Torres and Cape Hospital and Health Service

Queensland Good jobs Better services Great lifestyle

ANNUAL REPORT 2022–23

Queensland Government

Open data

Torres and Cape Hospital and Health Service (TCHHS) has open data to report on consultancies and the Queensland language services policy. It is available at the Queensland Government Open Data website (https://www.data.qld.gov.au). TCHHS has no open data to report on overseas travel.

Public availability statement

An electronic copy of this report is available at https://www.publications.qld.gov.au/dataset/torres-cape-hhs-annual-reports.

Hard copies of the annual report are available by contacting the Board Secretary (07) 4226 5945. Alternatively, you can request a copy by emailing TCHHS-Board-Chair@health.qld.gov.au.

Interpreter service statement

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone (07) 4226 5974 and we will arrange an interpreter to effectively communicate the report to you.

Licence

Attribution

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Aboriginal people and Torres Strait Islander people are advised that this publication may contain words, names, images and descriptions of people who have passed away.

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Torres and Cape Hospital and Health Service respectfully acknowledges the approximately 60 Traditional Owners / Custodians of the lands, sea and waterways on which we work, their Elders, leaders, and families, past, present and emerging.

Cape York

Ayabadhu, Alngith, Anathangayth, Anggamudi, Apalech, Binthi, Burunga, Dingaal, Gulaal, Gugu Muminh, Guugu-Yimithirr, Kaantju, Koko-bera, Kokomini, Kuku Thaypan, Kuku Yalanji, Kunjen/Olkol, Kuuku – Yani, Lama Lama, Mpalitjanh, Munghan, Ngaatha, Ngayimburr, Ngurrumungu, Nugal, Oolkoloo, Oompala, Peppan, Puutch, Sara, Teppathiggi, Thaayorre, Thanakwithi, Thiitharr, Thuubi, Tjungundji, Uutaalnganu, Wanam, Warrangku, Wathayn, Waya, Wik, Wik Mungkan, Wimarangga, Winchanam, Wuthathi and Yupungathi.

Northern Peninsula Area

Atambaya, Gudang, Yadhaykenu, Angkamuthi, Wuthathi.

Torres Strait Islands

The 5 tribal nations of the Torres Strait Islands: The Kaiwalagal, the Maluilgal, the Gudamaluilgal, the Meriam and the Kulkalgal Nations.

4 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 Torres and Cape 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 98 of this annual report.

Yours sincerely

Elthies Kris
Chair
Torres and Cape Hospital and Health Board

TABLE OF CONTENTS

STATEMENT ON QUEENSLAND GOVERNMENT OBJECTIVES FOR THE COMMUNITY

The Torres and Cape Hospital and Health Service (TCHHS) supports the Queensland Government's objectives for the community of:

- Good jobs: Good, secure jobs in our traditional and emerging industries.
- Better services: Deliver even better services right across Queensland.
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

The *Torres and Cape Hospital and Health Service Strategic Plan 2019-2023* outlines our goal of strengthening the region through the development of a sustainable, safe and supported local workforce, growing our ability and capability to respond to local needs by delivering innovative self-sufficient services closer to home.

TCHHS's vision aligns with the directions outlined in My health, Queensland's future: Advancing health 2026.

MESSAGE FROM THE BOARD CHAIR AND INTERIM HEALTH SERVICE CHIEF EXECUTIVE

We start this report by acknowledging the Traditional Owners of the lands on which we operate and recognise and value the ongoing contribution of Aboriginal and Torres Strait Islander people and communities to the Torres and Cape Hospital and Health Service.

The year has not been without its challenges with the impact of shortages in the healthcare workforce and increase in transport cost being felt across the Hospital and Health Service (HHS). We have continued to build on partnerships with healthcare providers and invested in infrastructure to support the delivery of services to our communities although geography and distance remain as barriers.

We would like to thank the State Government and the Honourable Shannon Fentiman MP, Minister for Health, Mental Health and Ambulance Services and Minister for Women for ongoing funding and support to maintain our services and infrastructure works. We acknowledge former Health Service Chief Executive, Beverley Hamerton, who left TCHHS on 23 June 2023, and thank her for her leadership, commitment and dedication to our communities, our staff, our health service and our Board. We would also like to thank members of the Board, members of the Consumer Advisory Group and the Executive for their ongoing commitment to our region and acknowledge Board Member Ms Rhonda Shibasaki, who finished in October 2022.

STRATEGIC AIMS

With 92 percent of its Strategic Plan 2019-2023 objectives met, TCHHS has maintained its Level One performance standard and has been accredited against the National Safety and Quality Health Service Standards (NSQHS) for a further three years.

KEY HIGHLIGHTS

Our integrated ear, nose and throat service was awarded $2.1 million in 2022. This funding enabled the provision of a culturally sensitive and safe service, following exponential growth in referrals to the program during the initial 18-month project. The service will be further expanded in 2023-2024.

The Pop-Up Palliative Care Service successfully transitioned to business-as-usual in October 2022. The basis of the service’s success is the Model of Care, designed to be responsive to patient needs, providing specialist knowledge and support to assist health professionals, families, and carers to provide care closer to home.

We have established our own Public Health Unit, consolidating core positions and functions which enable a more agile response to public health issues. This includes an increase in support for people with Rheumatic Heart Disease (RHD). Three additional indigenous health workers in the

Torres Strait enabled a significant increase in the number of clients who received their scheduled bicillin injections and echocardiograms, as well as co-designed health promotion and prevention plans for schools.

Our successes in bringing health care closer to home would not be possible without our staff. We thank all of them, those on the front line and those who support them, for their ongoing commitment and resilience. We are incredibly proud of the work they do.

With nearly 70 per cent of our population identifying as Aboriginal and/or Torres Strait Islander people, in 2022-2023, TCHHS has focused on the social determinants of health and equitable health outcomes.

Following extensive consultation with community, including traditional owners, stakeholders and workforce, we established our Health Equity Strategy (HES) and Implementation Plan for Aboriginal and Torres Strait Islander peoples. The six pillars of the strategy and its actions are closely aligned to TCHHS's strategic goals and supported by TCHHS's Local Area Needs Assessment (LANA), which identified the service and health needs in our region. We also launched our Guiding Principles. The principles explain what good healthcare should look and feel like for our patients. They underpin and inform how all decisions and matters relating to service delivery are made.

GOVERNANCE

To strengthen governance, we made changes to our organisational and Board Committee structures. The Strategy and Investment Executive Portfolio was established to oversee project management, planning and performance and clinical innovation and delivery. To enable the Board to concentrate on substantial strategy and performance management matters, the previous Finance and Performance committee functions were absorbed into the Executive and Performance Committee and the Audit, Risk and Finance Committee.

The Board also established a scholarship program to foster a culture of continuous learning and improvement across the workforce. Six scholarships, including three for First Nations people, will be available to permanent and long-term staff.

FINANCE AND INFRASTRUCTURE

Despite inflationary pressures, TCHHS achieved an operating surplus in 2022-2023 of $2.060 million, with a combined income of $302.1 million. In cooperation with the Health Department's Health Capital Division, TCHHS has continued its investment in vital infrastructure projects including:

- $25 million Bamaga Primary Health Care Centre Redevelopment
- $17.7 million Bamaga Staff Accommodation
- $28.3 million Pormpuraaw Primary Health Care Centre Project

- $8.8 million Mer Island Primary Health Care Centre and Accommodation Replacement
- $2.3 million refurbishment of the Weipa Hospital birth suite.

LOOKING FORWARD

In 2023-2024, we will remain committed to Health Equity and working closely with the people of our communities to deliver culturally safe, responsive and inclusive health care. We will focus on our objectives of:

- Strengthen primary and public healthcare services.
- Enhance health and development services to support the first 2,000 days of life.
- Develop our workforce and promote wellbeing and safety.
- Have services that embody healthy minds and support people with addictions.
- Provide care closer to home.

It is with great pleasure that we present to you the Torres and Cape Hospital and Health Service's 2022-2023 Annual Report.

Elthies Kris

Chair

Dean Davidson

Interim Chief Executive

ABOUT US

TCHHS is an independent statutory authority governed by a Board and established under the *Hospital and Health Boards Act 2011*. It is managed from hubs in Cairns, Cooktown, Weipa and Thursday Island and covers an area of 130,238 square kilometres. TCHHS comprises of 31 primary health care centres (PHCCs), two hospitals, a Multi-purpose Health Service and an Integrated Health Service. Nearly 70 per cent of the population in the region identify as Aboriginal and/or Torres Strait Islander. We are one of Australia's largest providers of health services to Aboriginal and Torres Strait Islander peoples.

STRATEGIC DIRECTION

The *TCHHS Strategic Plan 2019-2023* was developed following extensive collaboration with our staff and community. It sets the future directions and actions for TCHHS to meet the healthcare challenges and opportunities of our region.

OUR VISION

Leading connected health care to achieve longer, healthier lives.

OUR PURPOSE

Deliver health services that maximise potential for wellness by:

- Ensuring seamless healthcare journeys
- Collaborating and connecting with communities and agencies
- Maximising the use of technology
- Respecting, protecting and promoting the rights and safety of all within Torres and Cape
- Embracing cultural diversity
- Enhancing the capability, safety and wellbeing of the workforce
- Sustainable financial management

OUR PRIORITIES

- Excellence in Healthcare: Healthcare delivered by the right people with the right skills at the right place and the right time.
- Advance health through strong partnerships: Partner to leverage health and wellbeing in our communities.
- A safe, engaged, valued and skilled workforce: Inspire a culture that values collaboration, challenges the norm and promotes a welcoming workplace.
- A well-governed organisation: Efficient, productive and proactive governance structures

OUR OPPORTUNITIES:

- Closing the Gap
- Providing care closer to home
- Maximising self-sufficiency in each facility
- Training and education
- Preventative healthcare
- Partnering with agencies and communities
- Digital transformation with improved data analytics

OUR CHALLENGES:

- Our community experiences a range of chronic and complex conditions, including higher than average rates of smoking during pregnancy, adult obesity, daily smoking and alcohol consumption.
- Our average age at death is 61 years, which is 19 years below the state average.
- Each of our communities has its own identity, its own history and its own needs.
- We service the unique health needs of our diverse population and have the highest proportion of Aboriginal and Torres Strait Islander population of any HHS in the state.
- Our physical environment provides challenges to accessibility and the delivery of services.

OUR VALUES

- Courage
    - Being courageous and striving for excellence
    - Giving feedback
    - Driving innovative ideas
    - Doing the right thing
- Accountability
    - Being accountable to yourself, your commitments and your communities
- Respect
    - Being sensitive to the thoughts and feelings of others
    - Having integrity
    - Valuing the differences in others
- Engage
    - Working together
    - Continuously improving
    - Supporting others in the workplace

The values describe the core principles which shape the direction of TCHHS. New staff are introduced to our values during orientation, and they have been embedded into recruitment and training processes.

OUR GUIDING PRINCIPLES

Our Guiding Principles were released in February 2023. The document provides a description of what good healthcare should look and feel like for patients of the TCHHS and underpins the design and delivery of health services across our communities.

The development of *Our Guiding Principles* was informed by the Health Service's Strategic Plan, HES and the LANA utilising a co-design approach with community members, patients and clients, business partners and workforce. Following consultation with staff, community members and stakeholder the agreed Six Guiding Principles aim to provide Healthcare which:

- Is community centered
- Is responsive to need and culture
- Has equitable access
- Embeds primary health and health promotion
- Is strength-based
- Is holistic and collaborative.

The principles will inform service improvement opportunities throughout the health service.

STRATEGIC PLAN 2023-2027

In January 2023, our Board and Executive began development of its Strategic Plan for 2023-2027. The vision, purpose, priority areas, objectives and how the Health Service aims to achieve them were selected following significant consultation and feedback with community, business partners and workforce.

The strategic plan aligns with the State Government's HealthQ32 Strategy and is enabled through the health equity strategy community and partner engagement.

The Plan will be published in July 2023 with the TCHHS reporting the services progress and performance measures the 2023-2024 Annual Report.

ABORIGINAL AND TORRES STRAIT ISLANDER HEALTH

TCHHS has the largest percentage of people in Queensland identifying as Aboriginal and Torres Strait Islander as well as the greatest diversity of Traditional Owner Groups. There are more than 16,000 Aboriginal and Torres Strait Islander residents from over 60 different Traditional Owner Groups living in our communities.

These Traditional Owner Groups comprise of different kinships, languages, cultural beliefs and cultural practices which are strong and protective factors for reducing the risks of poor health. However, there is also a broad health inequity across these Aboriginal and Torres Strait Islander populations. More than two-thirds of disease burden come from six leading broad causes:

- cardiovascular disease
- mental health
- cancer
- diabetes
- chronic respiratory disease
- intentional injuries.

MAKING TRACKS TOGETHER - HEALTH EQUITY

To develop our HES, TCHHS undertook several co-design consultations with our Consumer Advisory Committee, local organisations and community members across the TCHHS catchment. The staff undertaking these consultations consisted of all Aboriginal and Torres Strait Islander staff. The Project Team conducted face-to-face consultations in 27 communities between March and August 2022 with common themes emerging. These themes were aligned to the six key priority areas of the HES.

1. Actively eliminating racial discrimination and institutional racism within the service
2. Increasing access to healthcare services
3. Influencing the social, cultural and economic determinants of health
4. Delivering sustainable, culturally safe, and responsive healthcare services
5. Working with First Nations Peoples, communities and organisations to design, deliver, monitor and review health services.
6. Strengthen the Aboriginal and Torres Strait Islander workforce.

The HES was released on the 15 December 2022. Following its release, a series of workshops were facilitated with implementation partners across the TCHHS. At these sessions, the continued importance of co-design was emphasised to identify key actions, responsibilities, and ways of working together that would support the implementation of the HES.

On 6 June 2023, TCHHS released its HES implementation plan with a series of community engagements. Planning for additional community and stakeholder engagement and consultation opportunities are underway in response to highly motivated negative community feedback regarding a perceived lack of implementation plan consultation. The implementation plan allows for and encourages ongoing engagement and consultation to inform and shape its outcomes so that community expectations can be met.

PROGRAMS FUNDED FOR ABORIGINAL AND TORRES STRAIT ISLANDER RESIDENTS

In 2022-2023, $2.784 million in cumulative funding was provided to TCHHS under the *Making Tracks Investment Strategy*. The funding is administered by the Department of Health's Aboriginal and Torres Strait Islander Health Division. With this funding, TCHHS undertakes several ongoing initiatives and projects that contribute to the improvement of Aboriginal and Torres Strait Islander health outcomes. These include:

- **Torres Strait Hostel - Meriba Mudh**: Occupancy at the hostel has increased due to improved access to a greater number of rooms. Facility managers have engaged with local business partners to provide opportunistic and ongoing services for clients and their families, including anti-smoking health promotion resources, counselling and 'yarning circle' services, and personal hygiene packs.
- ***Queensland Health Aboriginal and Torres Strait Islander Cultural Capability Framework 2010-2033*** - Torres Strait and Cape York: Cultural capability training and education has continued in 2022-2023. With the end of COVID-19 restrictions, face-to-face sessions resumed in February 2023. 77.4 per cent of staff completed face-to-face and virtual training throughout the year.
- **Northern Peninsula Area Maternal and Infant Service and Outreach Maternal Health Service**: Between July 2022 and March 2023, there were more than 700 antenatal and postnatal occasions of service (OOS), with 76 per cent of birthweights ranging between 2,500 to 4,500 grams. The Midwifery Group Practice (MGP) midwives work closely with Aboriginal and Torres Strait Islander Health Workers to ensure delivery of culturally sensitive and best practice maternity care provided to the women and families of the Northern Peninsula Area (NPA).
- **Child and Youth Mental Health Service - Aurukun (CYMHSA):** CYMHSA continues to provide high level culturally sensitive clinical services in response to referrals. Services are offered to family members/carers as well as the identified child/ young person to better support their needs. CYMHSA provided 266 OOS between July and December 2022, an increase on the previous reporting period. The service has partnered with other State Government Departments, Apunipima Cape York Health Council Ltd., and the local Indigenous Knowledge Centre to improve engagement, active involvement in learning and providing alternative education programs.
- **Transition to Community Control Project:** TCHHS is supporting Apunipima to provide community information sessions on their proposed model of care for the community of Napranum. Apunipima has also provided a written report to TCHHS outlining their consultation process to ensure that community and stakeholders are kept informed of project developments. Current feedback indicates that residents would prefer to have both TCHHS and Apunipima deliver services to the community, providing a choice in

health care. A proposed service model will be developed for community consultation and approval.

- **Outreach Maternal Health Service:** TCHHS has taken over maternal outreach services with the termination of the service contract with Apunipima as of 31 December 2022. TCHHS is in the process of commencing the recruitment of Maternal Child Health Midwifes and Maternal Child Health Aboriginal and Torres Strait Islander Health Workers based in Cairns to provide midwifery and first 2000 days care for women in seven Cape communities.
- **Rheumatic Heart Disease Action Plan:** The action plan provides 1.0 Full-time Equivalent (FTE) Health Worker, supported by the TCHHS Public Health Unit, to support the provision of clinical care and coordination of clients with Acute Rheumatic Fever (ARF) and Rheumatic Heart Disease (RHD). Secondary activities include raising public awareness through health messaging and culturally sensitive education. A weekly clinic and ‘drop-in’ opportunities are available for clients to collect or assist in administering their medication.
- **First Nations Health Equity Strategies Development and Implementation:** See ‘Making Tracks Together’ section above.
- **Growing Deadly Families – Midwifery Navigator Service:** This service works with women from Cape York, NPA and the Torres Strait with vulnerable and complex care requirements from the point of referral up to six weeks after the child’s birth. Two midwife consultants, two senior health workers, a trainee health worker and an administration officer have been successfully recruited. As of March 2023, 208 women have been cared for by the Midwifery Navigator Service.

OUR COMMUNITY-BASED AND HOSPITAL-BASED SERVICES

TCHHS is responsible for the delivery of local public hospital and health services in the geographical area stretching from Boigu Island in the north of the Torres Strait to Wujal Wujal to the south on the east coast and Kowanyama in western Cape York.

We are responsible for the direct management of the facilities within the geographical boundaries including:

- Aurukun Health Service
- Badu Island Primary Health Care Centre
- Bamaga Hospital
- Bamaga Primary Health Care Centre
- Boigu Primary Health Care Centre
- Coen Primary Health Care Centre
- Cooktown Multi-Purpose Health Service
- Dauan Primary Health Care Centre
- Erub (Darnley Island) Primary Health Care Centre
- Iama (Yam Island) Primary Health Care Centre
- Hope Vale Primary Health Care Centre
- Kowanyama Primary Health Care Centre
- Kubin Primary Health Care Centre
- Laura Primary Health Care Centre
- Lockhart River Primary Health Care Centre
- Mabuiag Island Primary Health Care Centre
- Mapoon Primary Health Care Centre
- Masig (Yorke Island) Primary Health Care Centre
- Mer (Murray Island) Primary Health Care Centre
- Napranum Primary Health Care Centre
- New Mapoon Primary Health Care Centre
- Ngurapai (Horn Island) Primary Health Care Centre
- Pormpuraaw Primary Health Care Centre
- Poruma (Coconut Island) Primary Health Care Centre
- Saibai Primary Health Care Centre
- Seisia Primary Health Care Centre
- St Pauls Primary Health Care Centre
- Thursday Island Hospital
- Thursday Island Community Wellness Centre
- Thursday Island Primary Health Care Centre
- Ugar (Stephen Island) Primary Health Care Centre
- Umagico Primary Health Care Centre
- Warraber (Sue Island) Primary Health Care Centre
- Weipa Integrated Health Service
- Wujal Wujal Primary Health Centre.

Thursday Island Hospital, Weipa Integrated Health Service (WIHS) and Cooktown Multipurpose Health Service (MPHS) are Level 3 facilities providing low to moderate-risk inpatient and ambulatory care services. Bamaga Hospital provides low risk inpatient and ambulatory clinical care

services. TCHHS residents access highly complex care and procedures at Cairns, Townsville and Brisbane hospitals.

The offices in Cairns hosts TCHHS's business, finance, human resources, asset management, patient safety, quality, performance and planning, and some clinical outreach services. The significant regional hubs are in Cooktown, Weipa, Bamaga and Thursday Island.

SERVICES

Our services include emergency, primary health and acute care, public health, medical imaging, oral health, maternity, aged care, allied health, palliative and respite services, and visiting specialist services. TCHHS provides several services through a mixed model of locally located services and visiting teams including mental health, oral health and BreastScreen Queensland.

We support a wide range of healthcare providers including outreach teams and visiting specialist services from other health services and non-government providers.

REGIONAL HEALTH PARTNERSHIPS

As part of our strategic plan to achieve 'excellence in healthcare' and 'advance health through strong partnerships', TCHHS maintains agreements and close working partnerships with local healthcare organisations, including:

- Northern Queensland Primary Healthcare Network (NQPHN)
- Apunipima Cape York Health Council Ltd (Apunipima)
- Northern Peninsula Area Family and Community Services Aboriginal and Torres Strait Islander Corporation (NPAFACS)
- Royal Flying Doctor Service (RFDS)
- Cairns and Hinterland Hospital and Health Service (CHHHS)
- Centre for Chronic Disease, Australian Institute of Tropical Health and Medicine – James Cook University (JCU).

Through these partnerships, we support a wide range of healthcare providers, including outreach teams and visiting specialists from other health services and non-government providers to deliver healthcare for people closer to their homes. TCHHS works in collaboration with visiting specialists including paediatricians, ophthalmologists, renal specialists and surgeons who use HHS facilities and typically travel from Cairns.

MAKING TRACKS AGREEMENT WITH APUNIPIMA

On 31 December 2022, TCHHS ended its Making Tracks Agreement with Apunipima Cape York Health Council Ltd. and began transitioning the delivery of maternal and child health services in southern Cape York back to our Health Service.

TCHHS has commenced the recruitment of Maternal Child Health Midwives and Maternal Child Health Aboriginal and Torres Strait Islander Health Workers to provide midwifery and child health care for women and families in Cape communities. It is planned for these positions to be based in

Cairns and co-located with our Nursing and Midwifery Navigation team as a part of the State Government's *Growing Deadly Families Strategy*.

TCHHS is continuing to work closely with Apunipima to deliver other services throughout Cape York.

RESEARCH

Supporting the strategic goal of excellence in healthcare, TCHHS undertook several key activities to strengthen and build current and future research activity within our catchment. These included:

- Fostering of an organisational culture that supports research through enhanced governance and reporting on research and research outcomes across the TCHHS.
- One hundred and fifty-six (156) active research projects over the last financial year, with six (6) publications including TCHHS locations.?
- Establishment of a Research Governance Committee that reports to the Clinical Executive Committee producing a regular staff electronic newsletter.
- Progression towards accreditation against the National Clinical Trials Governance Framework with a Clinical Tele trials Project Officer undertaking a gap analysis action plan for the Research Governance Committee to work towards.
- Continued membership of the Tropical Australian Academic Health Centre increasing opportunities for local collaborations and workforce research participation in TCHHS.
- Supporting partnerships with external Principal Investigators in developing arrangements that assist academic researchers and TCHHS clinicians to work together particularly on the health issues that matter most to our communities.

CONSUMER AND COMMUNITY ENGAGEMENT

The final weeks of community engagement in 2022-2023 have been challenging for TCHHS after a series of public allegations and statements were made by community leaders in relation to the quality of services provided in the Torres Strait and Northern Peninsula Area.

Our Board and Executive remain confident in the safety and quality of our Health Service and commitment of our staff in delivering culturally sensitive, responsive and inclusive healthcare services to all our communities. TCHHS is open and responsive to all types of feedback and is determined to improve patient experiences of our services when considering all feedback and complaints. In 2023-2024, TCHHS will undertake a full update of the *Consumer and Community Engagement Strategy 2019-2022* and look to provide more opportunities for communities, stakeholders and staff to share their experiences and concerns.

CONSUMER ADVISORY COMMITTEE

The TCHHS Consumer Advisory Committee (CAC) met quarterly to facilitate discussion regarding consumer requirements, issues and feedback. The CAC provided key feedback for the Health Equity Strategy, Our Guiding Principles and the *Consumer and Community Engagement Strategy 2019-2022*.

The CAC provides advice on improving health services to TCHHS's Board, Executive and to the NSQHSS Committees by:

- Reviewing and providing feedback on internally developed information for patients, carers, families, and consumers.
- Participating in recruitment panels for key positions across TCHHS.
- Engaging with key services/programs across the HHS to ensure care is person-centred, culturally sensitive and meets the person's wholistic needs (physical, emotional, spiritual, cultural, financial, family, community).
- Providing consumer feedback and collaborating with TCHHS in relation to new projects/initiatives.
- Collaborating with the organisation in the evaluation and redesign of structures and processes for improvement and highlight any gaps.
- Partnering in organisational design and governance by being involved with planning and strategic reviews.
- Providing input in workforce training and education to incorporate consumer views and experiences.

CONSUMER EXPERIENCE SURVEYS

There was a sharp increase in the number of consumer experience surveys in 2022-2023, with 1,196 surveys submitted. One hundred per cent of those surveyed felt that they were treated with respect and felt safe and welcomed at our facilities, demonstrating a high level of satisfaction. There was also increased awareness of Ryan's Rule and the national Charter of Healthcare Rights.

The responses are collected and collated through the Measurement and Analysis Reporting System (MARS). The data is then used to inform TCHHS where it can improve its services for the community.

GOVERNANCE: OUR PEOPLE

BOARD MEMBERSHIP

Ms Elthies (Ella) Kris

Board Member – Chair
A/Prof CPHMVS(JCU), MPH, GDipIndigHProm
Appointed: 18 May 2019
Current term 1 April 2022 to 31 March 2024

Ms Kris is a proud Torres Strait Islander woman, with cultural connection to the land and sea from her father from Mabuiag, Saibai and St Pauls and her mother from Mer and Erub. She carries and lives by her mother's totem Serar (tern bird). Ms Kris brings more than 20 years of experience within the health industry, including corporate, primary health care and public health and through volunteering with Torres Shire Council to lead, support and empower health changes within her community of Thursday Island. Ms Kris has a Graduate Diploma in Indigenous Health Promotion, a Master of Public Health and is an Adjunct Associate Professor within James Cook University's College of Public Health, Medicine and Veterinary Science. As well as being the Chair of our Board, Ms Kris also holds the following positions:

- Chair, Executive and Performance Committee
- Member, Audit, Risk and Finance Committee.

Dr Scott Davis

Board member – Deputy Chair
PhD IndSoc&EcCapBldg, MIPH, GradCertARLP, DipEd
Appointed: 18 May 2016
Current term: 01 April 2022 to 31 March 2026

Dr Davis has worked in regional rural and Indigenous health and development and is committed to addressing the social determinants of health for rural and remote Indigenous committees. He has more than 25 years' experience in senior leadership roles within the health, education and research sectors and more than 20 years of board experience. Dr Davis holds a range of directorships with the commercial, not for profit and community sectors. He holds a Doctorate in Indigenous Community Capacity Development (social and economic development) and a Master's in International Public Health. Dr Davis is a member of our Board and holds the following positions:

- Chair, Safety and Quality Committee
- Member, Executive and Performance Committee.

Ms Karen Price

Board Member
MEd, PGDipVocEd, BAgrSc (Hons), AdvDipCommSecMgmnt, MAICD
Appointed: 11 December 2015
Current term: 18 May 2020 to 31 March 2024

Ms Price lives in Cooktown and has been involved with community and land management organisations and regional economic and development projects for the past 20 years. She was CEO of the Cooktown District Community Centre for 10 years, overseeing the establishment of systems and quality improvements to ensure the sustainability of the place-based service. Ms Price previously served eight years as a Councillor for Cook Shire and was formerly the manager of the Cape York Hospital and Health Service Learning and Development Unit. Ms Price has formal qualifications in Management, Agriculture and Education. Ms Price is a member of our Board and holds the following positions:

- Member, Audit, Risk and Finance Committee
- Member, Executive and Performance Committee.

Ms Susan Hadfield

Board Member
BScN, CertIVTA, CertTLQM, CertTLQM (NDIS)
Appointed: 19 September 2020
Current term: 18 May 2021 to 31 March 2024

Ms Hadfield is currently retired after more than 40 years working in clinical nursing, leadership, and management of State-wide projects and clinical services roles throughout both rural, regional, and metropolitan Queensland.

Ms Hadfield is committed to improving the experience of health service users and delivery of health services and outcomes for people in rural and remote communities.

An area of experience and advocacy Ms Hadfield offers is inclusion of service reforms which are sensitive to the Indigenous people and rural and remote communities. This was particularly relevant when Ms Hadfield led the coordination of cancer service projects and service reforms to improve patient experience, timeliness and access to services across the state and Far North Queensland rural and remote communities. Ms Hadfield is a member of our Board and holds the following positions:

- Member, Safety and Quality Committee
- Member, Executive and Performance Committee.

Mr Darren Thamm

Board Member
BCom, FCA(Aust), CIA, RCA
Appointed: 18 May 2021
Current term: 18 May 2021 to 31 March 2024

Mr Thamm offers more than 20 years of experience in the field of accounting within commerce and public accounting across a wide number of industry sectors. Mr Thamm is a Fellow Chartered Accountant, a Registered Company Auditor and a Certified Internal Auditor. He is a partner of Jessup's NQ, a specialist auditing and assurance firm based in North Queensland and has acted as Auditor for a wide range of clients across local government, indigenous organisations, charities and not-for-profit community organisations. Mr Thamm has also presented educational training courses in the fields of accounting and audit for universities and professional accountancy bodies. Mr Thamm is a member of our Board and holds the following position:

- Chair, Audit, Risk and Finance Committee.

Ms Marjorie Pagani

Board Member
BA(Hons), LLB, DipMed, DipArb, FDRP, CPL, GAICD
Appointed: 18 May 2021
Current term: 18 May 2021 to 31 March 2024

Ms Pagani has lived in far north Queensland most of her life, commencing her profession as a barrister in 1991, then primarily involved in the Children's Court and representing young people on Palm Island. Ms Pagani has more than 30 years' experience in law, mediation and arbitration, and board positions in the private, public, and government sectors, as well as holding the rank of Squadron Leader with the RAAF specialist legal corps for 17 years. She is the Chief Executive Officer of Angel Flight which offers free non-emergency medical transport flights for people in rural and remote areas to city centres. Ms Pagani is a member of the JCU Council, and chair of the JCU Audit, Risk and Compliance Committee and deputy Chair of the Estate Committee. She is also founder and general manager of the farm animal rescue charity, AFARM, on the Atherton Tablelands, where she lives. Ms Pagani is a member of our Board and Holds the following positions:

- Member, Safety and Quality Committee
- Member, Audit, Risk and Finance Committee.

Ms Karyn Watson

Board Member
GDipIndigHProm, DipATSIPrimH, DipBusGov
Appointed: 18 May 2021
Current term: 18 May 2021 to 31 March 2024

Ms Watson is a proud Torres Strait Islander woman who resides in Seisia, Northern Peninsula Area of Cape York. Ms Watson has extensive knowledge of Aboriginal and Torres Strait Islander health, specific to primary health care. She has a great passion for health and social wellbeing and has been highly involved strategically and operationally planning and implementing health initiatives and programs to bring about positive health outcomes for the region. Ms Watson has worked within the primary health care sector for the past 16 years including seven years in management positions and has enjoyed the challenges involved with the business and tailoring services to meet the specific needs of community. Ms Watson is a member of our Board and holds the following positions:

- Member, Safety and Quality Committee
- Member, Executive and Performance Committee.

Ms Tara Diversi

Board Member
GAID, MBA, MND, GDipPsyc, PGDipPsyhc, APD
Appointed: 1 April 2022
Current term: 1 April 2022 to 31 March 2026

Ms Diversi is an Accredited Practising Dietitian, starting her career in Cairns in private practice and in public health nutrition throughout Cape York in 2003 and since, working in almost all areas of dietetics. Ms Diversi is the CEO of Sophus Nutrition, a digital nutrition platform that improves accessibility and affordability of expert nutrition and dietetic care through the combination of evidence-based nutrition with psychology, behavioral economics and technology. She also holds current roles as the President and Chair of Dietitians Australia; National Dietetic Adviser to the Department of Veterans Affairs; Co-Chair of NQPHN and Entrepreneurship Facilitator for Cairns. Growing up in Kununurra and Cairns fueled Ms Diversi's initial passion and work focused on First Nation’s nutrition in Australia and Papua New Guinea, which drives her continued interest in improving health and outcomes for Aboriginal and Torres Strait Islander peoples. Ms Diversi is a member of our Board and holds the following positions:

- Member, Safety and Quality Committee
- Member, Audit, Risk and Finance Committee.

Ms Rhonda Shibasaki

Board Member
Appointed 18 May 2019
Term ended 28 October 2022

Ms Shibasaki has worked extensively in the health sector throughout Queensland in urban, regional and remote communities since 2008. She has undertaken various executive roles and is experienced in leading change management processes at board, corporate, clinical, and service provision levels. Ms Shibasaki is recognised for introducing management and system reforms in several community health organisations. Ms Shibasaki is the business partner of an established business near Thursday Island and has proven leadership on local community and cultural issues. Ms Shibasaki ended her term on 28 October 2022. Ms Shibasaki was a member of the board and held the following positions:

- Member, Safety and Quality Committee
- Member, Executive and Performance Committee.

ROLE OF THE BOARD

TCHHS was established on 1 July 2014 pursuant to the *Hospital and Health Boards Act 2011* and the *Hospital and Health Boards Regulation 2012.*

Members of the Torres and Cape Hospital and Health Board (TCHHB) are appointed by the Governor in Council on the recommendation of the Minister for Health, Mental Health and Ambulance Services and Minister for Women. The HHB is responsible for the governance and control of the Hospital and Health Service (HHS), appointing the Health Service Chief Executive (HSCE), setting the HHS's strategic direction, and monitoring the HHS's financial and operational performance.

This is to ensure strategic objectives are met, quality healthcare services are provided, compliance and performance is monitored, financial performance is achieved, effective systems are maintained, and community engagement through meaningful consultation and collaboration is strengthened.

The key focus is on patient-centred care and meeting the needs of the community in line with government policies and directives and national standards. Our Board consists of eight members who bring a wealth of experience in primary healthcare, health management, clinical expertise, financial management and community engagement.

All members either reside in the area or have substantial community and business connections with the various Torres Strait, Northern Peninsula Area and Cape York communities and have a first-hand knowledge of the health consumer and community issues of the region. These professional skills and community-based board members contribute to the governance of the TCHHS collectively as a Board through attendance. They met monthly during the 2022-2023 year.

In accordance with the *Hospital and Health Boards Act 2011*, the Board ensures appropriate policies, procedures and systems are in place to optimise service performance, maintain high standards of ethical behaviour and, together with the HSCE, provide leadership to the Service's staff.

To enable the Board to concentrate on substantial strategy and performance management matters, other supplementary Board work has been divested to three Board committees, as prescribed by the Act:

1. Audit, Risk and Finance Committee
2. Executive and Performance Committee
3. Safety and Quality Committee.

Board and Committee attendance 2022-2023

Torres and Cape Hospital and Health Board					
Act or instrument	*Hospital and Health Boards Act 2011*				
Functions	Refer to section 'About Us'				
Achievements	Reported throughout the Annual Report				
Financial reporting	Refer to financial statements				
Remuneration					
Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Elthies Kris	26 (10 Board / 16 committee)	$68,243	$4,500	$73,000
Member	Scott Davis	25 (10 Board / 15 committee)	$35,055	$4,500	$40,000
Member	Karen Price	29 (10 Board / 19 committee)	$35,055	$4,000	$39,000
Member	Rhonda Shibasaki	5 (2 Board / 3 committee)	$35,055	$4,000	$13,000
Member	Susan Hadfield	22 (9 Board / 13 committee)	$35,055	$4,000	$39,000
Member	Darren Thamm	19 (8 Board / 11 committee)	$35,055	$2,500	$38,000
Member	Marjorie Pagani	18 (9 Board / 9 committee)	$35,055	$4,000	$39,000
Member	Tara Diversi	21 (7 Board / 14 committee)	$35,055	$4,000	$39,000
Member	Karyn Watson	22 (9 Board / 13 committee)	$35,055	$4,000	$39,000
No. scheduled meetings/sessions	38				
Total out of pocket expenses	$5172.95				

EXECUTIVE AND PERFORMANCE COMMITTEE

The Executive and Performance Committee is a formal committee of the TCHHB and functions under the authority of Board in accordance with section 32B (1) of the *Hospital and Health Boards Act 2011* and *Hospital and Health Boards Regulation 2012*.

The Executive and Performance Committee supports the TCHHB by working with the HSCE to progress strategic issues identified by the board and strengthening the relationship between the board and the HSCE to ensure accountability in the delivery of services by the Service.

The Executive and Performance Committee met monthly during 2022-2023, and considered several matters, including:

- Strategic Plan
- Operational Plan
- Our Guiding Principles
- Health Equity Strategy and Implementation Plan
- Aboriginal and Torres Strait Islander Workforce Strategy.

SAFETY AND QUALITY COMMITTEE

The Safety and Quality Committee is a formal Committee of the TCHHB established in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011*, and performs the functions described under part 7, section 32 of the *Hospital and Health Boards Regulation 2012*.

The Safety and Quality Committee supports TCHHS and TCHHB by working with the HSCE to maintain and improve the safety and quality of the health service being provided by the service. In addition, the Safety and Quality committee provides oversight of safety and quality and research-related strategies, performance, governance arrangements and improvements within the Service and oversees compliance to state and national standards.

The Safety and Quality Committee met on a bi-monthly basis during 2022-2023, and considered several matters, including:

- Clinical governance
- Patient safety and quality
- Staff health and safety
- Public health
- Allied Health
- Accreditation in accordance with the National Safety and Quality Health Service Standards
- Accreditation Attestation requirements
- Research governance
- Clinical Audits Schedule
- Review of Strategic Documents:
    - Clinician Engagement Strategy
    - Clinical Governance Framework.

AUDIT, RISK AND FINANCE COMMITTEE

The Audit, Risk and Finance Committee is a formal committee of the TCHHB functions under the authority of the Board in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011*, the *Hospital and Health Board Regulation 2012* Part 7 – sections 31 and 34; and section 35 of the *Financial and Performance Standard 2019*.

The purpose of the of the Audit, Risk and Finance Committee is to support the TCHHB by working with the HSCE to maintain and improve the financial and risk management of the service and providing oversight of financial statements, internal control structure, internal audit functions, risk management systems and compliance systems. The Committee also oversees the Health Service's liaison with the Queensland Audit Office (QAO).

The Audit, Risk and Finance Committee met monthly during the 2022-2023 year and considered several matters, including:

- Financial statements
- Internal audit reports, strategic audit plan and charter
- Results of external audit
- Queensland Audit Office areas of significance
- Risk Registers and Risk Appetite Statement
- Portfolio Management
- Legislative Compliance Register
- Department of Health and Chief Finance Officer Assurance Statements
- Changes to Accounting Standards
- Asset Stock take and Impairment Assessment.

EXECUTIVE MANAGEMENT

Dean Davidson

Interim Health Service Chief Executive

Responsibilities:

- Service Level Agreement
- HHS strategy and reform
- Whole of HHS performance
- Capital investment governance.
- Organisational units in Office of CE portfolio.

Dean was appointed Interim HSCE on 26 June 2023. Dean joined TCHHS in 2016 as the Director of Travel, Contracts and Procurement and then acted as the Executive Director Corporate Services. He has been a full-time member of our Executive Leadership Team since 2019 as the Executive Director Asset Management. In January 2023, he was appointed Executive Director Strategy and Investment. Dean has a Bachelor of Commerce degree, majoring in economics, logistics and accounting. He also has a Masters in Business Administration.

Tamara Sweeney

Executive General Manager – Northern Sector

Responsibilities:

- Management of staff
- Facilities and service operations (Torres Strait Islands and Northern Peninsula Area)
    - Safety, access and compliance
    - Performance
    - Workforce
    - Facilities
- Workforce planning
- Stakeholder engagement
- HHS wide strategy
- Organisational units in EGM Northern sector portfolio.

Tamara Sweeney has been Executive General Manager North with TCHHS since 2021, based on Thursday Island. She oversees Thursday Island and Bamaga Hospitals, plus the Primary Health Care Centres in the Torres Strait and Northern Peninsula Area.

Before joining Torres and Cape, Tamara worked with WA Country Health Service (WACHS). She was the Health Service Manager for the Gascoyne district. She has also worked in industrial relations, employment law and medicolegal.

Tamara has a Master of Health Management (MHM), Bachelor of Laws (LLB), Bachelor of Commerce (BCOM) and a Graduate Diploma of Legal Practice. She is a Graduate of the Australian Institute of Company Directors (GAICD).

Tamara is working to improve consumer and community engagement, focusing on leadership, professional development and upskilling across all teams and health services in the northern sector of Torres and Cape.

Michael Catt

Acting Executive General Manager – Southern Sector

Responsibilities:

- Management of staff
- Facilities and service operations (South)
    - Safety, access and compliance
    - Performance
    - Workforce
    - Facilities
- Workforce planning
- Stakeholder engagement
- HHS wide strategy
- Organisational units in EGM Southern sector portfolio.

Michael has over 33 years' experience working for Queensland Health in clinical and senior roles. He is a registered nurse qualified in mental health nursing. He also has a Master of Business Administration with a focus in health management and leadership.

Michael joined Torres and Cape in 2018 and is now Acting Executive General Manager - Southern Sector. He has been our Director of Mental Health, Alcohol and Other Drugs and the Director of Nursing for the primary health centres in Cape York. He has also worked as a surveyor with the Australian Council on Healthcare Standards across remote locations.

Michael focuses on robust governance systems to meet NSQHS standards, and to carry out the clinical and strategic plans.

Wendy Burke

Acting Executive Director - Aboriginal and Torres Strait Islander Health

Responsibilities:

- Professional lead - Aboriginal and Torres Strait Islander Health worker and health practitioners
- Workforce strategic lead for Aboriginal and Torres Strait Islander health programs and services
- Closing the Gap strategy
- Executive Sponsor - Consumer Advisory Committee
- Organisational units in Aboriginal and Torres Strait Islander Health portfolio.

Wendy joined TCHHS in February 2022, and now acting in the Executive Director of Aboriginal and Torres Strait Islander Health role. She is a proud Aboriginal woman, born in Rockhampton. Her cultural connections are to the Iman Clan and Wadja Wadja.

With 40 years’ experience Wendy devotes her work to improve the health and well-being of Aboriginal and Torres Strait Islander people. She has a clear approach, working with stakeholders to close the gap in life expectancy for Aboriginal and Torres Strait Islanders. Wendy has a wealth of experience engaging with Aboriginal and Torres Strait Islander communities.

Amanda Wilson

Executive Director - Allied Health

Responsibilities:

- Professional lead - Allied Health streams
- Care at the end of Life
- Healthcare in the Home
- Strategic workforce planning
- Aged care
- National Disability Insurance Scheme (NDIS)
- Organisational units in Allied Health portfolio.

Amanda is a health leader and speech pathologist who has experience in hospitals, community health and in private practice. She also has worked in the not-for-profit and Aboriginal community-

controlled health sectors. She has an interest in strategic workforce development, advocacy, and Aboriginal and Torres Strait Islander health.

Amanda has held roles as General Manager and Head of Clinical Services at Royal Far West, a national rural and remote children's health charity. She has worked in clinical and leadership roles with Cairns and Hinterland Hospital and Health Service and Apunipima Cape York Health Council.

Amanda holds a Bachelor of Science (Biomedical Science), Masters in Speech Pathology and post-graduate qualifications in Health Administration, Policy and Leadership. She is passionate about improving equity for accessing high quality care and improving results with people's health in rural and remote communities.

Danielle Hoins

Executive Director – Finance, Information and Digital Services

Responsibilities:

- Financial Services
- Corporate Governance
- ICT Services
- Information and Cyber Security
- Digital Health Services
- Contracts and Procurement
- Supply Chain Management
- Disaster and Emergency Management
- Risk and Compliance
- Organisational units in Finance Information and Digital Services portfolio.

Danielle has experience in financial and corporate services management in the Queensland Health sector. Her expertise is in the financial service, change leadership, and developing and adopting corporate governance systems.

Danielle provides strategic and operational leadership in managing finances. She advises the Board and executives to ensure they meet the strategic goals, while making sure financial stewardship and governance plans are in place.

Danielle is a qualified Accountant and a Fellow of Certified Practicing Accountant Australia (FCPA), with a Graduate Certificate in Public Sector Management and Bachelor of Commerce. She has completed the Australian Institute of Company Directors course, the Harvard Business School Change Leadership Program, QUTex Digital Project Board Governance Micro Credential and Advanced Leadership Program with Women and Leadership Australia.

Dr Marlow Coates

Executive Director – Medical Services

Responsibilities:

- Professional lead - medical officers
- Oral Health lead and operations
- Clinical Governance and Service delivery
- Clinical Council
- Pharmacy
- Radiology (medical imaging)
- Public Health
- Organisational units in Medical Services portfolio.

Dr Marlow Coates is a rural generalist senior medical officer working on Thursday Island. He began his career with Queensland Health at Mackay in 2012, before moving to Torres and Cape in 2015.

Marlow has held the roles of Senior Medical Officer, Acting Medical Superintendent, Northern Director of Medical Services. He has worked as the Executive Director of Medical Services since 2021.

He holds a Fellowship of the Royal Australian College of General Practitioners (FRACGP), Fellowship of the Australian College of Rural and Remote Medicine (FACRRM), Associate Fellowship of the Royal Australian College of Medical Administrators (AFRACMA), is a member of the Joint Consultative Committee on Anaesthesia (JCCA), a Graduate Member of the Company Directors Course (GAICD) and is a current Royal Australasian College of Medical Administrators (RACMA) candidate in training. He is also a former physiotherapist.

Marlow is focused on closing the gap in health experienced by First Nations people and other Queenslanders living in remote areas.

Kim Veiwasenavanua

Executive Director – Nursing and Midwifery

Responsibilities:

- Professional lead – nursing and midwifery
- Mental Health, Alcohol and Other Drugs Service
- Organisational units in Nursing and Midwifery Services portfolio.

Kim has been our Executive Director of Nursing and Midwifery since May 2018. Prior to holding this position, Kim was the Executive General Manager – Northern sector and Director of Nursing at Thursday Island Hospital. She manages our diverse nursing workforce with strategic intent to allow innovative, advanced, culturally appropriate and safe practice across our region.

Kim has a clinical and management background, with health care experience honed in six countries and across three Australian states. She has worked as a clinician and manager in primary health, acute and community care centres. Kim was also a Residential Aged Care

Manager for a 180-bed facility. Kim has a Master of Public Health and has held a Nurse Lecturer position in the faculty of the Fiji School of Nursing.

Lindsay Pickstone

Acting Executive Director – Strategy and Investment

Responsibilities:

- Portfolio Management Office (PMO)
- Project Delivery Directors (PDD)
- Portfolio Business Analyst (BBPA)
- Strategic Asset Management (SAM)
- Strategy, Planning and Performance (SPP)
- Planning, delivery and maintenance of assets
- Capital works
- Land and tenure
- Organisational units in Strategy and Investment portfolio.

Lindsay joined Torres and Cape in 2017 and now Acting Executive Director Strategy and Investment. He has been our Capital Works Projects Manager, Capital Works Manager, and the Director of Capital Planning and Program Delivery.

Lindsay holds a Bachelor's degree in engineering (majoring in Mechanical and Space) and a Project Management Graduate Certificate. Before joining the health sector, Lindsay worked in consulting and manufacturing sectors. Lindsay is aiming to improve health equity for the region, and deliver infrastructure investments, so care is closer to home.

Sally O'Kane

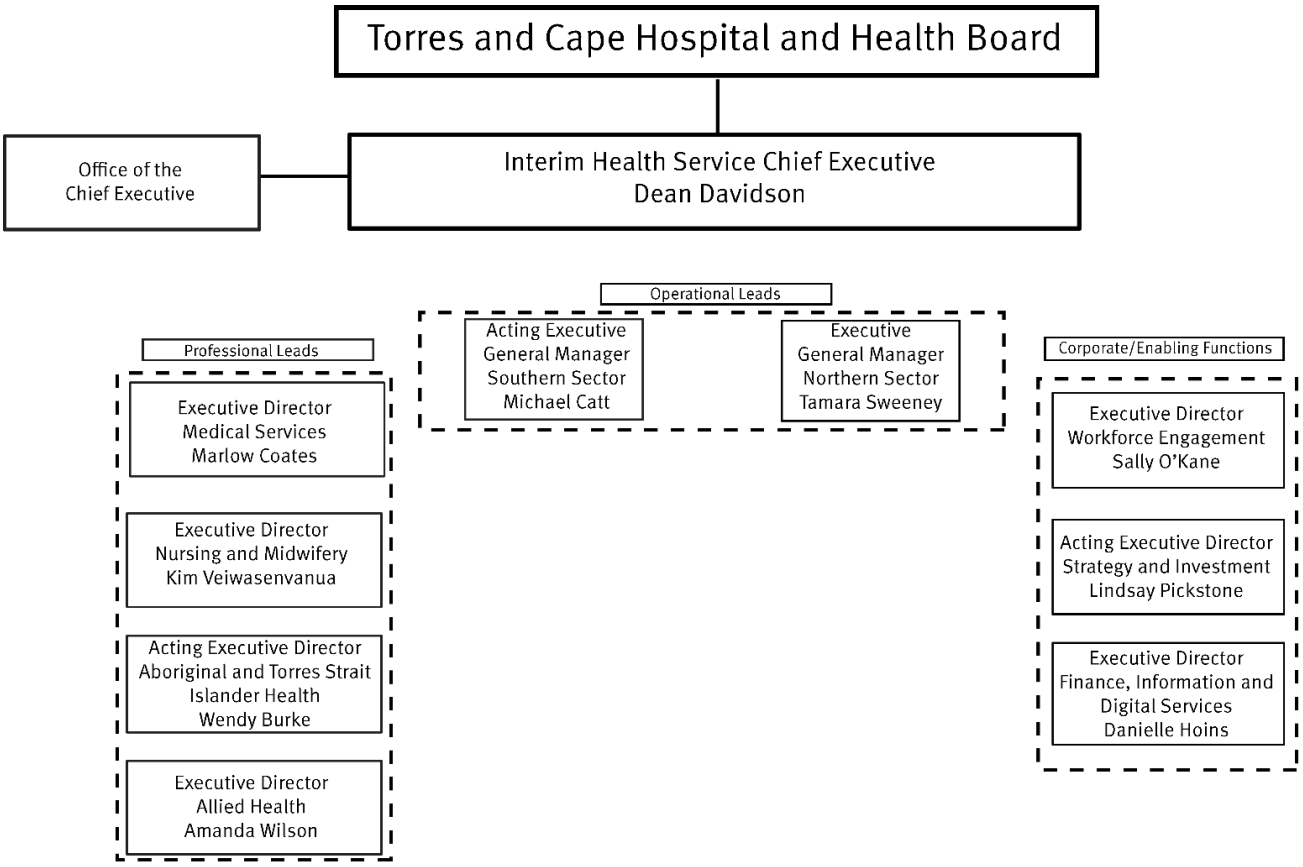
Executive Director – Workforce Engagement

Responsibilities:

- Strategic and operational human resources
- Strategic workforce planning
- Recruitment hub
- Industrial and employee relations
- Integrated learning centre
- Workforce health and safety
- Integrated Workforce Management System (IWMS)
- Organisational units in Workforce and Engagement portfolio.

Sally O'Kane's Human Resource career spans over 25 years and is responsible for all human resource related services provided to the employees of the Torres and Cape. She is passionate about improving the workplace culture and embracing our cultural diversity so employees truly feel valued and respected in a workplace so they can bring their best self to work.

ORGANISATION STRUCTURE AND WORKFORCE PROFILE



TCHHS launched and completed a business case for significant change (BCfSC) in 2022-2023. The BCfSC was aimed at streamlining portfolios within the organisation. The organisational change was completed in April 2023 with the creation of the new Strategy and Investment Portfolio. The new portfolio incorporates the previous Asset Management unit and adds project management, planning and performance and clinical innovation and delivery.

As of 30 June 2023, TCHHS employed an FTE staff establishment of 1084, an increase of 20 FTE from 2021-2022. The total headcount was 1,195. A breakdown of this total is reflected in the tables below.

Figure 1: Gender

Gender	Number (headcount)	Percentage of total workforce (calculated on total headcount)
Woman	918	76.82%
Man	277	23.18%
Non-binary	-	0.00%

Figure 2: Diversity target group data*

Diversity Groups		
Women	918	76.82%
Aboriginal Peoples and Torres Strait Islander Peoples	252	21.09%
People with disability	14	1.17%
Culturally and Linguistically Diverse – speak a language at home other than English^	196	16.40%

^ 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

	Women (headcount)	Women as a percentage of total leadership cohort (calculated on headcount)
Senior Officers (Classified and s122 equivalent combined)	2	100%
Senior Executive Service and Chief Executives (classified and s122 equivalent combined)	4	66.67%

Figure 4: Occupation Types by FTE

Type	FTE	%
Corporate	145.51	13.42%
Frontline	500.53	46.17%
Frontline support	438.01	40.40%

Figure 5: Appointment Type by FTE

Type	FTE	%
Permanent	786.97	72.60%
Temporary	250.69	23.13%
Casual	41.39	3.82%
Contract	5.00	0.46%

Figure 6: Employment status by headcount

Type	Headcount	%
Full-time	889	74.39%
Part-time	228	19.08%
Casual	78	6.53%

STRATEGIC WORKFORCE PLANNING AND PERFORMANCE

ABORIGINAL AND TORRES STRAIT ISLANDER WORKFORCE

In 2022-2023, TCHHS employed 252 Aboriginal and Torres Strait Islander people (21.09 per cent) across all occupational streams. Consultation for the implementation of the Aboriginal and Torres Strait Islander Workforce Plan took place across 2022-2023, with a particular focus on bolstering recruitment, training and retention. TCHHS acknowledges the need to increase the number of Aboriginal and Torres Strait Islanders across all streams of employment. In 2023-2024, a recruitment working group will be established to ensure the recruitment approach and processes aligns to best practice to improve and sustain employment outcomes for Aboriginal and Torres Strait Islander people.

WORKFORCE DIVERSITY AND WELLBEING

TCHHS is committed to diversity, inclusion and equity in the workplace. We encourage and facilitate conversations regarding contemporary flexible working arrangements supporting a healthy work-life blend for all staff.

Employees have access to an Employee Assistance Service (EAS) provided by Optum. The program provides confidential counselling and support to employees and provides information, advice and support to help improve wellness and wellbeing.

In addition, the EAS offers a dedicated online service to provide professional advice on financial issues impacting on an individual’s wellbeing. TCHHS supports employees to access financial seminars on salary packaging and superannuation seminars to assist their understanding of retirement preparation and income protection.

CODE OF CONDUCT

As required by the *Public Service Ethics Act 1994*, the Code of Conduct in the Queensland Public Service has been in place since 2011 and applies to all Torres and Cape HHS employees. We support and uphold the Queensland Public Service Values. Staff are required to complete mandatory ethics, integrity and accountability online training annually to support an understanding of their obligations under the *Public Sector Ethics Act 1994*.

INDUSTRIAL RELATIONS

TCHHS has a number of local consultative forums that support a collaborative approach to consultation with unions. The overarching Health Consultative Forum, attended by the Executive Directors, has strategic oversight of people management issues and is the peak body for unresolved matters from the local consultative forums.

RECRUITMENT INITIATIVES

TCHHS's 'Career Up Here' campaign was launched in August 2022, with a series of videos, social media and marketing material to support recruitment campaigns. The campaign is designed to both attract and educate potential staff about our region. With workforce shortages in healthcare at statewide and national levels, TCHHS has continued to have robust recruitment campaigns at allied health, medical and rural and remote conferences across the country, with more planned in 2023-2024. TCHHS has also been supported by the Queensland Government's 'Make a Healthy Career Move' campaign which aims to attract health workers to rural and remote locations.

LEARNING AND DEVELOPMENT

Supporting our strategic goal of a safe, valued and skilled workforce, TCHHS Learning and Development's aim is to foster a culture of continuous learning and improvement. Staff are supported from the moment they join TCHHS, with regular induction and orientation sessions. All staff are supported through Performance and Development Plans. They have access to face-to-face and online training, incentive schemes, traineeship and apprenticeship opportunities. These include:

- iLearn
- Rural and Isolated Practice (Scheduled Medicines) Registered Nurse course (RIPRN)
- Administrative and Operational Training and Development Education Funds (Cunningham Centre)
- PARROT Online education
- Study and Research Assistance Scheme (SARAS)
- Clinicians Knowledge Network (CKN)

To improve our online training capabilities, in April 2023 TCHHS began transitioning to a new Learning Management System (LMS) called Learning On-Line (LOL). LOL is in use at seven other Hospital and Health Services, including Gold Coast and Sunshine Coast HHSs. LOL will go-live in July 2023 and will enable:

- Access to all mandatory training in one place.
- Completion of online courses to be recorded automatically.
- Access at a calendar with all the face to face/Teams training that TCHHS offers, and the ability to enrol directly into a course.
- Staff to see their own compliance and receive reminder emails if training is overdue.
- Line Managers to view their team's mandatory training compliance and enrol their staff directly into training courses.

- Access to LOL from any device with internet access (computer, laptop, tablet or mobile phone).

EARLY RETIREMENT, REDUNDANCY AND RETRENCHMENT

In the 2022-2023 financial year, TCHHS did not pay any redundancy, early retirement or retrenchment packages.

GOVERNANCE: OUR RISK MANAGEMENT

TCHHS is committed to managing risk in a proactive, integrated and accountable manner to ensure its strategic and operational objectives are achieved. These objectives include the provision of culturally sensitive, high quality, innovative, safe, efficient and effective health services to the communities of our region.

TCHHS uses an Enterprise Risk Framework, underpinned by the Queensland Department of Health's Risk Management Framework and is aligned to the principles of ISO31000:2018. The Framework enables TCHHS to manage its risks to support the successful achievement of strategic objectives and to enable all decision makers to be fully informed of risk to ensure risks are appropriately managed in a structured, transparent, responsive and timely manner.

TCHHS has a single risk register that captures the strategic and operations risks and is divided across the business functions of the service. The risk register is managed through RiskMan, a statewide system.

The Board Audit, Risk and Finance Committee undertakes a full system review annually. The Risk Management Framework, Risk Appetite Statement and Risk Analysis Matrix are also reviewed on an annual basis. Accountable executives and leaders are responsible for managing risks within the Board's appetite.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister of Health, Mental Health and Ambulances Services and Minister of 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 TCHHS.

INTERNAL AUDIT

TCHHS has an established Internal Audit function in accordance with section 29 of the *Financial and Performance Management Standard 2019*. The organisation has engaged with an external consultant with the expertise to undertake internal audit functions for the Health Service.

Internal Audit's primary objective is to provide independent and objective assurance to the Board, via the Board Audit, Risk and Finance Committee, on the state of risks, internal controls, and organisational governance and to provide management with recommendations to enhance current systems, processes, and practices.

Internal Audit assists the TCHHB and HSCE to accomplish their strategic and operational objectives by developing a systematic, disciplined approach to evaluate and improve the effectiveness of business risk management, control, and governance processes.

There were three main areas reviewed during 2022-2023:

- **Building and Engineering Maintenance:** A review of Building and Engineering Maintenance was undertaken to provide assurance that the processes in place to plan and deliver building and engineering maintenance on TCHHS's assets are adequate and effective governance framework exists for building and engineering maintenance. In addition to having effective systems and processes in place to ensure that building and engineering maintenance contributes to effective asset management.
- **Clinical Documentation:** A review of clinical documentation was undertaken to assess the controls established to ensure there are robust systems and processes in place for the management of clinical records. Ensuring compliance with relevant policies and procedures including QH-POL-280:2014 and QLD State Records standards and authorities for the retention and destruction of medical records (*Public Records Act 2002* (the Act)).
- **Fatigue Management:** A review of fatigue management was undertaken to assess the processes and systems established to monitor and address fatigue within the workforce. Ensuring adherence to the *Queensland Health Fatigue Risk Management Implementation Guideline 2021*, proactive fatigue management and appropriate oversight of the fatigue risk management process.

EXTERNAL SCRUTINY, INFORMATION SYSTEMS AND RECORD KEEPING

TCHHS's operations are subject to regular scrutiny from external oversight bodies. These include, but are not limited to:

- Quality Innovation Performance Limited (QIP)
- Queensland Coroner
- Office of the Health Ombudsman
- Queensland Audit Office
- Crime and Corruption Commission

For the 2022-2023 financial year, TCHHS was subject to the annual external audit by Queensland Audit Office. TCHHS received an unqualified audit report on its financial statements for the 2022-2023 year. There are no significant findings or issues identified by this external reviewer on our operations or performance.

TCHHS is currently accredited by QIP. In August and September 2022, the Health Service underwent an Accreditation assessment by QIP against the NSQHSS Second Edition with an outcome of accreditation being awarded valid until 29 December 2025.

Parliamentary report 14: Health outcomes for First Nations people was tabled by the Auditor-General on 7 June 2023, which examined the effectiveness of Queensland Health's strategies to improve health outcomes for First Nations people.

TCHHS considered the findings and recommendations contained in the reports and, where required, has taken action to implement the recommendations, including publishing its health equity strategy implementation plan and providing a local service catalogue to that shows what services are available to each community.

In 2022-2023, TCHHS developed a Digital Health Plan which aligns directly with the upcoming *TCHHS Strategic Plan 2023-2027*, the *Queensland Health Digital Health Strategy for Rural and Remote Health*, and the *Queensland Health Digital Strategy 2031*.

TCHHS is an active member of the Statewide Rural and Remote Digital Health Care Committee, which has made significant progress with the development of an investment roadmap. The Investment roadmap includes initiatives which are aligned to four key pathways which are focused on immediate priorities across all Remote Hospital and Health care services.

In 2022-2023, TCHHS hosted a Rural and Remote HSCE Partnership Workshop focused on digital directions. The workshop was held to explore opportunities to improve digital infrastructure, processes, collaboration and outcomes for the four remote HHSs, and determine relative priorities and leadership responsibility for agreed actions.

Four key priorities/pathways were identified at the workshop:

1. Pathway to a single Primary Health Clinic system.
2. Pathway to business continuity – connectivity and redundancy and underlying/foundational systems.
3. Pathway to shared information – supporting Health Information Exchange and Fast Healthcare Interoperability Resources to better share information within and across services.
4. Pathway to cohesive data – leveraging what has/is being done to consolidate and coordinate.

In line with our health service strategic objectives, several information technologies, information management and digital health service improvements have occurred in 2022-2023 including:

- Strong TCHHS representation on the Rural and Remote Digital Healthcare Committee (RRDHC) and input into the Digital Investment Roadmap.
- Finalization of the TCHHS Digital Health Plan and Roadmap.
- Ongoing implementation of Digital Foundations within TCHHS such as infrastructure uplifts and digital capabilities to support new or enhanced digital models of care, one of our four key priorities.

- Progressive improvement to connectivity/internet services with planned expansion of outer island and Cape York facilities including at our staff accommodation. We are currently trialing low-orbit satellite solutions.
- Establishment of the Primary Health Care Electronic Medical Record Project – Transitioning 12 Cape facilities and 500 staff that will transition to a single primary health care electronic medical record across all TCHHS, one of our four key priorities.
- Enhanced cyber-security protection across TCHHS including management of potential breaches in partnership with eHealth Cyber Security Group, including state-wide incident exercises in the event of a major breach.
- Uplift to education and training for remote staff through the design and implementation of eLearning data quality and electronic medical record programs.
- Facilitating information sharing pathways with Department of Health and our other key partners in the region that will result in the development of an Information Sharing Framework inclusive of all healthcare partners in the Far Northern region.
- Increased Business Intelligence and Information Management across TCHHS facilities including access to enhanced primary healthcare data reporting and advanced and dashboard reporting.
- Digital enhancements and reporting to assist with own source revenue opportunities.
- Data quality initiatives, including enhanced auditing processes.

TCHHS is progressing implementation of the Records Governance policy. A new corporate records management system, based on the Department of Health framework is in development. The system will align committee, corporate and correspondence records into a single framework.

Patients and clients of TCHHS continue to be able to obtain access to records by applying under the *Right to Information Act 2009* and the *Information Privacy Act 2009*. Information is available and processes are in place to help patients in gaining access to their medical records.

TCHHS creates, receives and keeps clinical and business records to support legal, clinical, community, and stakeholder requirements. Business and clinical records exist and are available in physical and digital formats, in line with the *Public Records Act* 2002.

During the 2022-2023 financial year, TCHHS have an informed opinion that information security risks were actively managed and assessed against TCHHS'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).

QUEENSLAND PUBLIC SERVICE ETHICS

TCHHS is committed to implementing and maintaining the values and standards of conduct outlined in the 'Code of Conduct for the Queensland Public Service' under the *Public Sector Ethics Act 1994*. Our Board and Executive ensure that the development of our Strategic Plans is

congruent with the ethics principles and Code of Conduct. All staff are provided with education and training on the Code of Conduct and workplace ethics, conduct and behaviour policies. Line managers are required to incorporate ethics priorities and statutory requirements in all employee performance agreements, assessments and feedback.

In addition to education and training at the point of recruitment, our intranet site provides staff with access to appropriate education and training about public sector ethics, including their obligations under the Code of Conduct and policies. All TCHHS line managers must ensure that staff are provided with access to annual public sector ethics training.

If breaches of the Code of Conduct involving suspected unlawful conduct were to be identified, the matter would be referred to the Department of Health's Ethical Standards Unit or other appropriate agency for any further action.

HUMAN RIGHTS

TCHHS has integrated human rights into its Strategic Plan 2019-2023, organisational values, and mandatory training for clinical and non-clinical staff. All our Human Resources and Work Health and Safety policies, procedures and guidelines are regularly reviewed to ensure their compatibility with the *Human Rights Act 2019*.

A human rights intranet webpage is also available that provides staff with up-to-date information and resources about human rights.

From a human rights perspective, the following human rights were protected through actions taken by TCHHS:

- The right to health services.
- The right to protection of families and children.
- The right to humane treatment when deprived of liberty.
- The right to life.

TCHHS was mindful of its obligation to act compatibly with human rights, by ensuring that any limitations on human rights were reasonable and justified. No Human Rights complaints were received by TCHHS during the reporting period.

CONFIDENTIAL INFORMATION

The *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. TCHHS did not disclose confidential information in the public interest during 2022-2023 in accordance with s160 of the *Hospital and Health Board Act 2011*.

PERFORMANCE

As of June 30, 2023, TCHHS has completed 92 per cent of its objectives set out in our Strategic Plan 2019-2023. Health Service operational plans are reviewed quarterly, with objectives and goals aligned to the Strategy's measures of success. Objectives that were not met in the planning period have been assessed and incorporated into the *TCHHS Strategic Plan 2023-27*.

EXCELLENCE IN HEALTHCARE

Measures of success:

- Meet national safety and quality standards.
- Improve the proportion of pregnant First Nation women with five or more antenatal visits and the number of infants with healthy birthweight.
- Increase the proportion of HHS hospitals that attained greater than 60 per cent self-sufficiency.
- Increase the proportion of facilities that attain the telehealth service target.

TCHHS completed its NSQHSS assessment in August and September 2022, with accreditation being awarded valid until 29 December 2025. TCHHS has maintained a high level of performance in the proportion of women who attended five or more antenatal visits (as of May 2023) with 96.01 per cent attendance recorded and 95.3 per cent of babies born at a healthy weight.

TCHHS continues to work towards the goal of increasing self-sufficiency within our hospitals, with our Ear, Nose and Throat (ENT) outreach services now recurrently funded, visiting Ophthalmology services and optometry services now operational, and increased availability of dialysis services in Bamaga and Thursday Island Hospitals. Weipa Hospital's Computerised Tomography (CT) scanner is now operating at full capacity and a community wellness centre has opened at the facility.

Telehealth usage remained steady in comparison with the previous year with 2,686 service events. TCHHS provided training for staff on use of telehealth equipment and how to assist patients accessing telehealth via a mobile device. It is expected that service events will continue to increase in 2023-2024.

ADVANCE HEALTH THROUGH STRONG PARTNERSHIPS

Measures of success:

- CAC's satisfaction with TCHHS's services.
- Increased proportion of completed engagement processes for master planning and facility design projects.
- Increased proportion of medical, nursing and allied health students satisfied with clinical placements.

TCHHS continues its strong partnership with consumers, with CAC members expressing their satisfaction with their TCHHS engagement and their influence on broader health policy and programs. TCHHS conducted extensive community engagement for its Health Equity Strategy and Implementation Plan, Our Guiding Principles and LANA. Community engagement was also offered for the Cooktown Hospital Redevelopment Business Case, the Weipa Hospital Master Plan and redevelopment of the Bamaga PHCC. Clinical student placements increased significantly in 2022-2023, with 150 students completing placements in medical, nursing, allied health and indigenous health worker streams.

A SAFE, ENGAGED, VALUED AND SKILLED WORKFORCE

Measures of Success:

- Increased proportion of eligible staff with completed mandatory training and development programs.
- Increased business confidence in proactive hazard reporting.
- Increases proportion of applicants who successfully achieved SARAS support.
- Increased percentage of our Aboriginal and Torres and Strait Islander workforce.

Seventy-nine per cent of staff completed their mandatory training in 2022-2023, a one per cent increase over the previous year. Our Learning and Development team will be deploying a new LMS in July 2023 to support a higher training uptake.

To build capacity and capability in our nursing and midwifery workforce, TCHHS also participated in the Office of the Chief Nursing and Midwifery Officer's rural generalist project, as well as transition to remote primary health care, perioperative and anaesthetic programs.

Information on the number of staff undertaking scholarships and training pathways is only available by calendar year. Twenty-seven people in 2022 and nine people in 2023 had successfully applied for the SARAS.

Business confidence in proactive hazard reporting has been maintained in 2022-2023, with 100 per cent of the 36 scheduled facility audits completed.

TCHHS's percentage of Aboriginal and Torres Strait Islander Peoples in the workforce is 21.09 per cent. As previously noted, TCHHS acknowledges the need to increase the number of Aboriginal and Torres Strait Islanders across all streams of employment and will continue with recruitment and training initiatives in 2023-2024.

A WELL GOVERNED ORGANISATION

Measures of success:

- Meet the planned financial position.
- Increased proportions of met or exceeded Service Agreement Key Performance Indicators.
- Increased proportion of Executives participating in Business Intelligence dashboards.
- A health equity plan is implemented.

TCHHS has an operating surplus for the year ending 30 June 2023 of $2.060 million. This meets its obligation to ensure all its services are provided as cost effectively as possible in a challenging high-cost environment.

As noted in the service standards section, TCHHS has achieved the majority of its key performance indicators for 2022-2023.

All executives now regularly participate and contribute to Business Intelligence dashboards.

TCHHS released its *Health Equity Strategy 2022-2025* on 15 December 2022 and began its implementation on 6 June 2023. Implementation will continue across the next financial year.

PERFORMANCE: SERVICE STANDARDS

Emergency departments across TCHHS performed above expectations in the percentage of people attending emergency departments seen within recommended timeframes. The percentage of people treated within four hours of their arrival in an emergency department was 94 per cent, well above the target of 80 per cent.

The median wait time in emergency departments was 14 minutes. In elective surgery, TCHHS exceeded all targets in the percentage of patients being treated within clinically recommended times.

In Telehealth, there has been a slight increase of 27 service events over the previous year's actual. The 2022- 2023 target of 2,251, which is significantly lower than the previous year, reflects the end of Telehealth appointments due to COVID-19 restrictions.

Torres and Cape 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%	91%
• Category 3 (within 30 minutes)	75%	87%
• Category 4 (within 60 minutes)	70%	86%
• Category 5 (within 120 minutes)	70%	96%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	>80%	94%
Percentage of elective surgery patients treated within the clinically recommended times[1]		
• Category 1 (30 days)	>98%	100%
• Category 2 (90 days)[2]	..	97%
• Category 3 (365 days)[2]	..	100%
Median wait time for treatment in emergency departments (minutes)	..	14
Median wait time for elective surgery treatment (days)[1]	..	1
Efficiency measure		
Not identified		
Other measures		
Number of elective surgery patients treated within clinically recommended times[1]		
• Category 1 (30 days)	64	32
• Category 2 (90 days)[2]	..	99
• Category 3 (365 days)[2]	..	129
Number of Telehealth outpatients service events[3]	2,251	2,686
Total weighted activity units (WAU)[4]		
• Acute Inpatients	6,975	5,522
• Outpatients	2,325	4,291
• Sub-acute	147	96
• Emergency Department	1,845	2,996
• Mental Health	57	99
• Prevention and Primary Care	852	712
Ambulatory mental health service contact duration (hours)[5]	>8,116	7,811
Staffing[6]	1,106	1,084

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.

PERFORMANCE: FINANCIAL SUMMARY

TCHHS achieved an operating surplus for the year ending 30 June 2023 of $2.060m. The operating position is a result of strong financial stewardship in a challenging environment of significant inflationary pressures in our region. TCHHS continues to invest in bringing care closer to home by growing its clinical services. Services such as expansion in ear nose and throat, public health, paediatric, National Disability Insurance Scheme (NDIS) and renal services, plus further investment in medical and nursing workforce. Other initiatives continue to include significant investment in infrastructure to update the HHSs facilities.

During 2022-2023, TCHHS met its obligation to ensure all its services are provided as cost effectively as possible in a challenging high-cost environment. As a majority non-activity based funded organisation, we are required to continually monitor performance, look for efficiencies, manage costs and actively explore own source revenue initiatives while expanding services to our communities.

WHERE THE FUNDS CAME FROM

TCHHS income from combined funding sources was $302.10 million. Funding was primarily derived from non-activity-based funding of $266.133 million from the Department of Health. Other funding sources included other revenue of $9.082 million, and grants and contributions of $20.773 million, primarily from Australian Government contributions for Indigenous health programs, Rural and Remote Medical Benefits Scheme and Pharmaceutical Benefits Scheme. The National Partnership Agreement between the State and Commonwealth Governments funded the TCHHS COVID-19 response and vaccination roll-out of $2.894 million.

WHERE FUNDING WAS SPENT

Total expenses for 2022-2023 were $300.039 million, averaging a $822,000 per day spend on serving the communities in our jurisdiction. The largest expense was against labour costs at $158.608 million. Supplies and services represent the second highest expense at $108.820 million which includes patient travel costs of $18.610 million, staff travel costs of $8.452 million, aeromedical retrieval costs (patient transport) of $4.808 million, lease costs of $11.037 million, external contractor costs of $28.479 million, computer services of $4.316 million, electricity and other energy costs of $4.372 million and clinical supplies and services of $4.430 million.

FINANCIAL POSITION

TCHHS’s assets comprise land, buildings, equipment, cash, inventories and receivables balances. Its liabilities are largely represented by supplier and staff accruals. The value of our net assets increased during 2022-2023 by 16.03 per cent or $37.886 million. This was due to the increase in revaluation surplus of $21.228 million, and investment in TCHHS property, plant and equipment of $35.530 million.

DEFERRED MAINTENANCE

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

The Maintenance Management Framework defines deferred maintenance as maintenance work that is postponed to a future budget cycle or until funds become available. Some 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 closely managed to ensure all facilities are safe. As of 30 June 2023, TCHHS had reported deferred maintenance of $44.065 million.

TCHHS has the following strategies in place to mitigate any risks associated with these items:

- Condition Assessments Data and/or Maintenance Requests are risk assessed and prioritised by the Asset Management team, in consultation with various internal stakeholders, to determine if work needs to be undertaken instantly or has no immediate impact on staff safety or clinical operations. After review, work is either actioned promptly or deferred if it is safe to do so. Works to be actioned are communicated to the BEMS team or capital works team to be delivered.
- TCHHS will continue to seek funding source for maintenance items that are not safe to defer to the backlog maintenance.
- If eligible, funding for high risk anticipated maintenance items will be sought through the internal Capital Maintenance and Asset Renewal, external Priority Capital Works and Emergent Works Program funding sources.
- The *TCHHS Asset Management Plan 2023 – 2024* and *Asset Management Strategy 2023 – 2026* are reviewed annually and incorporates risk management of assets.
- The *TCHHS Strategic Asset Management Plan 2023/2024 – 2032/2033* is reviewed annually and identifies health facilities requiring substantial uplift or renewal.

FUTURE OUTLOOK

TCHHS will continue to expand services such as public health, care coordination of our patients between service providers, outer island health workers, Indigenous community liaison officers, diabetes education, Kowanyama renal, skin health and allied health. The Health Service will invest prior surpluses into projects such as first responder, accreditation readiness, maturing portfolio management across the HHS and GP accreditation of our primary healthcare facilities and own source revenue capture.

Torres and Cape Hospital and Health Service
ABN 60 821 496 581

Financial Statements 30 June 2023

30 June 2023

Contents

Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 Actual $'000	2023 Original Budget $'000	2023 *Budget Variance $'000	2022 Actual $'000
Income					
User charges and fees	2	5,007	5,272	(265)	3,279
Funding for public health services	3	272,236	250,005	22,231	256,239
Grants and other contributions	4	20,773	20,176	597	17,262
Other revenue	5	4,075	1,433	2,642	4,798
Interest		8	3	5	2
Total revenue		**302,099**	**276,889**	**25,210**	**281,580**
Expenses					
Employee expenses	6	24,275	29,487	(5,212)	20,196
Department of Health contract staff	7	134,333	136,387	(2,054)	129,524
Supplies and services	8	108,820	85,878	22,942	97,091
Depreciation	14	23,857	20,273	3,584	22,042
Impairment losses		54	10	44	31
Other expenses	9	8,700	4,854	3,846	12,730
Total expenses		**300,039**	**276,889**	**23,150**	**281,614**
Operating result for the year		**2,060**	**-**	**2,060**	**(34)**
Other comprehensive income					
Items that will not be reclassified to operating result					
Increase in asset revaluation surplus	18	21,288	-	21,288	11,119
Total other comprehensive income		21,288			11,119
Total comprehensive income		**23,348**			**11,085**

**An explanation of major variances is included at Note 31*

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 30 June 2023

	Note	2023 Actual $'000	2023 Original Budget $'000	2023 *Budget Variance $'000	2022 Actual $'000
Current assets					
Cash and cash equivalents	10	36,464	34,256	2,208	33,700
Receivables	11	5,425	6,091	(666)	5,656
Inventories	12	608	607	1	818
Other assets	13	1,916	1,315	601	1,137
Total current assets		**44,413**	**42,269**	**2,144**	**41,311**
Non-current assets					
Property, plant and equipment	14	264,585	211,989	52,596	226,903
Right-of-use-assets	14	12,110	2,232	9,878	11,397
Total non-current assets		**276,695**	**214,221**	**62,474**	**238,300**
Total assets		**321,108**	**256,490**	**64,618**	**279,611**
Current liabilities					
Payables	15	31,778	29,188	2,590	30,249
Lease liabilities	19	3,518	2,288	1,230	2,977
Accrued employee benefits	16	2,850	1,428	1,422	1,422
Other liabilities	17	37	779	(742)	218
Total current liabilities		**38,183**	**33,683**	**4,500**	**34,866**
Non-current liabilities					
Lease liabilities	19	8,756	3,461	5,295	8,462
Total non-current liabilities		**8,756**	**3,461**	**5,295**	**8,462**
Total liabilities		**46,939**	**37,144**	**9,795**	**43,328**
Net assets		**274,169**	**219,346**	**54,823**	**236,283**
Equity					
Contributed equity		187,552	161,534	26,018	173,014
Accumulated surplus		8,823	6,797	2,026	6,763
Asset revaluation surplus	18	77,794	51,015	26,779	56,506
Total equity		**274,169**	**219,346**	**54,823**	**236,283**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the year ended 30 June 2023

	Contributed equity $'000	Accumulated surplus $'000	Asset revaluation surplus $'000	Total equity $'000
Balance at 1 July 2021	171,780	6,797	45,387	223,964
Operating result for the year	-	(34)	-	(34)
Other comprehensive income				
Increase in asset revaluation surplus	-	-	11,119	11,119
Total comprehensive income for the year	-	(34)	11,119	11,085
Transactions with owners as owners				
Equity asset transfer during the year	6,369	-	-	6,369
Equity injections	16,908	-	-	16,908
Equity withdrawals (depreciation funding)	(22,043)	-	-	(22,043)
Balance at 30 June 2022	**173,014**	**6,763**	**56,506**	**236,283**
Balance at 1 July 2022	173,014	6,763	56,506	236,283
Operating result for the year	-	2,060	-	2,060
Other comprehensive income				
Increase in asset revaluation surplus	-	-	21,288	21,288
Total comprehensive income for the year	-	2,060	21,288	23,348
Transactions with owners as owners				
Equity asset transfer during the year	15,623	-	-	15,623
Equity injections	22,772	-	-	22,772
Equity withdrawals (depreciation funding)	(23,857)	-	-	(23,857)
Balance at 30 June 2023	**187,552**	**8,823**	**77,794**	**274,169**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 Actual	2023 Original Budget	2023 *Budget Variance	2022 Actual
Cash flows from operating activities		**$'000**	**$'000**	**$'000**	**$'000**
Inflows:					
User charges and fees		4,847	5,240	(393)	2,381
Funding for public health services		249,345	250,005	(660)	234,458
Grants and other contributions		20,931	18,225	2,706	17,799
Interest received		8	3	5	2
GST collected from customers		636	-	636	485
GST input tax credits from ATO		8,984	-	8,984	7,601
Other		3,583	6,816	(3,233)	5,159
Outflows:					
Employee expenses		(22,847)	(29,477)	6,630	(20,182)
Department of Health contract staff		(132,010)	(136,387)	4,377	(129,091)
Supplies and services		(107,848)	(90,964)	(16,884)	(100,498)
Grants and subsidies		-	-	-	(3)
GST paid to suppliers		(9,106)	-	(9,106)	(7,822)
GST remitted to ATO		(636)	-	(636)	(485)
Interest payments on lease liabilities		(293)	-	(293)	(143)
Other expenses		(11,072)	(2,832)	(8,240)	(7,973)
Net cash from/(used in) operating activities	25	**4,522**	**20,629**	**(16,107)**	**1,688**
Cash flows from investing activities					
Payments for property, plant and equipment		(20,007)	-	(20,007)	(13,446)
Net cash used in investing activities		**(20,007)**	**-**	**(20,007)**	**(13,446)**
Cash flows from financing activities					
Inflows:					
Proceeds from equity injections		22,772	1,480	21,292	16,908
Outflows:					
Equity withdrawals		-	(20,273)	20,273	-
Lease payments	26	(4,523)	(59)	(4,464)	(3,990)
Net cash from financing activities		**18,249**	**(18,852)**	**37,101**	**12,918**
Net increase/(decrease) in cash and cash equivalents		2,764	1,777	987	1,160
Cash and cash equivalents at the beginning of the financial year		33,700	32,479	1,221	32,540
Cash and cash equivalents at the end of the financial year	10	**36,464**	**34,256**	**2,208**	**33,700**

**An explanation of major variances is included at Note 31*

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements 30 June 2023

Notes to the Financial Statements
30 June 2023

Note 1. Objectives and principal activities of Torres and Cape Hospital and Health Service

Torres and Cape Hospital and Health Service (TCHHS) is a not-for-profit statutory body under the *Hospital and Health Boards Act 2011* and is domiciled in Australia.

TCHHS is governed by a local Board with responsibility for providing public hospital and primary health services in the Torres Strait and Cape York Peninsula Region.
TCHHS is controlled by the State of Queensland which is the ultimate parent. The head office and principal place of business of TCHHS is:

William McCormack
Building Level 6, 5b
Sheridan Street Cairns
Qld 4870

TCHHS serves a population of approximately 27,000 people. This includes direct management of 31 primary health centres and four hospitals within the geographical boundaries including:

Bamaga Hospital
Cooktown Multipurpose Health Facility
Thursday Island Hospital
Weipa Integrated Health Facility

TCHHS provides services and outcomes as defined in a publicly available service agreement with the Department of Health (DoH) as the system manager of the public hospital system.

The principal accounting policies adopted in the preparation of the financial statements are set out below and throughout the notes to the financial statements.

(a) Basis of measurement

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

- Land and buildings are measured at fair value;
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value; and
- Inventories which are measured at the lower of cost and net realizable 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.

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 three approaches:

- 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.
- 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.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e., discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

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

Note 1. Objectives and principal activities of Torres and Cape Hospital and Health Service (continued)

(b) Statement of compliance

The 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*;
- have been prepared in accordance with all applicable new and amended Australian Accounting Standards and Interpretations as well as the Queensland Treasury's Minimum Reporting Requirements for the year ended 30 June 2023, and other authoritative pronouncements;
- are general purpose financial statements prepared on a historical cost basis, except where stated otherwise; are presented in Australian dollars;
- have been rounded to the nearest $1,000; where the amount is $500 or less is rounded to zero unless the disclosure of the full amount is specifically required;
- classify assets and liabilities as either current or non-current in the Statement of Financial Position and associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date, or when TCHHS does not have an unconditional right to defer settlement to beyond 12 months after the reporting period; and
- present reclassified comparative information where required for consistency with the current year's presentation.

(c) Issuance of financial statements

The financial statements are authorised for issue by the acting Health Service Chief Executive (HSCE), the Chief Finance Officer (CFO) of TCHHS, and the Board Chair of TCHHS as at the date of signing the Management Certificate.

(d) Investment in North Queensland Primary Health Network Limited

North Queensland Primary Health Network Limited (NQPHNL) was established as a public company limited by guarantee on 21 May 2015. TCHHS is one of 14 members along with Cairns and Hinterland Hospital and Health Service (CHHHS), Mackay Hospital and Health Service, Townsville Hospital and Health Service, The Pharmacy Guild of Australia, Australian College of Rural and Remote Medicine, Northern Aboriginal and Torres Strait Islander Health Alliance, Australian Primary Health Care Nurses Association, CheckUp, Queensland Alliance for Mental Health, Health Workforce Queensland, Selectability, The Royal Australian College of General Practitioners and Townsville Aboriginal and Islander Health Service with each member holding one voting right in the company.

The principal place of business of NQPHNL is Cairns, Queensland. The company's principal purpose is to work with general practitioners, other primary health care providers, community health services, pharmacists, and hospitals in the North of 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, it is considered that none of the individual members has power over NQPHNL (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*) and therefore none of the members individually control NQPHNL. While TCHHS currently holds one- fourteenth of the voting power of the NQPHNL, the fact that each other member also has one-fourteenth voting power limits the extent of any influence that TCHHS may have over NQPHNL.

Each member's liability to NQPHNL is limited to $10. NQPHNL is legally prevented from paying dividends to its members and its constitution also prevents any income or property of NQPHNL being transferred directly or indirectly to or amongst the members.

As NQPHNL is not controlled by TCHHS and is not considered a joint operation or an associate of TCHHS, financial results of NQPHNL are not required to be disclosed in these statements.

Note 1. Objectives and principal activities of Torres and Cape Hospital and Health Service (continued)

(e) Investment in Tropical Australia Academic Health Centre Limited

Tropical Australian Academic Health Centre Limited (TAAHCL) registered as a public company limited by guarantee on 3 June 2019. TCHHS, is one of seven founding members along with CHHHS, Mackay Hospital and Health Service (MHHS), North West Hospital and Health Service (NWHHS), Townsville Hospital and Health Service (THHS), North Queensland Primary Health Network Limited (NQPHNL) and James Cook University (JCU). Each founding member holds two voting rights in the company and is entitled to appoint two directors.

The principal place of business of TAAHCL is Townsville, Queensland. The company's principal purpose is the advancement of health through the promotion of study and research topics of special importance to people living in the tropics.

As each member has the same voting entitlement one-seventh, it is considered that none of the individual members has power or significant influence over TAAHCL (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*). Each member's liability to TAAHCL is limited to $10. TAAHCL's constitution prevents any income or property of the company being transferred directly or indirectly to or amongst the members. Each member must pay annual membership fees as determined by the board of TAAHCL.

As TAAHCL is not controlled by TCHHS and is not considered a joint operation or an associate of TCHHS, financial results of TAAHCL are not required to be disclosed in these statements.

(f) Collaboration in Better Health NQ Alliance

Better Health NQ Alliance (BHNQA) is a collaboration between five Northern Hospital and Health Services: TCHHS, CHHHS, MHHS, NWHHS, THHS plus NQPHNL, Western Queensland Primary Health Network Limited, Queensland Aboriginal and Island Health Council and the DoH. It is anticipated that this alliance will result in a more strategic approach to the system and service aligning the northern region.

The principal function of the BHNQA is to improve the health outcomes of North Queensland residents by undertaking a collective approach to planning, designing, alliancing and commissioning of health services. The Alliance is a decision- making body and provides resources and authorises funding for the program. BHNQA is not controlled by TCHHS and there have been no transactions between TCHHS and BHNQA during this financial year.

Note 2. User charges and fees

	2023 $'000	2022 $'000
Revenue from contracts with customers		
Dental service fees	166	207
Hospital fees	1,499	550
Multi-purpose nursing home fees	346	353
Pharmaceutical benefits scheme	1,438	831
Queensland community support scheme	115	76
Radiology service delivery	1,295	1,052
Other user charges and fees		
Other	34	89
Rental income	114	121
	5,007	3,279

Revenue from contracts with customers – User charges and fees

User charges and fees revenue from contracts with customers is recognised when the goods or services are provided to patients as this is the sole performance obligation and the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* at the agreed transaction price. Revenue is recognised net of discounts provided in accordance with approved policies.

Note 2. User charges and fees (continued)

Contract assets arise from contracts with customers and are transferred to receivables when TCHHS's right to payment becomes unconditional which usually occurs when an invoice is issued to the patient.

Revenue is deferred as a contract liability where patient services revenue has been received in advance. Revenue is then recognised when the services are delivered to the patient, which is the sole performance obligation. Contract liabilities in relation to user charges and fees revenue is not expected to be material.

Other user charges and fees
Other user charges and fees are recognised upfront under AASB 1058 *Income of Not-for-Profit Entities*. Revenue recognition is based on invoicing for related goods or services provided or direct debits for employee rental income.

Accrued revenue is recognised if the revenue has been earned and can be measured reliably with a sufficient degree of certainty. Accrued revenue and unearned revenue are reported separately under other assets and other liabilities.

Note 3. Funding for public health services

	2023 $'000	2022 $'000
ABF Funding - Revenue from contracts with customers		
Specific purpose funding	6,103	6,003
Non-ABF Funding - Other funding for public health services		
Block funding	142,117	70,110
General purpose funding	121,122	163,602
COVID-19 response and vaccination	2,894	16,524
	272,236	256,239

Funding is provided predominantly from the DoH for specific public health services purchased by the Department in accordance with a service agreement. The service level agreement is a legally enforceable agreement that has both specific and non-specific performance obligations which are accounted for under either AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities.* Performance obligations under the service agreement are monitored throughout the financial year. Funding adjustments for new or amended public health services occur at three window intervals during the financial year. The Board and management believe that the terms and conditions of its funding arrangements under the Service Agreement Framework will provide TCHHS with sufficient cash resources to meet its financial obligations for at least the next year.

The Australian Government pays its share of National Health funding directly to the DoH, for on forwarding to the Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by TCHHS. Cash funding from the DoH 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. Commonwealth funding to TCHHS in 2023 was $45.9m (2022: $24.7m).

At the end of the financial year, an agreed technical adjustment between the DoH and TCHHS 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 TCHHS' delivery of health services.

Revenue from contracts with customers
Revenue from contracts with customers is recognised when activity targets are met for activity-based funded (ABF) services. The HHS receives funding on a Weighted Average Unit (WAU) price and or Weighted Occasion of Service Unit (WOO) price. ABF from the DoH represents a small percentage.

Note 3. Funding for public health services (continued)

2023: 2.2% (2022: 2.3%) of TCHHS's overall public health services revenue. Funding relating to oral health services makes up 2023: 88% or $5.38m (2022: 87% or $5.22m) of total ABF revenue.

Based on these proportions of ABF revenue for TCHHS at 30 June 2023, the contract liability arising from ABF is not material. Any amounts repayable to DoH at year end are shown as a payable in note 15. The contract asset balance is not material due to cash payments being received on a fortnightly basis. Public health services contract revenue owing to TCHHS at the end of the financial year is recorded under receivables as the unconditional right to payment is established prior to the end of the financial year.

Other funding for public health services
TCHHS receives general purpose non-specific funding for non-ABF block funded rural hospitals, facilities and services, mental health services, service specific funding commitments and primary health care. Revenue is recognised upon receipt of fortnightly payments for these services under AASB 1058 *Income of Not-for-Profit Entities.* At the end of the financial year, a financial adjustment may be required for service specific commitments that are not considered sufficiently specific in accordance with AASB 15. Funding received under AASB 1058 that is required to be returned is recorded as an expense under other expenses - funding returns along with a payable. Accrued revenue relates to end of financial year service delivery funding adjustments and is recorded as a receivable as the unconditional right to payment is established prior to the end of financial year.

TCHHS receives funding from DoH to cover depreciation costs. The Minister for Health, Mental Health and Ambulance Services and Minister for Women has approved a withdrawal of equity by the State for the same amount, resulting in non-cash revenue and non-cash equity withdrawal.

COVID-19 response and vaccination
TCHHS's income arising from the COVID-19 pandemic relates to both response recovery of expenditure totalling 2023: $1.813m (2022: $7.652m) and the COVID vaccination program totalling $1.081m (2022: $8.467m). National Partnership Agreement (NPA) COVID-19 funding for both response and vaccinations ceased on 31 December 2022 and any ongoing costs transitioned to business as usual. Expenditure items included labour, travel, clinical supplies, freight, planning, administration and roll-out costs.

Note 4. Grants and other contributions

	2023 $'000	2022 $'000
Revenue from contracts with customers		
Commonwealth home support programme	1,485	1,135
Rural and remote medical benefits	7,717	6,143
Indigenous health incentive	352	134
Other grants and contributions	238	137
Other grants and contributions		
Rural health outreach fund	1,838	1,185
Commonwealth indigenous health programs	3,766	3,716
Services below fair value	1,979	1,998
Practice incentive payments	1,999	1,351
Commonwealth after hours and health pathways services	1,322	941
My health for life	-	18
Other grants and contributions	17	41
Donations	60	463
	20,773	17,262

Revenue from contracts with customers
Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the transfer of goods or services to a patient on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* at the agreed transaction price. Revenue is recognised as services are provided to patients as this is the sole performance obligation.

Note 4. Grants and other contributions (continued)

Revenue is initially deferred as a contract liability if funding is received in advance. Contract assets arise from grants and contributions and are transferred to receivables when TCHHS's right to payment becomes unconditional, which usually occurs when an invoice is issued to the grantor. Contract asset and liability balances for grants and contributions are not expected to be material due to the timing of cash payments and refund obligations under the agreements.

Other grants and contributions
Other grants and contributions are accounted for upfront under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the TCHHS. Special purpose capital grants are recognised as a contract liability when received, and subsequently recognised progressively as revenue as the asset is constructed. Accrued revenue and unearned revenue from other grants and contributions are reported separately under other assets and other liabilities.

Services below fair value
During 2022-23 TCHHS received services below fair value from DoH in the form of payroll, accounts payable and banking services. TCHHS has recognised income and a corresponding expense for the fair value of these services received. The fair value of these services amounted to $1.979m in 2023 (2022: $1.998m) which are recognised in "Grants and other contributions" in the statement of comprehensive income. See Note 8 for the disclosure of the corresponding expense recognised for services received below fair value.

Note 5. Other revenue

	2023 $'000	2022 $'000
Contract staff and recoveries	2,006	1,471
Contributed assets	-	53
Non-capital project recoveries	1,217	2,735
Other	852	539
	4,075	4,798

Other revenue does not relate to the HHS's ordinary activities and is accounted for under AASB 1058 *Income of Not-for- Profit Entities*. Other revenue is recognised when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. Revenue recognition for other revenue is based on invoicing for related goods or delivery of services. Accrued revenue is recognised if the revenue has been earned but not yet invoiced and is reported separately under other assets. TCHHS did not identify any contracts with customers under other revenue.

Contract staff and recoveries
Revenue primarily relates to Australian General Practice Training recoveries. Revenue is recognised based on employee hours worked and teaching incentive payments. Other revenue also includes employee Workcover recoveries which are recognised when received.

Contributed assets
TCHHS acquired one building asset in the prior year after long standing tenure issues were resolved. It was recognised as an asset acquired at no cost and then adjusted to a fair value of $0.044m as at 30 June 2022. This year, TCHHS did not acquire any contributed assets.

Non-capital project recoveries
Revenue is recognised monthly. Accrued revenue is recorded under receivables as the right to payment is unconditional.

Note 6. Employee expenses

	2023 $'000	2022 $'000
Wages and salaries	16,585	15,172
Annual leave levy	2,810	1,090
Employer superannuation contributions	1,418	1,268
Long service leave levy	459	424
Sick leave	230	213
Termination benefits*	398	-
Other employee related expenses	2,375	2,029
	24,275	20,196

The number of directly engaged employees is 54 as at 30 June 2023 (2022: 46) which comprise Executives, Board Members and Senior Health Service Employees as they are employed under TCHHS. Health executives are directly engaged in the service of HHS in accordance with section 70 of the *Hospital and Health Boards Act 2011* (HHBA). The basis of employment for health executives is in accordance with section 74 of the HHBA. In addition, TCHHS directly engages Senior Health Service Employees who enter into individual contracts with TCHHS.

Workers' compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee-related expenses.

Key management personnel and remuneration disclosures are set out in Note 28. Refer to Note 16 for details regarding accrued employee benefits policies and disclosures.

* *Special payments - ex-gratia*
During the year there were special payments – ex gratia totalling $0.398m which was included in termination benefits.

Note 7. Department of Health contract staff

TCHHS through service arrangements with DoH has engaged 1032 (2022: 1060) full time equivalent roles in a contracting capacity as at 30 June 2023. These personnel remain employees of DoH as established under the *Hospital and Health Boards Act 2011*. The number of health service employees reflects full-time and part-time health service employees measured on a full-time equivalent basis.

Department employees engaged as contractors
All non-executive health service TCHHS employees are employed by DoH who provides employees to perform work for TCHHS, and DoH acknowledges and accepts its obligations as the employer of these departmental employees.

- TCHHS is responsible for the day-to-day management of these departmental employees.
- TCHHS reimburses DoH for the salaries and on-costs of these employees.
- TCHHS pays premiums to Workcover Queensland in respect of its obligations for employee compensation.

As a result of this arrangement, TCHHS treats the reimbursements to DoH for departmental employees in these financial statements as DoH contract staff.

	As at 30 June 2023	As at 30 June 2022
Number of TCHHS employees	54	46
Number of employees provided to TCHHS	1,032	1,060
	1,086	1,106

Note 8. Supplies and services

	2023 $'000	2022 $'000
Building services	2,944	2,374
Catering and domestic supplies	672	528
Clinical supplies and services	4,430	4,658
Communications	2,305	2,380
Computer services	4,316	3,998
Consultants	1,576	2,869
Contractors - clinical	27,037	18,517
Contractors - non-clinical	1,442	1,818
Drugs	2,321	1,792
Electricity and other energy	4,372	3,516
Expenses relating to minor works	204	529
Freight	1,795	1,502
Motor vehicles	498	538
Lease expenses	11,037	11,679
Other supplies and services	2,067	2,069
Other travel	8,452	10,125
Pathology, blood and related equipment	3,257	2,967
Patient transport	4,808	4,362
Patient travel	18,610	14,246
Repairs and maintenance	4,698	4,626
Services below fair value	1,979	1,998
	108,820	97,091

Contractors
During the year $1.949m (2022: $3.777m) was expensed in relation to services purchased from Non-Government Organisations (NGO) with Apunipima Cape York Health Council (Apunipima) and Royal Flying Doctor Service for the provision of health services to public patients. Services purchased from Apunipima were ceased on 31 December 2022.

Lease expenses
Lease expenses for the 2023 financial year include lease rental for short-term building leases ($1.138m), Q-Fleet vehicle leases ($1.297m), leases governed by Queensland Government Accommodation Office (QGAO) and Government Employee Housing (GEH) ($8.564m) and other variable lease payments ($0.038m) in accordance with the requirements of the AASB 16 *Leases.* Refer to Note 19 for other lease disclosures.

Services below fair value
Services below fair value from the DoH in the form of payroll, accounts payable and banking services amounted to $1.979m in 2023 (2022: $1.998m) and are recognised in “supplies and services” in the statement of comprehensive income. See Note 4 for the disclosure of the corresponding income recognised for services received below fair value.

Note 9. Other expenses

	2023 $'000	2022 $'000
Advertising	205	241
Audit fees - internal and external	340	355
Funding returns	5,929	10,011
Insurances other	123	102
Insurance premiums QGIF	1,119	1,124
Losses from the disposal of non-current assets	107	76
Special payments - ex gratia	1	-
Other legal costs	311	344
Inventory stock adjustments	32	40
Interest on leases	293	143
Other	240	294
	8,700	12,730

Note 9. Other expenses (continued)

Audit fees – internal and external
Total external audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are $0.160m (2022: $0.163m).

Funding returns
At the end of the financial year unspent program funding is returned to the DoH. A corresponding liability is recognised under payables.

Insurance premiums QGIF
TCHHS insure with Queensland Government Insurance Fund (QGIF) which is a Queensland Treasury self-insurance fund covering the State's insurable liabilities. Property and general losses above a $10,000 threshold are insured through the QGIF. 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.

Special payments – ex gratia
Special payments include ex gratia expenditure that TCHHS is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2019*, TCHHS maintains a register setting out details of all special payments exceeding $5,000. During the year there were no reportable ex-gratia payments under other expenses (2022: $nil). Refer to Note 6 for other special payments – ex gratia.

Note 10. Cash and cash equivalents

		20232022	
		$'000$'000	
Cash on hand		1	1
Cash at bank		36,37333,464	
QTC cash funds		90	235
	36,464		33,700

For the purposes of the statement of financial position and the statement of cash flows, cash includes all cash on hand and in banks, cheques receipted but not banked at the reporting date as well as all deposits at call with financial institutions.

TCHHS's bank accounts are grouped with the whole of Government set-off arrangement with Queensland Treasury Corporation (QTC). As a result, TCHHS does not earn interest on surplus funds. Interest earned on the aggregate set- off arrangement balance accrues to the Queensland Treasury Consolidated Fund. A deposit is held with QTC reflecting the value of the TCHHS general trust funds. The value of this deposit as at 30 June 2023 was $0.90m (2022: $0.235m) and the annual effective interest rate was 4.23% (2022: 0.76%).

Note 11. Receivables

	2023	**2022**
	$'000	**$'000**
Receivables	679	805
Less: Allowance for impairment of receivables	(113)	(201)
	566	604
GST input tax credits receivable	1,079	984
GST payable	(51)	(78)
	1,028	906
Public health service funding	3,831	4,146
	3,831	4,146
	5,425	5,656

Note 11. Receivables (continued)

Receivables are initially recognised at amortised cost at the amount invoiced to customers. They are presented as current assets and their carrying amount is the amount invoiced less any impairment. Receivables are generally settled within 90 days. No collaterals are held as security and there are no other credit enhancements relating to receivables. Aged care, dental billing, ineligibles, training incentives and salary reimbursements make up the majority of aged receivables.

The closing balance of receivables arising from contracts with customers at 30 June 2023 is $0.068m (2022: $0.047m).

Impairment of receivables
TCHHS uses a provision matrix to measure the lifetime expected credit loss on receivables and other debtors. Loss rates are calculated based on historical observed default rates calculated using credit losses experienced on past transactions and then adjusted for supportable forward-looking employment data which includes the impact of COVID-
19. TCHHS has determined there are two material groups for measuring expected credit loss excluding government agencies. No loss allowance is recorded for Australian and Queensland Government agency debtors on the basis of materiality and positive credit rating. The ageing receivables carrying amount total for government agencies for 2023 is
$0.498m (2022: $0.558m).

The provision matrix uses historical observed default rates calculated using credit losses experienced on past transactions during the last two years preceding 30 June 2023.

For TCHHS, a change in the unemployment rate is determined to be the most relevant forward-looking indicator. Actual credit losses over the two years preceding 30 June 2023 have been correlated against changes in the unemployment rate and based on those results, the historical default rates are adjusted based on expected changes in employment including from the impact of COVID-19. The COVID-19 impact on impairment is not considered material.

Where TCHHS has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when TCHHS has ceased enforcement activity which is usually after 180 days. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. Other receivables and expected credit loss and rates are disclosed in the below table.

Note 11. Receivables (continued)

		Less than 30 days	31 - 60 days	61 - 90 days	More than 90 days	Total
		$'000	$'000	$'000	$'000	$'000
Ageing of receivables 2022 (Dental patients)						
Receivables		1	2	1	6	9
Loss rate (%)	15.90%		100.00%	100.00%	100.00%	
Allowance for impairment (Expected Credit loss)		-	(2)	(1)	(6)	(8)
Carrying amount		1	-	-	-	1
Ageing of receivables 2022 (Other patients and customers)						
Receivables		45	-	4	188	238
Loss rate (%)	1.80%		28.50%	69.50%	100.00%	
Allowance for impairment (Expected Credit loss)		(1)	-	(3)	(188)	(192)
Carrying amount		44	-	1	-	46
Ageing of receivables 2022 (Government agency / low risk)						
Receivables		558	-	-	-	558
Loss rate (%)		0.00%	0.00%	0.00%	0.00%	
Allowance for impairment (Expected Credit loss)		-	-	-	-	-
Carrying amount		558	-	-	-	558
Total receivables		604	2	5	194	805
Ageing of receivables 2023 (Dental Patients)						
Receivables		4	2	-	14	20
Loss rate (%)		44.00%	51.60%	76.00%	97.10%	-
Allowance for impairment (Expected Credit loss)		(2)	(1)	-	(13)	(16)
Carrying amount		2	1	-	1	4
Ageing of receivables 2023 (Other patients and customers)						
Receivables		51	18	20	72	161
Loss rate (%)	23.00%		33.00%	38.00%	99.00%	
Allowance for impairment (Expected Credit loss)		(12)	(6)	(8)	(71)	(97)
Carrying amount		39	12	12	1	64
Ageing of receivables 2023 (Government agency / low risk)						
Receivables		426	66	6	-	498
Loss rate (%)	0.00%		0.00%	0.00%	0.00%	
Allowance for impairment (Expected Credit loss)		-	-	-	-	-
Carrying amount		426	66	6	-	498
Total carrying amount		467	79	18	2	566
Total receivables		481	86	26	86	679

All known bad debts were written off once approved by either the HSCE or the CFO if less than $10,000 in accordance with financial delegations.

Note 11. Receivables (continued)

	2023 $'000	2022 $'000
Movements in the provision for impairment of receivables are as follows:		
Balance at the start of the year	201	189
Receivables written off during the year as uncollectable	(142)	(21)
Increase in provision recognised	54	33
Balance at the end of the year	113	201

Note 12. Inventories

Inventories consist mainly of pharmaceutical and medical supplies held for distribution in hospitals and are provided to patients at a subsidised rate. Material pharmaceutical holdings are recognised as inventory at balance date through the annual stocktake process at weighted average cost.

Unless over $10,000, inventories do not include supplies held for ready use in the wards throughout the hospital facilities. These items are expensed on issue from storage facilities. High levels of COVID-19 related inventory were held ready for use in the wards to address the pandemic and is being utilised for business-as-usual health services.

Note 13. Other assets

	2023 $'000	2022 $'000
Current		
Prepayments	272	436
Contract assets	834	511
Other	810	190
	1,916	1,137

Prepayments
Prepayments derive from a number of expenditure items including Q-Fleet vehicle hire, council rates and Workcover premium costs which are all recognised when the payment is made up-front.

Contract assets
Contract assets arise from contracts with customers and are transferred to receivables when TCHHS's right to payment becomes unconditional, which usually occurs when the invoice is issued to the customer or when the unconditional right to payment is established prior to the end of financial year.

Contract assets were not impaired given the high probability that the future economic benefits will flow to the HHS.

Other
Accrued revenues that do not arise from contracts with customers are reported as part of Other.

Note 14. Property, plant and equipment and right-of-use assets

(a) Property, plant and equipment

	Land $'000	Buildings & land improvements $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
Carrying amount at 1 July 2021	9,847	174,168	13,248	16,832	214,095
Additions	-	6,866	2,842	3,813	13,521
Disposals	-	(779)	(75)	-	(854)
Asset revaluation increment	-	11,119	-	-	11,119
Asset not previously recognised	-	(38)	11	-	(27)
Transfers between classes	-	13,612	566	(14,178)	-
Transfer in from other Queensland government	-	7,000	220	-	7,220
Depreciation expense	-	(15,465)	(2,706)	-	(18,171)
Carrying amount at 30 June 2022	**9,847**	**196,483**	**14,106**	**6,467**	**226,903**
As at 30 June 2022					
Gross value	9,847	456,824	32,242	6,467	505,380
Accumulated depreciation	-	(260,341)	(18,136)	-	(278,477)
Carrying amount at 30 June 2022	**9,847**	**196,483**	**14,106**	**6,467**	**226,903**
Carrying amount at 1 July 2022	9,847	196,483	14,106	6,467	226,903
Additions	-	7,704	4,242	7,934	19,880
Disposals	-	-	(107)	-	(107)
Asset revaluation increment	-	21,458	-	-	21,458
Asset revaluation decrement	(170)	-	-	-	(170)
Transfers between classes	-	3,890	646	(4,536)	-
Transfers in from other Queensland Government	-	15,493	130	-	15,623
Depreciation expense	-	(15,903)	(3,099)	-	(19,002)
Carrying amount at 30 June 2023	**9,677**	**229,125**	**15,918**	**9,865**	**264,585**
As at 30 June 2023					
Gross value	9,677	510,000	34,124	9,865	563,666
Accumulated depreciation	-	(280,875)	(18,206)	-	(299,081)
Carrying amount at 30 June 2023	**9,677**	**229,125**	**15,918**	**9,865**	**264,585**

Note 14. Property, plant and equipment and right-of-use assets (continued)

(b) Right-of-use assets

	Land $'000	Buildings $'000	Total $'000
Carrying amount at 1 July 2021	3,125	3,499	6,624
Additions	1,161	7,650	8,811
Depreciation expense	(154)	(3,717)	(3,871)
Derecognition of asset	-	(167)	(167)
Carrying amount at 30 June 2022	**4,132**	**7,265**	**11,397**
As at 30 June 2022			
Gross value	4,498	14,793	19,291
Accumulated depreciation	(366)	(7,528)	(7,894)
Carrying amount at 30 June 2022	**4,132**	**7,265**	**11,397**
Carrying amount at 1 July 2022	4,132	7,265	11,397
Additions	657	4,701	5,358
Depreciation expense	(188)	(4,667)	(4,855)
Asset not previously recognised	286	-	286
Derecognition of asset	-	(76)	(76)
Carrying amount at 30 June 2023	**4,887**	**7,223**	**12,110**
As at 30 June 2023			
Gross value	5,429	17,949	23,378
Accumulated depreciation	(542)	(10,726)	(11,268)
Carrying amount at 30 June 2023	**4,887**	**7,223**	**12,110**

(c) Accounting policies – recognition and acquisition

Accounting policy - recognition

Basis of capitalisation and recognition thresholds
Items of property, plant and equipment and right-of-use assets with a historical cost or other value equal to more than the following thresholds, and with a useful life of more than one year, are recognised at acquisition. Items below these values are expensed on acquisition.

Class	Threshold
Land	$ 1
Buildings and land improvements	$ 10,000
Plant and equipment	$ 5,000
Right-of-use assets	$ 10,000

Land improvements undertaken by TCHHS are included in the buildings class.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for TCHHS. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset and is approximately 5% or more of the total value of asset or greater than
$0.200m. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition. Assets under construction are recorded at cost until they are ready for use. These assets are assessed at fair value upon practical completion.

Note 14. Property, plant and equipment and right-of-use assets (continued)

(c) Accounting policies – recognition and acquisition (continued)

TCHHS is lessee in relation to all the right-of-use assets which cover leases for staff accommodation and commercial buildings both from private entities plus Indigenous Land Use agreements where leases are related to Deed of Grant in Trust (DOGIT) and reserve land.

The Department of Energy and Public Works (DEPW) provides TCHHS with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note 8.

(d) Accounting policy - measurement

Measurement using historic cost
Plant and equipment are measured at historical cost in accordance with Queensland Treasury's *Non-Current Asset Policies (NCAP) for the Queensland Public Sector.* The carrying amount for such plant and equipment at cost is not materially different from their fair value.

Measurement using fair value
Land and buildings are measured at fair value as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector.* These assets are reported by their revalued amount, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

The cost of items acquired during the financial year less depreciation has been judged by management to materially represent the fair value at the end of the reporting period.

Right-of-use assets are initially measured by the lease liability, lease payments made at or before the commencement date, less any lease incentives received, initial direct costs incurred and the initial estimate of restoration costs.

TCHHS has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. An asset is considered short-term when the full term is 12 months or less and is considered low value where it is expected to cost less than $10,000 when new. When measuring the lease liability, TCHHS uses QTC's incremental borrowing rates depending on the term of the lease as the discount rate.

(e) Fair value measurement and valuation

Fair value measurement can be sensitive to the various valuation inputs selected. 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. Observable inputs used by TCHHS include, but are not limited to, published sales data for land and general office buildings.

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

Use of Independent professional valuers
Revaluations using independent professional valuers are undertaken at least once every five years.

Note 14. Property, plant and equipment and right-of-use assets (continued)

(e) Fair value measurement and valuation (continued)

However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. Due to the

current market volatility, TCHHS has sought an indexation report and applied the recommended indices which would not result in a materially correct estimation of fair value.

Use of indices
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. TCHHS ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. In years when indexation is applied, the valuer supplies the indices used for the various types of assets. Such indices are either publicly available or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity, and appropriateness for the application to the relevant assets.

Accounting for changes in fair value
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.

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

All assets of TCHHS for which fair value is measured and disclosed in the financial statements are categorised within the following fair value hierarchy, based on data and assumptions used in the most recent specific appraisal:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly.

Level 3: Unobservable inputs for the assets are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued such as a cost estimate by an independent valuer.

2022	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets			
Land	9,847	-	9,847
Buildings (health service sites)	-	196,483	196,483
Total	9,847	196,483	206,330

2023			
Assets			
Land	9,677	-	9,677
Buildings (health service sites)	-	229,125	229,125
Total	9,677	229,125	238,802

There were no transfers between levels during the financial year.

Note 14. Property, plant and equipment and right-of-use assets (continued)

(e) Fair value measurement and valuation (continued)

Land
Independent asset specific revaluations are performed with sufficient regularity to ensure land assets are carried at fair value in accordance with Queensland Treasury Non-Current Asset Policies. The independent revaluations are required to be carried out at least once every five years and in off-cycle years an indexation is applied where the cumulative increase since the last revaluation is greater than 5%.

In 2022-23 no comprehensive valuation was carried out on any of the TCHHS land parcels as one was completed in 2021. In 2022-23, TCHHS requested land indices from the Department of Resources using the State Valuation Services for all TCHHS land parcels. Two hospital land assets located in Weipa derived minor decreases in value while the remainder resulted in nil movements. TCHHS management agreed to adjust these two assets resulting in a total decrement of $0.170m (1.73%).

Buildings and land improvements
In 2022-23 TCHHS engaged independent experts, Jacobs, to undertake building revaluations in accordance with the fair value methodology. TCHHS had 64 buildings and land improvements comprehensively revalued during 2022-23 which represented 30.4% of the total asset class building portfolio. All remaining buildings had an indexation applied as recommended by Jacobs at 9.0%.

Management have had all of TCHHS buildings comprehensively revalued in the last five years using the cost valuation approach (current replacement cost). Indexation was assessed as 9.0% and applied to all gross buildings and land improvements asset values that were not comprehensively revalued during this financial year. There are many factors that continue impacting construction market pricing including market uncertainty driven by increasing labour and material prices after the market has emerged from the impacts of COVID-19. This has been further driven by high inflationary pressures across the economy. The effective date of valuations was 30 June 2023.

The valuations of the comprehensively revalued assets were carried out using the current replacement cost approach to determine fair value. The replacement cost is based on current construction market rates that any market participant would likely expect to pay. The valuation is provided for a replacement building of the same age, location, size, shape, functionality that meets current design standards, physical condition of all component parts and is based on estimates of gross floor area, number of floors, number of lifts, staircases, and obsolescence.

The building valuation for 2022-23 resulted in a net increment of $21.4m to the carrying amount of buildings all from the independent comprehensive valuation net increment. The change in net book value is mainly due to major refurbishment of several assets and agreed changes to the remaining useful lives.

The land and building revaluation process for financial reporting purposes is overseen by the Audit, Risk and Finance Committee and coordinated by senior management.

Deed of Grant in Trust land (DOGIT)
Some of TCHHS facilities are located on land assigned to it under a DOGIT under Section 341 of the *Land Act 1994*. Land parcels within TCHHS which are located on DOGIT land, and which cannot be bought or sold, are recorded in the land assets for a nominal fair value of $1 as there is no active and liquid market for these land sections. TCHHS has constructed buildings as health care centres in DOGIT areas on both freehold and reserve land. While the buildings are recorded as assets in the financial statements, the land is not. The land element is recorded in the Government Land Register as improvements only.

Indigenous Land Use Agreement (ILUA)
TCHHS does not control the land element of these properties, but in some cases has an ILUA which is recognised as a right-of-use asset, under the land class.

Note 14. Property, plant and equipment and right-of-use assets (continued)

(f) Depreciation expense

Depreciation expense
Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to TCHHS.

Land is not depreciated as it has an unlimited useful life.

Key judgement: The depreciation rate is determined by application of appropriate useful lives to relevant non-current asset classes. The useful lives could change significantly as a result of 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.

Buildings, plant and equipment and right-of-use assets are depreciated on a straight-line basis. Land is not depreciated. Assets under construction or work-in-progress are not depreciated until they reach service delivery capacity.

Any expenditure that increases the originally assessed service potential of an asset is capitalised and depreciated over the remaining useful life of the asset. The depreciable amount of improvements to leasehold property is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease, which is inclusive of any option period where exercise of the option is probable.

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 is considered.

Key estimate: Depreciation rates used for each asset class are as follows:

Class	Depreciation rates used	Useful lives
Buildings	1.3% – 9.1%	11 – 77 years
Plant and equipment	4.0% – 25.0%	4 – 25 years
Right-of-use assets	2.5% – 50.0%	2 – 40 years

All property, plant and equipment and right-of-use assets 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 TCHHS determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell or value in use. For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income. Consequently, if reversals of impairment losses occur, they are reversed through the statement of comprehensive income.

Note 15. Payables

	2023 $'000	2022 $'000
Payables	9,929	8,321
Accrued expenses	9,755	9,111
Department of Health contract staff wages	3,885	1,562
Payables - refund liabilities	8,209	11,255
	31,778	30,249

These amounts represent liabilities for goods and services provided to TCHHS prior to the end of the financial

Note 15. Payables (continued)

year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 – 60 days of recognition.

Payables - refund liabilities
At the end of the financial year unspent program funding is returned to the DoH. A corresponding liability is recognised under payables when there is an obligation to repay unspent program funding.

Note 16. Accrued employee benefits

The following relates to TCHHS directly engaged employees.

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

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

From 16 March 2020, a permanent or fixed-term temporary employee who has been diagnosed as COVID-19 positive and is unable to work, will be entitled to up to 20 days of paid special pandemic leave before accessing their available sick leave. This leave is accessible to eligible employees up to and including 30 June 2023.

Annual leave and long service leave
TCHHS participates in the Annual Leave Central Scheme and the Long Service Leave Central Scheme.

Under the Queensland Government's Annual Leave Central Scheme and the Long Service Leave Central Scheme, levies are payable by TCHHS to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. These levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears which is currently facilitated by DoH. No provision for annual leave or long service leave is recognised in the financial statements of TCHHS, as the liability for these schemes is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation
Employer superannuation contributions are paid to an eligible complying superannuation fund at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are payable and the obligation of TCHHS is limited to its contribution paid to the eligible complying superannuation fund.

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment. The liability for defined benefits is held on a Whole of Government basis and reported in those financial statements pursuant *to AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Therefore, no liability is recognised for accruing superannuation benefits in these financial statements. Refer to Note 6 for details regarding employee expense disclosures.

Employees with an accumulation account, are no longer required to make mandatory superannuation contributions to receive the 12.75% employer contribution. Accumulation fund members can choose to reduce their accumulation fund contribution to 0%, however the employer contribution will decrease to 10.5%

Note 16. Accrued employee benefits (continued)

of their ordinary time earnings (OTE) until 12.75% employer contributions comes into effect on 1 July 2023. This will be offset by a single 'top-up' payment which will be made in the pay on 2 August 2023. This will bring 2022-23 employer contributions to a total of 12.75% of their 2022-23 OTE.

Note 17. Other liabilities

	2023 $'000	2022 $'000
Current		
Contract liabilities	37	218
	37	218

Contract liabilities (deferred revenue) arise from contracts with customers while other unearned revenue arises from transactions that are not contracts with customers. For the purposes of determining contract liabilities, TCHHS has assumed that the goods or services will be transferred to the customer as promised in accordance with the existing contract and that the contract will not be cancelled, renewed or modified. There was no revenue recognised during 2022-23 that related to the previous year's performance obligations based on a review of TCHHS's contracts with customers.

Specific-purpose capital grants
AASB 1058 allows deferral of revenue from capital grants. TCHHS generally does not receive capital grant funding for recognisable capital assets. At the end of the financial year there was no revenue deferred relating to capital grants.

Note 18. Asset revaluation surplus

	Land $'000	Buildings $'000	Total $'000
Balance 1 July 2021	461	44,926	45,387
Revaluation increment	-	11,119	11,119
Balance - 30 June 2022	461	56,045	56,506
Balance at 1 July 2022	461	56,045	56,506
Revaluation increment	-	21,458	21,458
Revaluation decrement	(170)	-	(170)
Balance - 30 June 2023	291	77,503	77,794

Accounting policy
The revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.
Any revaluation increment arising from the revaluation of an asset is credited to the asset revaluation surplus of the appropriate asset 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.

The building revaluation for 2022-23 resulted in a net increment of $21.4m to the carrying amount of buildings. TCHHS uses the gross method of reporting assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets (current replacement cost). Accumulated depreciation is adjusted to equal the difference between gross and carrying amount, after taking into account accumulated impairment losses.

Note 19. Lease liabilities

TCHHS as lessee has recognised a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. Right-of-use assets under *AASB 16 Leases* are disclosed in Note 14 Property, plant and equipment and right-of-use assets. See below the breakdown of the lease liability:

Note 19. Lease liabilities (continued)

	2023 $'000	2022 $'000
Current		
Lease liabilities	3,518	2,977
	3,518	2,977
Non-Current		
Lease liabilities	8,756	8,462
	8,756	8,462
	12,274	11,439

Refer to Note 26 for the movement in Lease liabilities.

Disclosures – Leases as a lessee

(i) Details of leasing arrangements as lessee

Type of lease	Right-of-use class	Description of arrangement
Private residential leases (staff accommodation)	Building	Total lease terms between 12 months to 5 years
Private commercial leases (office space)	Building	Total lease terms between 12 months to 5 years
Indigenous Land Use Agreements on DOGIT/reserves	Land	Total lease terms between 30 – 40 years

(ii) Amounts recognised in profit or loss

	2023 $'000	2022 $'000
Interest expense on lease liabilities	293	143
Breakdown of 'Lease expenses' included in Note 8		
- Expenses relating to short-term leases	1,138	1,643
Income from subleasing included in 'Rental income' in Note 2	114	121

(iii) Total cash outflow for leases

Total cash outflow for leases	4,523	3,990

Note 20. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

TCHHS holds financial instruments in the form of cash, receivables, and payables.

Recognition
Financial assets and financial liabilities are recognised in the Statement of Financial Position when TCHHS becomes party to the contractual provisions of a financial instrument.

Classification
Financial assets are classified into one of three underlying measurement bases: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification is based on the HHS business model and whether the financial asset's contractual cash flows represent solely payments of principal and interest.

TCHHS's financial instruments are classified and measured as follows:
- Cash and cash equivalents – held at amortised cost
- Receivables – held at amortised cost
- Payables – held at amortised cost

Note 20. Financial instruments (continued)

TCHHS does not have equity instruments, derivatives, bonds, notes, or loans. TCHHS has the following categories of financial assets and financial liabilities:

	2023 $'000	2022 $'000
Financial assets		
Financial assets at amortised cost - comprising:		
Cash and cash equivalents	36,464	33,700
Receivables	5,425	5,656
Total financial assets	41,889	39,356
Financial liabilities		
Financial liabilities at amortised cost - comprising:		
Payables	31,778	30,249
Lease liabilities	12,274	11,439
Total financial liabilities at amortised cost	44,052	41,688

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

TCHHS is exposed to a variety of financial risks - credit risk, liquidity risk and market risk. Financial risk management is implemented pursuant to Queensland Government and TCHHS policies. The policies provide principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of TCHHS. TCHHS 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 management
Market risk	Interest rate sensitivity analysis

(a) Credit risk

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment (expected credit loss). TCHHS uses a provision matrix to measure the expected credit loss on debtors. Refer to Note 11.

Credit risk on cash deposits is considered minimal given all TCHHS deposits are held with the Commonwealth Bank of Australia Ltd and QTC and TCHHS does not earn interest on these cash deposits.

(b) Liquidity risk

Liquidity risk is the risk that TCHHS will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. TCHHS is exposed to liquidity risk through its trading in the normal course of business. TCHHS aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times.

The only financial liabilities which expose TCHHS to liquidity risk are trade and other payables and lease liabilities. All financial liabilities that are current in nature will be due and payable within 12 months. Whereas all financial liabilities that are non-current in nature will be due and payable between 1-40 years. All lease liabilities are disclosed as undiscounted cash flows and discounted lease liabilities in the Statement of Financial Position.

Note 20. Financial instruments (continued)

(c) Market risk

TCHHS is not exposed to interest rate risk for borrowings or cash deposited in interest bearing accounts as it does not hold any of these types of financial instruments. TCHHS is also not exposed to interest rate risk through its leases as all our leases do not factor an interest component. TCHHS does not undertake any hedging in relation to interest rate risk and manages its risk as per the liquidity risk management strategy articulated in TCHHS's Financial Management Practice Manual.

(d) Fair value measurement

All financial assets or liabilities are measured at cost less any allowances made for impairment, which given the short- term nature of these assets, is assumed to represent fair value.

Note 21. Contingent liabilities

Litigation in progress
As at 30 June 2023 there were 2 cases (2022: 2) in progress filed in the courts naming the State of Queensland acting through TCHHS as defendant.

As of 30 June, 2023 there were 6 open medical indemnity and general liability claims (2022: 8) managed by QGIF. At this stage, it is unknown if any will be litigated or result in payments of claims, therefore, no contingent liabilities are projected. All claims lodged, tribunals, commissions and board figures represent the matters that have been referred to QGIF for management. The maximum exposure to TCHHS under this policy is $20,000 for each insurable event.

Workcover currently has 7 claims (2022: 13) underway and 1 pending claims (2022: 3). It is not possible to give a clear indication of the final financial outcome due to the nature of the claims and the set processes that will follow.

Native title
The *Native Title Act 1993* (Cth) (NTA) validates past acts that may have extinguished or impaired native title rights through the establishment of public works and the issue of freehold, leasehold, and other tenures. Section 51 of the NTA provides that native title holders can claim compensation on just terms for acts that have extinguished or impaired native title.

Where native title continues to exist, (Reserve or in DOGIT for example), dealings cannot proceed until native title has been addressed.

In some cases, facilities have been constructed on DOGIT land, which is Aboriginal or Torres Strait Islander community land where the title was created in 1986. Facilities constructed on DOGIT land may have no tenure and agencies are required under state land policies to obtain tenure via the negotiation of a trustee lease, which can also provide for existing and future development of the facility. In order to validate tenure and register a trustee lease, native title must be addressed by means of a registered Indigenous Land Use Agreement (ILUA) or Future Act Notices (FAN). TCHHS has administered reserves within DOGIT land containing TCHHS building assets. These reserves are held in the name of TCHHS as trustee and recorded in TCHHS's Statement of Financial Position at a nominal value of $1.

TCHHS has, where necessary, been undertaking a tenure project since 2017 to assess all tenure issues to validate and correct records relating to ownership and residual contingent liabilities. Registered trustee leases on DOGIT land held by other organisations have been negotiated for 26 facilities which have terms for generally 30 to 40 years. DOGIT land is being recognised as right-of-use assets and lease liabilities and disclosed in the Statement of Financial Position.

TCHHS has commitments under 14 registered ILUAs, 13 of which provide native title consent to existing registered trustee leases that have commenced. TCHHS are a direct party to eight of these ILUAs and whilst not being a direct party to the remaining six, have exercised rights and responsibilities under the six.

TCHHS has also issued two Future Act Notices (FAN) each with contingent liability for compensation. These FANs were needed in order for DOGIT leases or works in Reserve to be valid under the *Native Title Act 1993*.

Note 22. Commitments

	2023 $'000	2022 $'000
Commitments - capital expenditure		
Committed at the reporting date but not recognised as liabilities, payable: Not later than 1 year	25,309	16,107
Commitments - operating expenditure		
Committed at the reporting date but not recognised as liabilities, payable: Not later than 1 year	12,269	15,258
Later than 1 year but not later than 5 years	1,155	1,480
Later than 5 years	2,037	490
	40,770	33,335

Leases
Only leases that do not fall within the scope of *AASB 16 Leases* or are exempt from *AASB 16 Leases* have been included in this note. Operating lease commitments include contracted amounts for office space from Government Employee Housing (GEH). The leases have various escalation clauses. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.Operating commitments also include service contracts between Royal Flying Doctor Service, CHHHS and other professional and consultant agreements that TCHHS is currently obligated to pay.

Note 23. Patient trust transactions and balances

Patient trust receipts and payments	2023 $'000	2022 $'000
Receipts		
Opening balance	7	7
Amounts receipted on behalf of patients	6	5
Total receipts	13	12
Payments		
Amounts paid to or on behalf of patients	4	5
Total payments	4	5
Trust assets and liabilities		
Assets		
Cash held and bank deposits	10	7
Total assets	10	7

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

Note 24. Events after the reporting period

There are no matters or circumstances that have arisen since 30 June 2023 that have significantly affected or may significantly affect TCHHS's operations, the results of those operations, or the HHS's state of affairs in future financial years.

Note 25. Reconciliation of operating result to net cash from operating activities

	2023	2022
	$'000	$'000
Operating result for the year	2,060	(34)
Non-cash movements:		
Depreciation	23,857	22,042
Depreciation offset from DoH	(23,857)	(22,042)
Loss on disposal	107	76
Donated assets	(83)	(75)
Contributed assets	-	(53)
Movements in impairment loss receivables	142	21
Change in operating assets and liabilities		
(Increase)/decrease in receivables	211	540
(Increase)/decrease in GST receivables	(122)	(221)
Decrease in inventories	210	(233)
Increase in prepayments	(456)	437
(Increase)/decrease in contract assets	(323)	(259)
Increase/(decrease) in payables	(1,438)	4,667
Increase/(decrease) in accrued employee benefits	1,428	14
Increase/(decrease) in accrued contract labour	2,967	(2,631)
Increase/(decrease) in contract liabilities	(181)	(561)
Net cash from/(used in) operating activities	4,522	1,688

Note 26. Changes in liabilities arising from financing activities

		Non-cash changes		Cash flows	
2022	**Opening balance $'000**	**New leases acquired $'000**	**Early terminated leases $'000**	**Cash repayments $'000**	**Closing balance $'000**
Lease liabilities	6,618	8,811	(167)	(3,823)	11,439
Total	6,618	8,811	(167)	(3,823)	11,439

		Non-cash changes		Cash flows	
2023	**Opening balance $'000**	**New leases acquired $'000**	**Early terminated leases $'000**	**Cash repayments $'000**	**Closing balance $'000**
Lease liabilities	11,439	5,358	(76)	(4,447)	12,274
Total	11,439	5,358	(76)	(4,447)	12,274

Assets and liabilities received or donated are recognised as revenues (refer to Note 4) or expenses (refer to Note 8) as applicable.

Note 27. General trust

TCHHS receives cash contributions primarily from private practice clinicians and from external entities to provide for education, study, and research in clinical areas. Contributions are also received from benefactors in the form of gifts, donations, and bequests for stipulated purposes. Contributions are collected and held within the general trust. Payments are made from the general trust for specific purposes in accordance with the general trust policy.

Note 27. General trust (continued)

	2023 $'000	2022 $'000
Opening balance	389	382
Revenue received during the year	58	16
Expenditure made during the year	(286)	(9)
Balance of general trust	161	389

The closing cash balance of the general trust at 30 June 2023 is $0.161m (2022: $0.389m). This is held on deposit with the QTC $0.90m (2022: $0.235m) and the Commonwealth Bank of Australia $0.71m (2022: $0.154m).

Note 28. Key management personnel disclosures

TCHHS's responsible Minister is identified as part of its key management personnel, consistent with guidance included in AASB 124 *Related Party Disclosures*. That Minister is Shannon Fentiman MP, Minister for Health, Mental Health and Ambulance Services and Minister for Women since May 2023 previously Yvette D'Ath MP.

Note 28. Key management personnel disclosures (continued)

The following persons were considered key management personnel of TCHHS during the current financial year and the prior financial year. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of TCHHS, directly or indirectly, including any director of TCHHS.

Position	Name	Contract classification and appointment authority	Initial appointment date
Non-executive Board Chairperson - Provides strategic leadership and guidance and effective oversight of management, operations and financial performance	Elthies Kris	*S25 Hospital and Health Boards Act 2011 by Governor in Council*	18 May 2019
Non-executive Board member - Provides strategic guidance and effective oversight of management, operations and financial performance	Karen Price Scott Davis Rhonda Shibasaki Susan Hadfield Marjorie Pagani Karyn Watson Darren Thamm Tara Diversi	*S23 Hospital and Health Boards Act 2011*	11 December 2015 18 May 2016 18 May 2019 to 28 October 2022 29 September 2020 18 May 2021 18 May 2021 18 May 2021 31 March 2022
Health Service Chief Executive (HSCE) - Responsible for the overall management of TCHHS through major functional areas to ensure the delivery of key government objectives in improving the health and well-being of Queenslanders	Beverley Hamerton Dean Davidson (Acting)	*S24/S70 Hospital and Health Boards Act 2011*	31 March 2018 to 23 June 2023 26 June 2023
Executive Director of Finance, Information and Digital Services (and CFO) - Responsible for providing strategic leadership, direction, stewardship, governance, effective control, financial management and statutory reporting obligations as well as the executive lead for information management, health information, digital services and disaster and emergency management	Danielle Hoins	*HES2 Hospital and Health Boards Act 2011*	15 June 2020
Executive General Manager - Northern Sector - Responsible for providing strategic leadership, direction and day to day management to the Torres Strait and Northern Peninsula area within the TCHHS	Tamara Sweeney Marita Sagigi (acting) Francis Grainer (acting)	*HES2 Hospital and Health Boards Act 2011*	4 January 2021 14 October 2022 to 14 November 2022 5 May 2023 to 22 May 2023 30 December 2022 to 30 January 2023
Executive General Manager - Southern Sector - Responsible for providing strategic leadership, direction and day to day management to the Cape York area within the TCHHS	Ian Power Michael Catt (acting)	*HES2 Hospital and Health Boards Act 2011*	23 July 2018 to 13 February 2023 6 February 2023 to 30 June 2023
Executive Director - Medical Services - Responsible for leading, directing, implementing, planning and evaluating the delivery of medical and dental across all departments and facilities within the TCHHS	Marlow Coates Jennifer Wharton (acting)	*MMOI1 Hospital and Health Boards Act 2011*	16 April 2021 19 September 2022 to 3 October 2022 2 January 2023 to 22 January 2023 10 April to 16 April 2023

Note 28. Key management personnel disclosures (continued)

Position	Name	Contract classification and appointment authority	Initial appointment date
Executive Director - Nursing and Midwifery Services - Responsible for providing nursing leadership and governance to TCHHS Nursing and Mental Health Services; whilst providing professional line management for Nurse Leaders (including DON and Nurse Educators) and supporting the implementation of primary health care principles and practices throughout TCHHS	Kim Veiwasenavanua Sarah Worth (acting)	*NRG13 Hospital and Health Boards Act 2011*	7 May 2018 23 March 2023 to 30 June 2023
Executive Director Aboriginal and Torres Strait Islander Health - to provide a professional lead for Aboriginal and Torres Strait Islander Health workers and Health Practitioners, designing workforce strategies that will strengthen opportunities for Aboriginal and Torres Strait Islander peoples' career growth and help deliver the best possible health care to our region	Stephen Tillett Wendy Burke (acting)	*DSO2 Hospital and Health Boards Act 2011*	21 March 2022 to 16 December 2022 19 September 2022 to 30 September 2022 19 December 2022 to 30 June 2023
Executive Director Allied Health - Provide allied services within a number of program areas, to inform service planning and development activities and support partner services and key stakeholder in understanding the scope and breadth of allied health services provision	Vivienne Sandler Amanda Wilson	*HP6 Hospital and Health Boards Act 2011*	18 February 2019 to 16 September 2022 1 August 2022
Executive Director Asset Management [1]- Responsible for providing strategic and operational leadership and governance of the asset management function including capital works, planning, delivery and maintenance of assets, procurement, contract management, patient and staff travel and fleet management	Dean Davidson Lindsay Pickstone (acting)	*DSO1 Hospital and Health Boards Act 2011*	1 September 2019 to 23 January 2023 5 December 2022 to 22 January 2023
Executive Director Strategy and Investment - Responsible for high level portfolio planning linking strategic and operational initiatives across TCHHS, including providing strategic and operational leadership and governance for the portfolio management officer, innovation and capital works planning and delivery offices, asset management office and the strategy, planning and performance office	Dean Davidson Lindsay Pickstone (acting)	*DSO1 Hospital and Health Boards Act 2012*	23 January 2023 26 June 2023 to 30 June 2023
Executive Director Workforce & Engagement - Responsible for providing strategic and operational leadership and governance of the human resources function including workforce planning, recruitment, industrial and employee relations, integrated learning centre and workforce health and safety	Sally O'Kane	*DSO1 Hospital and Health Boards Act 2011*	11 June 2020

[1] The Asset Management portfolio ceased at the end of January 2023 and taken over by the Strategy and Investment portfolio with a new Executive Director position.

Key management personnel – Minister for Health, Mental Health and Ambulance Services and Minister for Women

Note 28. Key management personnel disclosures (continued)

The Legislative Assembly of Queensland's Members' Remuneration Handbook outlines the ministerial remuneration entitlements. TCHHS does not incur any remuneration costs for the Minister of Health, Mental Health and Ambulance Services and Minister for Women, but rather ministerial entitlements are paid primarily by the Legislative Assembly with some remaining entitlements provided by the Ministerial Services Branch within the Department of Premier and Cabinet. All ministers are reported as key management personnel of the Queensland Government. As such the aggregate remuneration expenses for all ministers are disclosed in the Queensland Government and Whole of Government consolidated financial statements, which are published as part of the Queensland Treasury report on State finances.

Key management personnel – Board
The Board decides the objectives, strategies and policies to be followed by TCHHS and ensure it performs it's 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*). Remuneration arrangements of the Board are approved by the Governor in Council and the Board members are paid annual fees consistent with the government titled "Remuneration procedures for part-time chairs and members of Queensland Government bodies".

Remuneration packages for Board members comprise the following components:

- Short term employee base benefits which include allowances and salary sacrifice components expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- Short term non-monetary benefits consisting of non-monetary benefits including FBT exemptions on benefits.
- Post-employment benefits which include amounts expensed in respect of employer superannuation obligations

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

Remuneration policy for key executive management personnel is set by direct engagement common law employment contracts and various award agreements. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts and awards. The remuneration packages provide for the provision of some benefits including motor vehicles.

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

- Short term employee base benefits which include salary, allowances, salary sacrifice component and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- Short term non-monetary benefits consisting of provision of vehicle and other non-monetary benefits including FBT exemptions on benefits.
- Long term employee benefits which include amounts expensed in respect of long service leave.
- Post-employment benefits which include amounts expensed in respect of employer superannuation obligations There were no performance bonuses paid in the 2022-23 financial year (2022: $nil).

Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination. Performance bonuses are not paid under the contracts in place. Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

The value of remuneration received by Board Members in their capacity as Board Members and the Executive Management Team is disclosed in the following sections.

Note 28. Key management personnel disclosures (continued)

2023 Remuneration expenses

Name	Monetary	Non-monetary	Post-employment benefits	Long- term benefits	Termination benefits	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Board						
Elthies Kris	73	-	8	-	-	81
Karen Price	39	-	4	-	-	43
Scott Davis	40	9	4	-	-	53
Rhonda Shibasaki	13	-	2	-	-	15
Marjorie Pagani	39	-	4	-	-	43
Karyn Watson	39	-	4	-	-	43
Darren Thamm	38	9	4	-	-	51
Susan Hadfield	39	-	4	-	-	43
Tara Diversi	39	9	4	-	-	52
Executive						
Beverley Hamerton	257	9	17	4	*274	561
Danielle Hoins	212	9	21	5	-	247
Tamara Sweeney	191	-	19	4	-	214
Marita Sagigi	27	1	3	1	-	32
Francis Grainer	25	1	2	-	-	28
Ian Power	111	9	10	3	*124	257
Michael Catt	126	3	11	3	-	143
Marlow Coates	620	7	40	14	-	681
Jennifer Wharton	71	3	7	2	-	83
Kim Veiwasenavanua	207	7	22	5	-	241
Sarah Worth	75	-	7	1	-	83
Stephen Tillett	67	6	7	2	-	82
Wendy Burke	60	-	7	1	-	68
Amanda Wilson	177	-	20	4	-	201
Dean Davidson	183	9	19	4	-	215
Lindsay Pickstone	25	1	2	1	-	29
Sally O'Kane	160	9	18	4	-	191

**Represents employment termination payments – refer to Note 6. Employee expenses and Note 9. Other expenses.*

Note 28. Key management personnel disclosures (continued)

2022 Remuneration expenses

Name	Monetary	Non-monetary	Post-employment benefits	Long- term benefits	Termination benefits	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Board						
Elthies Kris	73	-	7	-	-	80
Karen Price	40	-	4	-	-	44
Scott Davis	40	9	4	-	-	53
Rhonda Shibasaki	39	-	4	-	-	43
Karen Dini-Paul	29	9	3	-	-	41
Marjorie Pagani	39	-	4	-	-	43
Karyn Sam	39	-	4	-	-	43
Darren Thamm	39	9	4	-	-	52
Susan Hadfield	42	-	4	-	-	46
Tara Diversi	10	-	1	-	-	11
Executive						
Beverley Hamerton	264	9	25	6	-	304
Danielle Hoins	195	9	20	4	-	228
Tamara Sweeney	195	-	19	4	-	218
Ian Power	182	9	18	4	-	213
Vikki Jackson	14	-	2	-	-	16
Marlow Coates	585	8	38	14	-	645
Kim Veiwasenavanua	185	9	20	4	-	218
Vanessa Curnow	1	-	-	-	14	15
Loretta Rigby	82	8	9	2	-	101
Stephen Tillett	45	-	5	1	-	51
Vivienne Sandler	29	9	5	1	-	44
Dean Davidson	174	-	20	4	-	198
Timothy Todd	84	9	8	2	-	103
Sue Cooper	28	8	2	-	-	38
Sally O'Kane	162	-	15	4	-	181

Note 29. Related party transactions

Transactions with Queensland Government controlled entities
Material related party transactions for 2022-23 are disclosed in this note.

Department of Health
DoH receives its revenue from the Queensland Government (funding) and the Commonwealth. TCHHS is funded for eligible services through non-Activity Based Funding. Refer to Note 3. The funding from DoH is provided predominantly for specific public health services purchased by DoH from TCHHS in accordance with a Service Agreement between DoH and TCHHS. The Service Agreement is amended periodically and updated for new program initiatives delivered by TCHHS.

The TCHHS signed Service Agreement is published on the Queensland Government website and is publicly available. As outlined in Note 7, TCHHS is not a prescribed employer and health service employees are employed by the DoH and contracted to work for the TCHHS.

Queensland Treasury Corporation
TCHHS has accounts with the QTC for general trust monies. Refer to Note 10.

Department of Energy and Public Works (DEPW)
TCHHS pays rent to the DEPW for office and staff accommodation. In addition, the Department of Energy and Public Works provides vehicle fleet management services (Q-Fleet) to TCHHS.

Note 29. Related party transactions (continued)

Transactions with other related parties
In the ordinary course of business conducted under normal terms and conditions, TCHHS has the following key management personnel (KMP) related parties' transaction disclosures:

NQPHN is a limited company which works with various clinicians employed by DoH or TCHHS to improve and coordinate primary health care across the local health system for patients requiring care from multiple providers. The transactions with this company were at arm's length and are in accordance with the entity's constitution. TCHHS receives funding from two funding sources: Primary Health Network Health Pathways and integrated care incentive funding and mental health after hours.

TCHHS is a member of TAAHCL. Members are incorporated in a unified company and governance structure to enhance health and health services research in the region, leveraging economies of scale and the proven opportunities of the Academic Health Centre concept for northern Queensland. TCHHS has paid its 2022-2023 membership contribution directly to TAAHCL. This transaction was endorsed by the TCHHS Board and is considered to be at arm's length.

TCHHS is in a partnership with BHNQA to form an Alliance. The Alliance is a decision-making body and provides resources and authorises funding for the program. There have been no related party transactions between TCHHS and BHNQA during this financial year.

TCHHS employees that are close family members of TCHHS key management personnel were recruited in accordance with the standard TCHHS recruitment policies and procedures.

Related Party transaction values and outstanding balances

Related Party	**Transaction Type**	**2023**		**2022**	
		Transaction value Revenue/ (expense)	Receivables/ (payables)	Transaction value Revenue/ (expense)	Receivables/ (payables)
		$'000	**$'000**	**$'000**	**$'000**
DoH	Service Agreement *	272,236	(4,446)	256,239	(9,288)
DoH	Non-executive health service employees	(134,333)	(639)	(129,524)	(1,559)
DoH	Services support costs	(17,166)	(1,429)	(16,349)	(1,006)
Other Hospital and Health Services	Renal, interpretation and legal services, pharmacy supplies, office space, courier fees, contract labour and training.	(391)	(982)	(1,177)	-
Department of Energy and Public Works	Building/fleet leases	(10,137)	(50)	(10,514)	(118)
NQPHN	Primary Health care support **	202	(202)	283	(283)
TAAHC	Membership fee	(75)	-	(150)	-
Close family members	Aggregated salary and wages	(435)	-	(590)	-

* *DoH Service Agreement receivables and payables (2023: $2.346m receivables and $6.792m payables) (2022: $0.723m receivables and $10.011m payables)*

*** NQPHN revenue and expenses (2023: $1.413m of revenue and $1.211m of expenses) (2022: $1.120m of revenue and $0.837m of expenses). NQPHN receivables and payables (2023: $0.067m receivables and $0.269m payables) (2022: $0.283m payables).*

Note 30. Other information

(a) Goods and Services Tax (GST) and other similar taxes

The only federal taxes that TCHHS is assessed for are Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

All FBT and GST reporting to the Commonwealth is managed centrally by DoH, with payments/receipts made on behalf of TCHHS reimbursed to/from DoH on a monthly basis. GST credits receivable from, and GST payable to the Australian Tax Office (ATO), are recognised on this basis.

Both TCHHS and DoH satisfy section 149-25(e) of the A New Tax System *(Goods and Services) Act 1999* (Cwt.) (the GST Act). Consequently, they were able, with other Hospital and Health Services, to form a "group" for GST purposes under Division 149 of the GST Act. Any transactions between the members of the "group" do not attract GST.

(b) First year application of new standards or change in policy

Accounting standards applied for the first time

TCHHS did not apply any other new accounting standards for the first time and there were no changes in policies for 2022-23.

(c) New accounting standards and interpretations not yet effective

Accounting standards early adopted

There are no other standards effective for future reporting periods that are expected to have a material impact on TCHHS.

(d) Climate risk

TCHHS has not identified any material climate related risks relevant to the financial report at the reporting date, however, constantly monitors the emergence of such risks under the Whole-of-Government climate related publications including the Climate Action Plan 2030 and Queensland Sustainability Report.

(e) Significant financial impacts from COVID-19

TCHHS did not have any significant financial impacts from COVID-19. This is due to the Commonwealth government providing guarantee to fully fund the costs directly related to the pandemic in accordance with the National Health Reform Agreement for the 2019-2023 years.

Notes to the Financial Statements
30 June 2023

Note 31. Budget vs actual comparison

Explanations of major variances

Major variances are generally considered to be variances that are material within the 'Total' line item that the item falls within. Major variances have been identified and explained:

Statement of Comprehensive Income

Funding for public health services: The increase of $22.231m (8.89%) related to additional funding provided through amendments to the Service Agreement with the DoH for the delivery of increased public hospital and health services, enterprise bargaining funding increases inclusive of cost of living adjustment (COLA) for nursing and medical and Public Sector superannuation top-up, COVID-19 response and vaccination funding of $2.894m under the National Partnership Agreement.

Other revenue: The increase of $2.642m (184.37%) related to additional funding provided for non-capital project recoveries and salary support for Global Medical Training (GMT) and Australian General Practice Training (AGPT).

Employee expenses: The decrease of $5.212m (17.67%) relates to the number of vacancies for Senior Medical officer positions which were backfilled by locums or Principal House Officers (PHO).

Department of Health contract staff: The decrease of $2.054m (1.51%) directly relates to higher use of nursing and medical locum labour offset by an increases Enterprise Bargaining labour expenses inclusive of COLA (nursing and medical) and Public Sector superannuation top-up.

Supplies and services: The increase overall of $22.942m (26.71%) relates primarily to increases in external labour ($22.592m) and travel costs ($10.336m). These increases are offset by reductions in building lease costs ($3.686m) due to the classification of leases under the accounting standard *AASB16 Leases* and other supplies and services ($6.926m).

Depreciation expense: The increase of $3.584m (17.68%) relates to the depreciation expense from right-of-use assets of that were classified as rent expenses in the budget.

Other expenses: The increase of $3.846m (79.23%) relates to Queensland Treasury treatment of unspent grants under *AASB 1058 Revenue Recognition* of $5.929m offset by classification difference between other expenses and supplies and services.

Increase in asset revaluation surplus: The increase of $21.288m relates to the reasons outlined in the Statement of Financial Position under property, plant and equipment.

Note 31. Budget vs actual comparison (continued)

Statement of Financial Position

Cash and cash equivalents: Refer to commentary under Statement of Cash Flows.

Receivables: The majority of the $0.666m (10.93%) decrease relates to the Department of Health technical end of year adjustments.

Other assets: The increase of $0.601m (45.7%) is due to transition of AGPT medical training salary support payments from James Cook University to Services Australia.

Property, plant and equipment: The increase of $52.596m (24.81%) predominately due to all built up assets being revalued resulting in an overall increase in NBV of $21.4m which included increases due to assets comprehensively revalued of $7.684m, increases due to indexation of 9.0% (material movement in construction prices) of $13.773m whereas the budgeted increment assumption was 1%. The capitalisation of the Thursday Island Hospital Stage 1 refurbishment which took place in April 2023 at fair value of $15.426m and $14.305m of other capital projects throughout the year.

Right-of-use assets: The increase of $9.878m (422.56%) relates to a commercial lease for the Clinical Coordination Hub and the transition of private housing low value leases which were renewed in 2022-23 with lease terms that are now in excess of 12 months so therefore capitalised under *AASB 16 Leases*.

Payables: The increase of $2.590m (8.87%) relates to revenue clawback and program deferrals recognised under *AASB 1058 Income of Not-for-Profit Entities* and Department of Health payroll settlement for first pay period 2022-23.

Lease liabilities: Refer to commentary under right-of-use assets.

Accrued employee benefits: The increase of $1.422m (99.58%) relates to timing of payment of Remote Area Nursing Incentive Payments (RANIP) and medical inaccessibility.

Contributed equity: Increase of $26.018m relates to capital project and non-appropriated equity injections refer to commentary under property, plant and equipment.

Asset revaluation surplus: The increase of $26.779m (52.49%) relates to the comprehensive revaluation and indexation outlined above under property, plant and equipment.

Note 31. Budget vs actual comparison (continued)

Statement of Cash Flows

Grants and other contributions: The increase in cash inflows is higher than budgeted primarily due to the timing of cash payments versa revenue recognition.

Employee expenses, Department of Health contract staff and supplies and services:	The increase in cash outflows is higher than budgeted primarily due to the same factors outlined in the major variances for the Statement of Comprehensive Income.
Payments for property, plant and equipment	The increase in cash flows of $20.007m is due to practical completion of capital projects and capitalisation of equipment that were not included in the cash flow budget amounts.
Proceeds from equity injections:	The increase in cash flows from equity injections is higher than the budgeted figure due to the same factors outlined in the major variances for the Statement of Financial Position.

Equity withdrawals: The increase relates to depreciation which was classified as a cash item in the original budget but treated as non-cash in the actuals.

Lease payments: The increase in cash outflows is due to changes in the recognition of right of use assets as outlined in the major variances for the Statement of Comprehensive Income and Statement of Financial Position.

Torres and Cape Hospital and Health Service
Management Certificate
For the year ended 30 June 2023

These general-purpose financial statements have been prepared pursuant to s.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 s.62(1)(b) of the Act we certify that in our opinion:

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

b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Torres and Cape Hospital and Health Service for the financial year ended 30 June 2023 and of the financial position of Torres and Cape Hospital and Health Service at the end of that year; and

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

Elthies Kris Board Chair	Dean Davidson A/Health Service Chief Executive	Danielle Hoins - CPA Executive Director Finance, Information and Digital Services (and CFO)
25/08/2023	25/08/2023	25/08/2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Torres and Cape Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Torres and Cape 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 material accounting policy 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.

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Key audit matter	How my audit addressed the key audit matter
Valuation of buildings Buildings were material to Torres and Cape's Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method. Torres and Cape Hospital and Health Service performed a comprehensive revaluation of approximately 30 per cent of its building assets this year as part of the rolling revaluation program. All other buildings were assessed using relevant indices. The current replacement cost method comprises: • gross replacement cost, less • accumulated depreciation. Torres and Cape Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for: • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: o estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. $/square metre) o identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. The measurement of accumulated depreciation involved significant judgements for determining the condition rating of the assets and forecasting the remaining useful lives of building components. The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.	My procedures included, but were not limited to: • assessing the adequacy of management's review of the valuation process and results • reviewing the scope and instructions provided to the valuer • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing whether unit rates and on-costs are applied consistently across asset classes and subclasses • for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: o modern substitute (including locality factors and oncosts) o adjustment for excess quality or obsolescence. • evaluating 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: o reviewing management's annual assessment of useful lives o at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets o testing that no building asset still in use has reached or exceeded its useful life o enquiring of management about their plans for assets that are nearing the end of their useful life o reviewing assets with an inconsistent relationship between condition and remaining useful life. • Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

Using indexation required: • 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.	

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.

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.

29 August 2023

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

GLOSSARY

Aboriginal and Torres Strait Islander health worker	An Aboriginal and/or Torres Strait Islander person who holds the specified qualification and works within a primary healthcare framework to improve health outcomes for Aboriginal and Torres Strait Islander people.
Acute	Having a short and severe course of care in which the clinical intent or treatment goal is to: • manage labour (obstetric) • cure illness or provide definitive treatment of injury perform surgery • relieve symptoms of illness or injury (excluding palliative care) reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures
CAC	Community Advisory Committee
CKN	Clinicians Knowledge Network
Clinical governance	A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.
COVID-19	The COVID-19 novel coronavirus is a strain of coronavirus affecting humans. Some coronaviruses can cause illness similar to the common cold and others can cause more serious diseases such as Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS).
ENT	Ear Nose and Throat
Full-time Equivalent (FTE)	Full-time Equivalent is calculated by the number of hours worked in a period divided by the award full-time hours prescribed by the award/industrial instrument for the person's position.
Hospital	Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.
Hospital and Health Boards	The Hospital and Health Boards are made up of a mix of members with expert skills and knowledge relevant to governing a complex healthcare organisation.
Hospital and Health Service	Hospital and Health Services are separate legal entities established by Queensland Government to deliver public hospital services. Hospital and Health Services commenced in Queensland on 1 July 2012, replacing existing health service districts.
HSCE	Health Service Chief Executive
IHS	Integrated Health Service
LANA	Local Area Needs Assessment
MPHS	Multi-Purpose Health Service
NQPHN	North Queensland Primary Health Network
NSQHSS	National Safety and Quality Health Service Standards
Outpatient	Non-admitted health service provided or accessed by an individual at a hospital or health service facility.
Open Data	Data that any individual can use freely and without technical, financial or legal restrictions, as well as reuse and dissemination, taking into account the methodology of open data .

Overnight-stay patient (also known as inpatient)	A patient who is admitted to, and separated from, the hospital on different dates (not same-day patients).
PHCC	Primary Health Care Centre
Public hospital	Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
QAO	Queensland Audit Office
Registered nurse	An individual registered under national law to practice in the nursing profession as a nurse, other than as a student.
SARAS	Study and Research Assistance Scheme
Statutory bodies	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees/councils.
TCHHS	Torres and Cape Hospital and Health Service
Telehealth	Delivery of health-related services and information via telecommunication technologies, including: live audio and or/video interactive links for clinical consultations and educational purposes store and forward Telehealth, including digital images, video, audio and clinical notes (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists' tele-radiology for remote reporting and clinical advice for diagnostic images Telehealth services and equipment to monitor people's health in their home.
Weighted Activity Unit	A standard unit used to measure all patient care activity consistently. The more resource intensive an activity is, the higher the weighted activity unit. This is multiplied by the standard unit cost to create the 'price' for the episode of care.

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	4
Accessibility	• **Table of contents** • **Glossary**	ARRs – section 9.1	5 96-97
	• **Public availability**	ARRs – section 9.2	2
	• **Interpreter service statement**	*Queensland Government Language Services Policy* ARRs – section 9.3	2
	• **Copyright notice**	*Copyright Act 1968* ARRs – section 9.4	2
	• **Information Licensing**	*QGEA – Information Licensing* ARRs – section 9.5	2
General information	• **Introductory Information**	ARRs – section 10	7-8, 10-12, 16-19
Non-financial performance	• **Government's objectives for the community and whole-of-government plans/specific initiatives**	ARRs – section 11.1	6
	• **Agency objectives and performance indicators**	ARRs – section 11.2	42-44
	• **Agency service areas and service standards**	ARRs – section 11.3	16-17, 44-45
Financial performance	• **Summary of financial performance**	ARRs – section 12.1	46-47
Governance – management and structure	• **Organisational structure**	ARRs – section 13.1	33
	• **Executive management**	ARRs – section 13.2	20-24, 27-32
	• **Government bodies (statutory bodies and other entities)**	ARRs – section 13.3	25
	• **Public Sector Ethics**	*Public Sector Ethics Act 1994* ARRs – section 13.4	40
	• **Human Rights**	*Human Rights Act 2019* ARRs – section 13.5	41
	• **Queensland public service values**	ARRs – section 13.6	11, 40
Governance – risk management and accountability	• **Risk management**	ARRs – section 14.1	27, 36
	• **Audit committee**	ARRs – section 14.2	27
	• **Internal audit**	ARRs – section 14.3	37-38
	• **External scrutiny**	ARRs – section 14.4	38-40
	• **Information systems and recordkeeping**	ARRs – section 14.5	38-40
	• **Information Security attestation**	ARRs – section 14.6	40
	• **Strategic workforce planning and performance**	ARRs – section 15.1	34-36

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• **Early retirement, redundancy and retrenchment**	Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	36
Open Data	• **Statement advising publication of information**	ARRs – section 16	2
	• **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	91
	• **Independent Auditor's Report**	FAA – section 62 FPMS – section 46 ARRs – section 17.2	92-94

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

ANNUAL REPORT 2022–23

Torres and Cape Hospital and Health Service

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