
Increase in asset revaluation surplus		12,074	2,465	9,609
Other comprehensive income for the year		12,074	2,465	9,609
Total comprehensive income		14,416	2,465	11,951

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

F2 BUDGET TO ACTUAL COMPARISON - STATEMENT OF FINANCIAL POSITION

	Variance Notes	Actual 2023 \$'000	Budget 2023 \$'000	Variance \$'000
Current assets				
Cash and cash equivalents	A9	1,886	1,583	303
Receivables	A10	611	726	(115)
Inventories		802	741	61
Other assets	A11	2,327	619	1,708
Total current assets		5,626	3,669	1,957
Non-current assets				
Property, plant and equipment	A12	119,922	109,054	10,868
Intangible assets		767	-	767
Right-of-use assets		1,445	1,300	145
Total non-current assets		122,134	110,354	11,780
Total assets		127,760	114,023	13,737
Current liabilities				
Payables	A13	8,248	5,500	2,748
Accrued employee expenses	A14	603	159	444
Other liabilities	A15	584	-	584
Lease liability	A16	625	742	(117)
Total current liabilities		10,060	6,401	3,659
Non-current liabilities				
Lease liability	A16	804	539	265
Total non-current liabilities		804	539	265
Total liabilities		10,864	6,940	3,924
Net assets		116,896	107,083	9,813
Equity				
Contributed equity		77,539	76,880	659
Accumulated surplus/(deficit)		(668)	(338)	(330)
Asset revaluation surplus		40,025	30,541	9,484
Equity		116,896	107,083	9,813

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

F3 BUDGET TO ACTUAL COMPARISON - STATEMENT OF CASH FLOWS

	Variance Notes	Actual 2023 \$'000	Budget 2023 \$'000	Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
User charges and fees	A1	8,000	5,518	2,482
Funding public health services	A2	86,315	77,220	9,095
Grants and other contributions	A3	2,954	2,048	906
GST input tax credits from ATO		2,622	1,848	774
GST collected from customers		142	-	142
Other receipts		449	479	(30)
<i>Outflows:</i>				
Employee expenses	A4	(9,315)	(8,958)	(357)
Health service employee expenses	A5	(49,216)	(46,143)	(3,073)
Supplies and services	A6	(34,276)	(29,086)	(5,190)
GST paid to suppliers		(2,610)	(1,850)	(760)
GST remitted to ATO		(120)	-	(120)
Other	A8	(2,162)	(833)	(1,329)
Net cash from/(used by) operating activities		2,783	243	2,540
Cash flows from investing activities				
<i>Inflows:</i>				
Sales of property, plant and equipment		24	(1)	(25)
<i>Outflows:</i>				
Payments for property, plant and equipment	A12	(3,162)	-	(3,162)
Payments for intangibles	A12	(582)	-	(582)
Net cash from/(used by) investing activities		(3,720)	(1)	(3,719)
Cash flows from financing activities				
<i>Inflows:</i>				
Equity Injections	A17	3,652	717	2,935
<i>Outflows:</i>				
Lease payments	A16	(621)	(717)	96
Net cash from/(used by) financing activities		3,031	-	3,031
Net increase/(decrease) in cash and cash equivalents		2,094	242	1,852
Cash and cash equivalents at the beginning of the financial year		(208)	1,341	(1,549)
Cash and cash equivalents at the end of the financial year		1,886	1,583	303

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

BUDGET VS ACTUAL COMPARISON

For the purposes of these comparatives the "Original Budget" refers to the budget entered in May 2022 as part of the Service Delivery Statements (SDS) process which reflected the budget at that point in time. Since then there have been numerous adjustments to funding including, but not limited to enterprise bargaining agreements and new funding for programs and initiatives per the Service Agreement.

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

Explanation of major variances

Statement of Comprehensive Income

A1 User charges exceeded budget by \$2.529 million for the year ended 30 June 2023 primarily reflecting revenue for managing capital projects of behalf of the department \$2.681 million. This has been partially offset by lower private practice income, with recruitment and retention of senior medical officers impacting on presentations to clinics. All construction of major health infrastructure is managed and funded by the department. Where costs are borne by the Hospital and Health Service on departmental funded projects, the department reimburses CWHHS for those costs. These costs and associated revenue reimbursements are not captured at the time of budget.

Cash inflows for user charges and fees exceeded the budget by \$2.482 million, largely consistent with the reasons set out above after adjustment for timing differences in cash receipt of reimbursements from the department.

A2 The increase relates to additional funding provided through amendments to the Service Agreement between Central West Health and the Department of Health. Additional funding approved included:

- \$4.346 million for growth in Enterprise Bargaining (EB) Agreements, superannuation and staff training;

- \$1.429 million of new initiatives approved to expand service delivery post the budget, including Virtual Care and Better Care Together programs;

- \$2.275 million to support employment of temporary medical staff and rising supply costs;

- \$1.427 million for activity above targets established in the service agreement and COVID activity/costs; and

- \$1.118 million for depreciation funding. Revisions to replacement strategies, the timing of purchases of new assets and revaluation amendments to useful lives impacted on depreciation expense during the year.

Cash inflows for public health services funding increased by \$9.095 million with key contributors largely consistent with the reasons set out above adjusted for a variance in accrued Service Agreement adjustments and the non cash nature of depreciation funding.

A3 Grants and other contributions exceeded budget by \$1.038 million at 30 June. The increase reflects \$0.734 million new initiative funding approved post budget and higher valuation of services provided free of charge by the department \$0.352 million. Home and community care funding was lower as recruitment difficulties limited service provision, with a proportion recognised as unearned at 30 June.

New initiative funding included expanded services for WQPHN for Clinical Preventative and Health Promotion, and Ageing in the Outback programs; funding programs for general practices in Longreach and Barcaldine - Home Model of Care and Primary Mental Health Care; and funding under the Rural Junior Doctor Innovation Fund to support 8 rotations of prevocational junior doctor placements.

Cash inflows for grants increased by \$0.906 million with key contributors largely consistent with the reasons set out above adjusted for movements in services provided free of charge and unearned funding at 30 June.

A4 Employee expenses increased \$1.136 million with Medical Officers Certified Agreement (MOCA6) delivering a 4% base wage increase plus cost-of-living adjustment (COLA) up to 3%, exceeding budget assumptions of 2.5%. In addition, on 1 July amendments to the annual leave levy calculation to include all allowances payable to staff when they take annual leave, increased the levy by 67% for medical officers or approximately \$0.323 million and was not anticipated at the time of the budget.

Cash outflows for employee expenses increased by \$0.357 million in 2023. The impact of MOCA6 backpay (1 July - 31 May) and COLA, while accrued at 30 June, will be paid in cash terms in 2024.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

Statement of Comprehensive Income - continued

- A5 Lower vacancies, improved recruitment practices and additional project officers engaged for initiatives approved post budget, resulted in 3.7% growth of full time equivalents and added approximately \$1.724 million to health service employee expenses. At the same time, wages growth exceeded budget assumptions by 3% or \$1.636 million as award entitlements under new EB agreements and changes to state government policy on superannuation increased expenditure. All EB agreements delivered a 4% growth in base wage plus cost-of-living adjustment up to 3%. At 30 June, only nursing and medical officers were entitled to COLA top-ups.
- Cash outflows for health employee expenses increased by \$3.073 million, with key contributors largely consistent with the reasons set out above, adjusted for movements in payables for payroll services.
- A6 Supplies and services expenditure increased \$5.523 million, attributable to a number of factors not forecast at the time of the budget:
- employment of additional temporary medical staff to backfill vacancies, due to ongoing recruitment difficulties costing \$1.571 million;
 - ongoing redevelopment of Longreach hospital and other refurbishment project costs incurred on behalf of the Department of Health with \$2.466 million additional expenditure incurred. These costs were reimbursed by the department, for further information refer A1;
 - costs associated with the provision of services for new initiatives approved post budget such as "Virtual Care"; and
 - inflationary driven cost increases across supplies in general, and national energy shortages with significant rises in electricity tariffs from 1 July 2022 with rates increasing 36% at hospital facilities.
- Cash outflows for supplies and services increased by \$5.190 million, with key contributors largely consistent with the reasons set out above, adjusted for a difference in movements between forecasts and actuals for accrued payables and to a lesser extent, inventories and prepayments.
- A7 Depreciation and amortisation expense rose \$1.118 million over that forecast as revisions to replacement strategies, the timing of purchases of new assets and revaluation amendments to useful lives impacted on the depreciation expense during the year.
- As part of a wider program managed by the department, a number of Central West Health's aging staff accommodation will be replaced next year. The scheduled demolition of existing accommodation earlier than forecast added \$0.542 million to depreciation expense. Additionally, amortisation of practice accreditation assets increased expenses by \$0.313 million, with the purchase not forecast.
- A8 Other expenses exceeded budget by \$0.760 million at 30 June. The increase reflects funding repayable under the end of year technical adjustment to the 2023 Service Agreement (refer A15 for further information) and higher valuation of services provided free of charge by the department.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

Statement of Financial Position

- A9 Cash and cash equivalents increased \$0.303 million from \$1.583 million at the time of the budget, reflecting lower net cost of service provision, changes in the timing of receipts and payments for operating activities and offset by payments from cash reserves to the Outback Medical Service for general practice assets approved post budget.
- A10 Receivables declined \$0.115 million with improvements in the timeliness of invoicing and collection of outstanding debtors resulting in lower receivables at year end. Partially offsetting the decline, were increases in private patients activity and associated billings and new funding support from the National Injury Insurance Scheme in June.
- A11 Other assets increased \$1.708 million from budget. Central West Health is entitled to additional funding of \$1.369 million for incentive payments and supplementation under an agreed end of year technical adjustment to the 2023 Service Agreement. Contract revenue for managing capital projects on behalf of the department and the associated costs in June have also risen \$0.285 million. These adjustments were not included at the time of the budget.
- A12 Property plant and equipment increased \$10.868 million reflecting growth in the cost to replace buildings and improved market conditions for land values. Budget assumed no growth in land values and 2.5% growth for buildings. 2023 comprehensive land valuations demonstrated growth in property values of 20.9% in aggregate, with increased sales activity and higher prices noted across the region. Construction prices have risen on average 10.5% with growth driven by labour shortages, high fuel and energy costs and growth in input prices. The net impact was an improvement in values of \$9.746 million over that forecast, with purchases of equipment approved post budget of \$1.031 million (refer below) also contributing to higher balances.
- Cash payments for property, plant and equipment increased \$3.163 million. All payments for property, plant and equipment were presented in the budget as part of the department's capital delivery plan, with assets transferred to Central West Health. Cash payments were made during the year, on behalf of the department, and reimbursed. Purchases included replacement of medical equipment \$1.233 million, \$1.656 million on infrastructure (hospital refurbishments, staff accommodation, and security upgrades across public health centres) and \$0.274 million on other equipment.
- Cash payments for intangibles increased \$0.571 million reflecting the purchase of practice accreditation assets to support the transitioning of medical service from the Outback Medical Service to Central West Health in December, and was approved post budget.
- A13 Payables increased \$2.748 million, with payroll contributing \$1.360 million, trade payables \$0.852 million and capital contracts \$0.502 million.
- Monies owed to the department for payroll related transactions rose as a result of:
- amendments in April to State Government Policy on employer superannuation contributions, with a top-up in July to ensure 12.75% on Ordinary Time Earnings for all employees in 2022-23;
 - ratification of enterprise bargaining agreements late in the financial year with significant backpay still owing; and
 - average wage growth exceeding estimates used in the budget by 4.5%.
- Trade payables increased due to ongoing recruitment difficulties, with higher levels of temporary medical staff engagement to manage service demand; increasing costs of patient transport and timing of invoices.
- Payables for capital contracts rose in June, reflecting outstanding debt associated with the transition of general practices from the private sector.
- These conditions were not captured at the time of the budget.
- A14 Accrued employee benefits increased \$0.444 million, reflecting EB increases under MOCA6 (4%) and COLA (3%) payments owing to employees at 30 June. As the enterprise bargaining agreement was ratified later in the year, 11 months of back pay entitlements was accrued. A top-up of employer superannuation contributions was also accrued. Refer A13 for further details.

Central West Health
Notes to the Financial Statements
for the year ended 30 June 2023

Statement of Financial Position

A15 Delays in go-live dates, combined with procurement and recruitment difficulties in the central west region, hindered performance in meeting conditions attached to a number of specific funding initiatives. Funds provided for these purposes are now repayable and form part of an agreed end of year technical adjustment of \$0.346 million to the 2023 Service Agreement.

Recruitment difficulties have also reduced services provided under the Commonwealth Home and Community Care program, with \$0.221 million recognised as unearned at 30 June. These restraints were not forecast in the budget.

A16 Lease liabilities increased \$0.148 million reflecting the approval of a commercial lease in Longreach with a lease liability of \$0.195 million post budget. A number of residential leases with renewal options in 2023 were not exercised, partially offsetting the impact of the new lease.

Cash payments for lease liabilities decreased \$0.096 million, as July's lease payments were paid in 2022 and a number of renewal options for residential leases were not exercised. Cash payments for the new commercial lease partially offset other declines.

Statement of Cash Flows

A17 Cash flows from equity injections increased \$2.935 million, a result of higher funding approvals by the department during the year to meet the repayment of leases, infrastructure projects, and purchases of equipment refer A12. This was not included at the time of budget estimates. Cash funding for purchases of property plant and equipment (PPE) are made by the department one month in arrears. This timing difference represents the variation between purchases of PPE and equity injections at 30 June 2023.

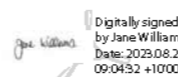
Central West Health
Management Certificate
for the year ended 30 June 2023

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

- the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Central West Hospital and Health Service for the financial year ended 30 June 2023 and of the financial position of Central West Health at the end of that year.

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

Jane Williams



Digitally signed by Jane Williams
Date: 2023.08.25 09:04:32 +10'00'

Board Chair

Central West Health
25/ 08 / 2023

Anthony West



Digitally signed by Anthony West, Health Service Chief Executive, CWHHS
Date: 2023.08.25 10:11:44 +10'00'

Chief Executive Officer

Central West Health
25/ 08 / 2023

Joseph Byrne



Digitally signed by Joseph Byrne - Executive Director Finance, Infrastructure & Support Services
Date: 2023.08.25 16:38:31 +10'00'

Executive Director
Finance, Infrastructure and Support
Services, Central West Health
25/ 08 / 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Central West Hospital and Health Service

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, 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 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of specialised buildings (\$112 million)

Refer to note C5 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>Buildings were material to Central West Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method.</p> <p>Central West Hospital and Health Service performed a comprehensive revaluation of approximately 20.6% of its building assets this year as part of the rolling revaluation program. All other buildings were assessed using relevant indices.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation. <p>Central West Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> ○ estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre) ○ identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. <p>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.</p> <p>Using indexation required:</p> <ul style="list-style-type: none"> • significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used. 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the adequacy of management's review of the valuation process and results • reviewing the scope and instructions provided to the valuer • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices. • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models • for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: <ul style="list-style-type: none"> ○ modern substitute (including locality factors and oncosts) ○ adjustment for excess quality or obsolescence. • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • Evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> ○ reviewing management's annual assessment of useful lives ○ at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets ○ testing that no building asset still in use has reached or exceeded its useful life ○ enquiring of management about their plans for assets that are nearing the end of their useful life ○ reviewing assets with an inconsistent relationship between condition and remaining useful life. <p>Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.</p>

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- 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.



David Toma
as delegate of the Auditor-General

28 August 2023

Queensland Audit Office
Brisbane

Glossary

Hospital and Health Service

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

Queensland Government’s objectives for the community

The government’s objectives for the community are built around Good Jobs, better Services and Great Lifestyle.

Western Queensland Primary Health Network

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

Multi-Purpose health services

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

Royal Flying Doctor Service

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

Care in the right setting program

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

Australian Council of Healthcare Standards

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

National Safety and Quality Health Service Standards

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

My health, Queensland’s future: Advancing health 2026

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

Telehealth

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

North and West Remote Health

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

Compliance Checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7 2
Accessibility	Table of contents Glossary	ARRs – section 9.1 3 88
	Public availability	ARRs – section 9.2 Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3 Inside front cover
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4 Inside front cover
	Information Licensing	QGEA – Information Licensing ARRs – section 9.5 Inside front cover
General information	Introductory Information	ARRs – section 10 5,6,7,8
Non-financial performance	Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1 4
	Agency objectives and performance indicators	ARRs – section 11.2 9,10,11
	Agency service areas and service standards	ARRs – section 11.3 35
Financial performance	Summary of financial performance	ARRs – section 12.1 38,39
Governance – management and structure	Organisational structure	ARRs – section 13.1 18,19
	Executive management	ARRs – section 13.2 20,21,22,23,24
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3 17
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 31,34
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5 34
	Queensland public service values	ARRs – section 13.6 34
Governance – risk management and accountability	Risk management	ARRs – section 14.1 31
	Audit committee	ARRs – section 14.2 27
	Internal audit	ARRs – section 14.3 32
	External scrutiny	ARRs – section 14.4 32
	Information systems and recordkeeping	ARRs – section 14.5 33
	Information Security attestation	ARRs – section 14.6 33
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1 31
	Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2 31
Open Data	Statement advising publication of information	ARRs – section 16 Inside front cover
	Consultancies	ARRs – section 31.1 https://data.qld.gov.au
	Overseas travel	ARRs – section 31.2 https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3 https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 40-87
	Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2 84-87

FAA Financial Accountability Act 2009
FPMS Financial and Performance Management Standard 2019
ARRs Annual report requirements for Queensland Government agencies

