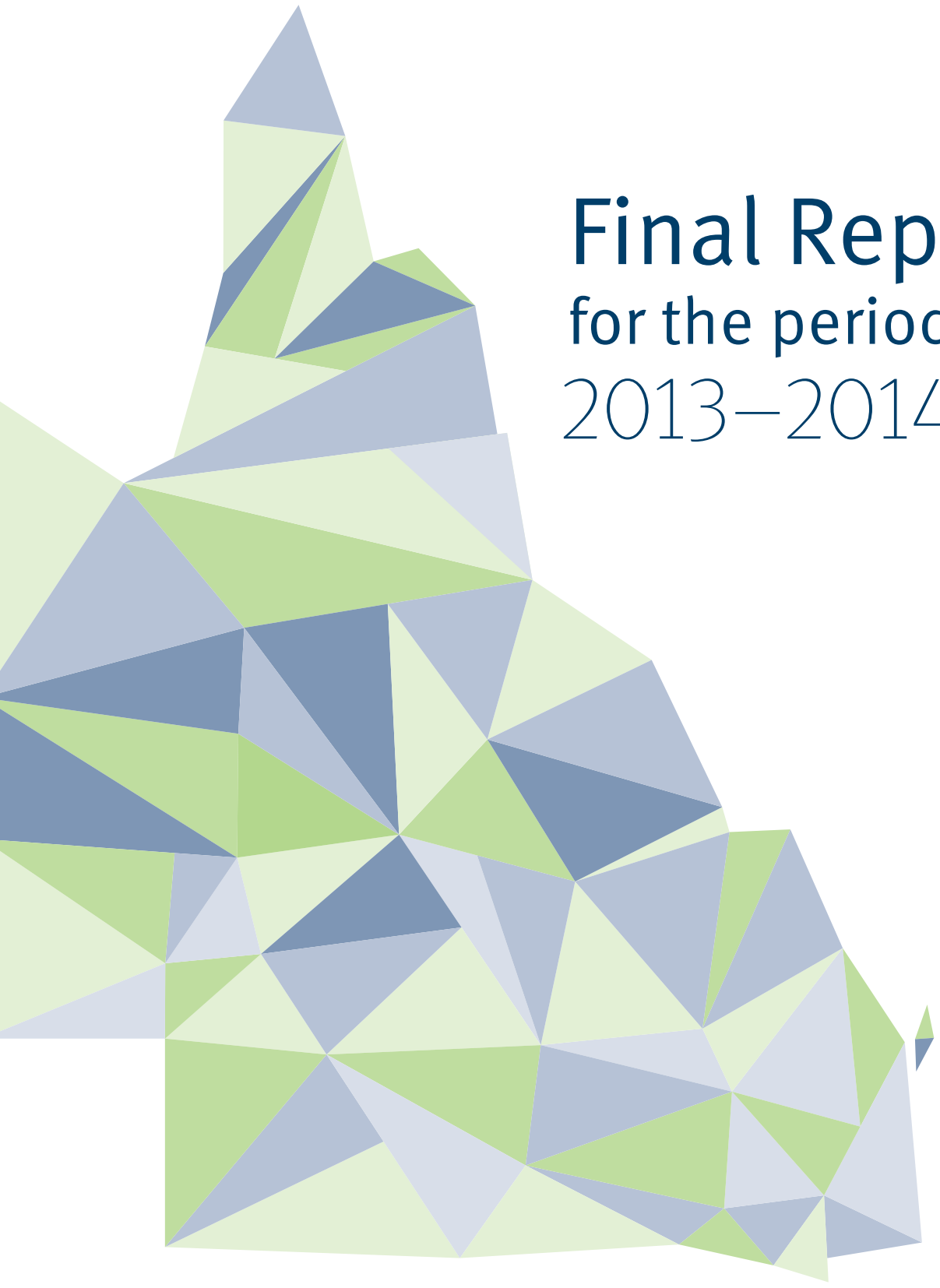

Final Report
for the period
2013–2014

Public availability statement: Further information and paper copies of this report can be obtained by contacting:

e:TCCHS-Board-Chair@health.qld.gov.au

p: (07) 4226 5945

w: www.health.qld.gov.au/torres-cape

Additional information to accompany this annual report, including overseas travel and consultancies can be accessed at www.data.qld.gov.au

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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 (07) 4226 5945 and we will arrange an interpreter to effectively communicate the report to you.

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Letter of Compliance

30 June 2014

The Honourable Lawrence Springborg MP

Minister for Health

GPO Box 48

Brisbane Qld 4001

Dear Minister

I am pleased to present the Final Report and financial statements for the Torres Strait–Northern Peninsula Hospital and Health Service.

This will be the final annual report for the Torres Strait–Northern Peninsula Hospital and Health Service as the organisation will be amalgamating with the Cape York Hospital and Health Service on 1 July 2014 to become the Torres and Cape Hospital and Health Service.

I certify that this Final Report complies with:

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

A checklist outlining the annual reporting requirements is included at page 21 of this report.

Yours sincerely

Ian Maynard

Administrator

Torres Strait–Northern Peninsula Hospital and Health Service

TABLE OF CONTENTS

Abbreviations / Glossary

Act	Hospital and Health Boards Act 2011
ARRs	Annual report requirements for Queensland Government agencies
ATODS	Alcohol, Tobacco and Other Drugs Service
COAG	Council of Australian Governments
Department	Department of Health
FAA	Financial Accountability Act 2009
FNQML	Far North Queensland Medicare Local
FPMS	Financial and Performance Management Standard 2009
Government	Queensland or Australian Government
HH	Hospital and Health
HHB	Hospital and Health Board
HHS	Hospital and Health Service
HSCE	Health Service Chief Executive
KPI	Key Performance Indicator
MPHS	Multi-Purpose Health Service
PPH	Potentially Preventable Hospitalisations
Service	Torres Strait–Northern Peninsula Hospital and Health Service
SLA	Statistical Local Area
TS–NP HHS	Torres Strait–Northern Peninsula Hospital and Health Service

Message from the Health Service Chief Executive

Welcome to the Torres Strait–Northern Peninsula Hospital and Health Service's Annual Report for 2013-2014. The Torres Strait–Northern Peninsula HHS is responsible for public health services to over 11,000 people in the geographical area of the Torres Strait and five communities in the Northern Peninsula area.

We encourage feedback from the community, our patients and our stakeholders on this annual report by way of the feedback survey at the end of this document.

This will be the final Annual Report for Torres Strait–Northern Peninsula HHS as the organisation will be amalgamating with the Cape York HHS on 1 July 2014 to become the Torres and Cape Hospital and Health Service.

This final report provides a comprehensive record of our financial and non-financial performance for the period 2013 to 2014.

Philip Davies

A/Health Service Chief Executive

Torres Strait–Northern Peninsula Hospital and Health Service
30 June 2014

Torres Strait–Northern Peninsula Hospital and Health Service

1. General information

1.1. Introductory information

The Torres Strait–Northern Peninsula Hospital and Health Service (TS–NP HHS) is an independent statutory body established on 1 July 2012. It will be overseen by a Hospital and Health Board (HHB), once appointed. Currently the Director-General acts as the Administrator, holding the full powers of the board. The TS–NP HHS provides health services, as defined in the service agreement with the Department of Health.

1.2. Agency role and main functions

The TS–NP HHS was established under the *Hospital and Health Boards Act 2011* on 1 July 2012. The objective of the Act is to deliver high-quality hospital and health services to persons in Queensland.

The TS-NP HHS is the principal provider of public sector healthcare services in the Torres Strait and Northern Peninsula area. It exercises significant responsibilities at a local level, including:

- control of the financial management of the organisation
- management of the service's land and buildings
- management of the service's staff.

Across two hospitals and 21 primary healthcare centres, the TS–NP HHS offers the delivery of a consistent, quality, accessible and culturally effective health service to the communities in the Torres Strait and Northern Peninsula area. The main function is to deliver acute health services, primary healthcare, health promotion and other health services required by the community.

Our vision is that by working in collaboration with the community, we will deliver an accessible health service that provides a strong foundation for all generations to live a healthy and full life.

The TS–NP HHS acknowledges and supports the Queensland Government *Blueprint for better healthcare in Queensland* by adopting and applying its six key values:

- better service for patients
- better healthcare in the community
- valuing our employees and empowering frontline staff
- empowering local communities with a greater say over their hospital and local health services
- value for money for tax payers
- openness.

TS–NP HHS services include:

- primary health care
- community based services
- allied health
- mental health
- acute and sub-acute care
- public health and health promotion,
- visiting specialist services
- oral health services

1.3. Operating environment

1.3.1. Statutory obligations and progress

TS–NP HHS met its statutory obligations under sections 40 to 43 of the Act to develop and publish the following strategies in consultation with relevant representatives:

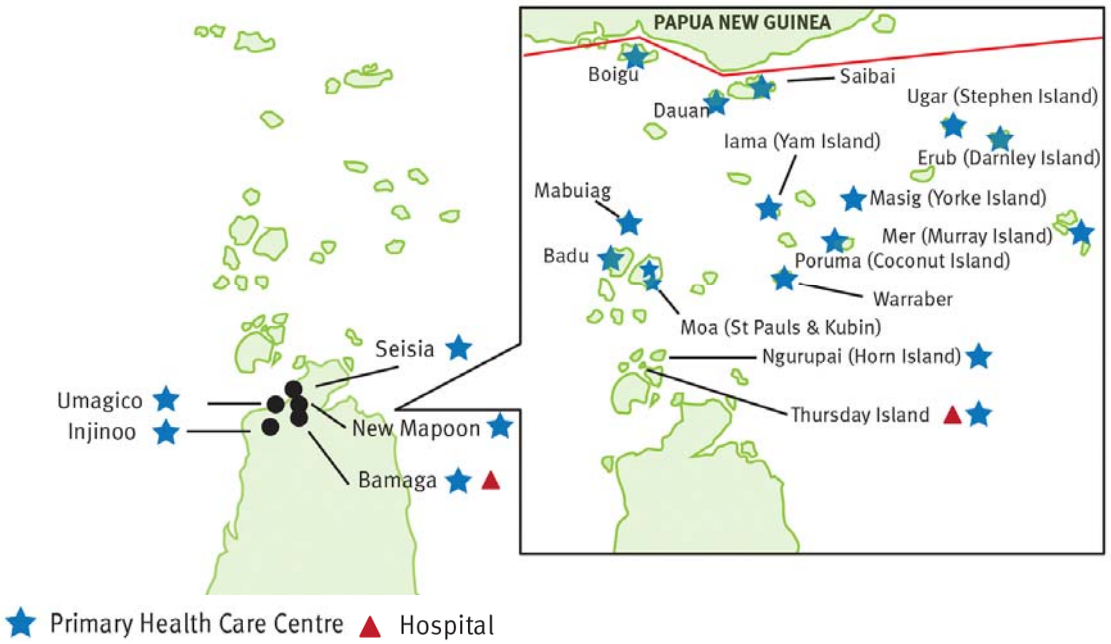
- Consumer and Community Engagement Strategy – to promote consultation with health consumers and members of the community about the provision of health services by the HHS
- Clinician Engagement Strategy – to promote consultation with health professionals
- Protocol with the Far North Queensland Medicare Local to promote cooperation between the organisations in the planning and delivery of health services.

1.3.2. Nature and range of our operations

TS–NP HHS is a major provider of staff and infrastructure for health service delivery throughout the Torres Strait and Northern Peninsula area. It shares funding responsibility with the Queensland Department of Health and with the commonwealth government which directly funds a range of initiatives. A Service Agreement between TS–NP HHS and the Department identifies the services to be provided, the funding arrangements for those services, and the defined performance indicators and targets to ensure the required outputs and outcomes are achieved.

The Thursday Island Hospital remains the centre of operations for the TS–NP HHS. The hospital acts as a hub for executive, clinical, allied health and outreach services. The HHS also has a corporate office located in Cairns for a number of administrative functions including finance, travel and business support.

The TS–NP HHS provides comprehensive health services through a network of hospitals and primary health centres. Facilities include; two hospitals, a corporate hub located in Cairns and 21 primary health care clinics.



Services include primary health care, community based services, allied health, mental health, acute and sub-acute care, and public health and health promotion. The TS–NP HHS also supports a wide range of services delivered by outreach teams, including visiting specialist services from other HHSs (mainly Cairns).

Our challenge has been to embrace new partnerships with local service providers, both Australian and state funded programs, to deliver health promotion and primary healthcare services effectively to Indigenous Australians in the Torres-Strait and Northern Peninsula area.

During 2013–14, nine meetings were held between the TS-NP HHS Administrator, the Health Service Chief Executive (HSCE) and members of the senior management team.

1.3.3. Strategic effects on the HHS operating environment

Risks

The organisation identified the following as the primary risks for the delivery of services in the Torres Strait and Northern Peninsula area. The TS-NP HHS worked to mitigate these risks through work undertaken during 2013–14.

Strategic risk	Mitigating strategies
Siloed and 'one size fits all' approach to health service delivery negatively affects health service delivery.	The TS-NP HHS works collaboratively with key stakeholders to develop services and models of care specific to the changing needs of individuals and the broader community.
Health gaps experienced by Indigenous people within the TS-NP HHS area are further exacerbated.	Health promotion programs are developed and implemented that focus on reducing the impact of key risk factors that contribute to the gap in health outcomes for Indigenous people.
The TS-NP HHS fails to attract, and retain, qualified and committed staff.	Workforce planning and development opportunities focus on building a sustainable workforce for the region.
Clinical risks increase and are not responded to.	The TS-NP HHS Clinical Governance Framework is implemented and monitored.
The TS-NP HHS fails to comply with statutory and legislative requirements.	Statutory and legislative requirements are documented and strong processes for monitoring compliance are implemented across the TS-NP HHS.
Infrastructure continues to degrade and health service delivery is negatively affected by non-compliant buildings	Infrastructure requirements are identified and funding is secured for back-log maintenance and future needs.

The amalgamation of the TS–NP HHS with the Cape York HHS to form the new Torres and Cape HHS from 1 July 2014 provides the following key opportunities and challenges:

Opportunities

Amalgamation

TS–NP HHS will be amalgamating with the Cape York HHS on 1 July with a healthy first year operating budget of $171.7 million for 2014-15.This is an increase of $2.2 million on the combined 2013-14 Cape York HHS and TS–NP HHS operating budgets.

Health investment strategy

The Torres and Cape HHS has been allocated $2.7 million to develop an Aboriginal and Torres Strait Islander health investment strategy to improve health outcomes for Indigenous residents.

The combined service will be one of Australia's largest providers of health services to Aboriginal and Torres Strait Islander peoples. The combination of skills and knowledge from across the wider region will ensure the Torres and Cape Hospital and Health Service is well-placed to continue our progress in building a stronger, more effective health system.

Challenges

- Implement evidenced-based service delivery models that will address the growing demand for health services.
- Introduce new health technologies, performance management and accountability reporting systems to improve the quality and effectiveness of health services.
- Build capacity and systems to improve business capability.
- Expand work with consumers, communities and governments to better meet their needs regarding the scope and performance of health services.

1.3.4. Environmental factors impacting on service delivery

Approximately 85 per cent of TS–NP HHS consumers identify as being of Aboriginal and/or Torres Strait Islander descent. Aboriginal and Torres Strait Islander Queenslanders experience significant gaps in health status and outcomes compared to other Australians. The TS–NP HHS recognises, and is committed to, closing the health gap for Indigenous Australians. The gap is defined as the difference between the Aboriginal and Torres Strait Islander burden of disease estimates and those for the general population. In Queensland, the life expectancy gap is currently estimated at 10.4 years for males and 8.9 years for females.

There are six leading drivers of the health gap between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander Queenslanders, which together explain 80 per cent of the health gap:

- cardiovascular disease—an estimated 28 per cent of the health gap
- diabetes—an estimated 16 per cent of the health gap
- chronic respiratory disease—an estimated 11 per cent of the health gap
- cancers—an estimated 9 per cent of the health gap
- injuries—an estimated 8 per cent of the health gap
- mental disorders—an estimated 8 per cent of the health gap.

Cardiovascular disease, diabetes and chronic respiratory diseases are the leading contributors to the health gap in major cities, regional centres and remote areas, together accounting for 55 per cent of the health gap in Queensland. There are considerable risk factors which contribute to approximately 37.4 per cent of the total burden of disease including:

- smoking, alcohol and other drugs
- obesity, low rates of physical activity and poor nutrition

- high blood pressure and high cholesterol
- unsafe sex
- child sexual abuse and intimate partner violence.

Of these, smoking was the largest cause of health loss, contributing 17 per cent to the health gap and one-fifth of all Aboriginal and Torres Strait Islander deaths nationally.

The TS–NP HHS services some of the most remote, challenging environments in Australia, with a number of our service locations accessible only via helicopter.

To combat these challenges, the TS–NP HHS has embraced new partnerships with local service providers, both Australian and state funded programs, to deliver health promotion and primary healthcare services.

1.3.5. Torres Strait–Northern Peninsula HHS initiatives 2013-14

During the 2013-2014 financial year, TS–NP HHS completed or initiated the following significant initiatives:

Accreditation

In May 2014 the HHS undertook an organisation-wide Survey under the Australian Council of Healthcare Standards (ACHS) EquipNational standards for accreditation for its hospitals and primary health care centres. This was the first time the HHS had been assessed according to the National Safety and Quality Health Service Standards which is under the governance of the Australian Commission on Safety and Quality in Health Care. The HHS will receive a three year accreditation status by achieving a satisfactory assessment to meet all of the national standards.

Dental Health Services review

In May 2014, The TS–NP HHS engaged one of Queensland's most senior dental practitioners Dr Ralph Neller to conduct a review of oral health facilities at Bamaga, Thursday Island, Erub (Darnley Island), Iama (Yam Island), Warraber, Moa and Mabuiag.

Recommendations of the review will allow the TS–NP HHS to develop a plan for the future configuration, operation and resourcing of oral health services for the Torres Strait–Northern Peninsula population. The plan will take account of service needs, available funding and the practicalities of service delivery in the unique geographical context of the region.

Community Liaison Officer

In May 2014, the TS–NP HHS established a Community Liaison Officer role, dedicated to enhancing consumer experience through close and personal management of suggestions, feedback and complaints about the provision of health service and care to the communities of the Torres Strait and Northern Peninsula.

This role is committed to strengthening the provision of holistic, culturally sensitive, safe healthcare to all consumers including Aboriginal and Torres Strait Islander peoples living in the region. The position also provides an opportunity to strengthen links and partnerships between the local health service and community.

1.4. Machinery of Government changes

TS–NP HHS will amalgamate with the Cape York Hospital and Health Service on 1 July 2014 to become the Torres and Cape Hospital and Health Service.

The amalgamation will result in a more efficient and capable administrative structure. Combining the two health services will reduce unnecessary duplication and allow the health service to put more focus on delivering quality healthcare. The combined entity will have one executive management team and a single board representing the whole region.

2. Strategic direction

2.1. Government objectives for the community

TS–NP HHS contributes to the achievement of Government objectives within *Getting Queensland back on track* objectives to:

Grow a four pillar economy by:

- working with resource and tourism sector partners to ensure health services meet the needs of the communities and visitors to the Torres Strait and Northern Peninsula areas.

Lower the cost of living by:

- delivering the Queensland Government's commitment to improve Patient Transport Subsidy for patients who need to travel to health services.

Invest in better infrastructure and better planning by:

- completing the Asset Management Capability Plan and Framework
- reducing cross sector service duplication in primary health services.

Revitalise front-line services by:

- providing services closer to home by introducing renal dialysis on Thursday Island and improving dental services to the other islands.

Restore accountability in government by:

- working closely with the Queensland Government to implement the *Health Priorities for Action, and Blueprint for better healthcare in Queensland* which sets four principle themes for the provision of health services in Queensland being:
  - Health services focused on patients and people.
  - Empowering the community and our workforce.
  - Providing Queensland with value in health services.
  - Investing, innovating and planning for the future.

2.2. Other whole of government plans/ specific initiatives

The TS–NP HHS contributes to the *Statement of government health priorities*, and to achieving the Queensland Government's *Statement of objectives for the community*, to revitalise frontline services for families and deliver better infrastructure. We add value to healthcare in the TS–NP HHS area through our three tier value framework—capability, courtesy and compassion.

2.3. Torres Strait–Northern Peninsula HHS objectives and performance indicators

In alignment with the directions of government, the TS–NP Hospital and Health Service *Strategic Plan 2013-2017* reflects local priorities and a vision of delivering an accessible health service that provides a strong foundation for all generations to live a healthy and full life. The service objectives are to:

- revitalise services for patients
- improve health outcomes
- improve consumer confidence
- enhance community engagement.

HHS progress towards achieving its objectives is measured using principles of the Queensland Government Performance Management Framework—including the development of strategic and operational plans, and the publication of service results through the Service Delivery Statement and this Annual Report. Underpinned by the relevant legislative frameworks, the TS–NP HHS Service Agreement forms the primary vehicle through which the HHS performance is measured, reviewed and reported against using defined performance indicators and targets to ensure outputs and outcomes are achieved.

The Key Performance Indicators below are used to assess overall performance of the HHS in achieving its objectives.

Figure 1. Key Performance Indicators, Strategic Plan 2013-17

Strategy	Key Performance Indicator
1. Revitalise services for patients	
Streamline and improve frontline clinical services through an extended application of appropriate and responsive care.	Develop and implement an integrated health service delivery model by December 2013.
Develop strategic partnerships to improve collaboration and bilateral agreements for shared healthcare delivery.	Develop partnerships to strengthen healthcare delivery to Aboriginal and Torres Strait Islanders with neighbouring Hospital and Health Services and external providers including Commonwealth Agencies and Not-For-Profit providers.
Invest in improvements to key infrastructure including health centres and staff accommodation.	Develop and implement an Infrastructure Plan for TS-NP HHS for the next 4 years by December 2013.
2. Improve health outcomes	
Create a healthier and more resilient community by changing the focus of health care from illness to wellness by increasing the participation of patients in maintaining and managing their own health.	Aboriginal and Torres Strait Islander potential preventable hospitalisations to be less than or equal to 17.7
3. Improve consumer confidence	
Improve and strengthen the TS-NP HHS' financial and performance management.	• Own Source Revenue including Medicare payments and Commonwealth funding for Indigenous health programs increased by 10% (based on 2012-13 revenue). • Balanced or surplus budget position for YTD
Further develop the TS-NP HHS workforce to ensure sustainability of the organisation and increased quality of health service delivery.	Workforce plan 2013-2017 developed by December 2013.
4. Enhance community engagement	
Identify and implement strategies to enhance community engagement and active participation in the planning, design and delivery of health care services for the region.	• Consumer and Community Advisory Group established by December 2013. • Website and social media points of contact to be created by September 2013.

Revitalise services for patients

- Work on the new $9.64 million Primary Health Care Centre (PHCC) and associated accommodation on Saibai Island was completed in October 2013. The new PHCC now provides the Saibai Island community with modern facilities to improve health service delivery and to meet the challenges of service delivery to Papua New Guinea nationals under the terms of the Torres Strait Treaty.
- A broadband enabled tele-ophthalmology system is now available at the Thursday Island Community Wellness Centre, Badu Island PHCC and Bamaga PHCC as part of a $2 million research project funded jointly by the Australian, Queensland and Western Australian Governments and CSIRO. This new technology assists with reducing travel costs and waiting times, while working towards closing the gap in eye health.
- Planning has started on over $30 million of backlog maintenance to existing infrastructure including hospitals, PHCC's and associated accommodation within the next four years. Work is expected to begin later this year once planning in complete.
- A project to remodel the General Practice clinic and dental facilities at the Thursday Island PHCC is now complete. Funding for the project was secured through the Australian Government's Health Workforce Australia in partnership with James Cook University. Along with larger consulting rooms, the upgrade includes five new dental chairs and full dental X-Ray facilities to allow for training of dental students in their final years of study.
- Construction of the $39 million Adgir Gubau Giz Community Wellness Centre on Thursday Island was completed in May 2013. The centre was officially opened by Mr David Kempton MP, Member for Cook in November 2013. The delivery of the Community Wellness Centre at Thursday Island is part of the state government's Closing the Gap strategy aimed at improving health outcomes for Aboriginal and Torres Strait Islanders.
- A new $5.8 million staff accommodation complex on Thursday Island was officially opened in November 2013. The complex has helped to ease housing pressures on the island and

improved recruitment and retention of health professionals in the Torres Strait region. However, access to suitable housing remains a pressing workforce issue for the TS–NP HHS.

- Upgrade work to the Thursday Island Hospital operating theatre was completed in October 2013. Along with structural improvements, the upgrade provided state-of-the-art anaesthetic technology to allow for remote monitoring and data collection. Adjustments to the existing birthing suite provided a temporary emergency theatre facility during construction, which will continue to be used for emergency procedures if required.
- Work to expand the Bamaga self-care dialysis unit from a one-chair capacity to a four-chair capacity was completed in late 2013. These additional chairs will allow patients who require dialysis to remain in the community while undergoing treatment.
- A new $30,000 infant warmer on order for the Bamaga Hospital maternity ward will provide a safe, powerful and controlled warming environment for newborns, especially babies who are ill, premature or have a low birth weight.

Improve health outcomes

As at March 2014, Aboriginal and Torres Strait Islander potential preventable hospitalisations were equal to 19.5% (greater than the target rate of 17.7%).

Improve consumer confidence

As at 30 June 2014, Own Source Revenue including Medicare payments had decreased by 16% (based on 2012-2013 revenue). Additional administrative processes are now in place to support an increase in Own Source Revenue Medicare payments in the 2014-15 financial year.

In the same period, commonwealth funding for Indigenous health programs had increased by 29%.

Enhance community engagement

Although repeated attempts were made, the Consumer and Community Advisory Committee was not established due to low levels of engagement from the community. Further opportunities will exist to develop advisory groups and committees as well as websites and social media platforms in the new combined Torres and Cape HHS from 1 July 2014.

In May 2014, the TS–NP HHS engaged a Community Liaison Officer to assist in managing patient and community interactions with the HHS. This position will have a key role in establishing culturally respectful and productive networks.

The TS–NP HHS has also focussed on collaborating with local community groups, businesses and the media to deliver more community-based events such as workshops, open days and health information and promotion.

2.4. Torres Strait–Northern Peninsula service areas, service standards and other measures

2.4.1. Reporting on service areas—service performance

The TS–NP HHS reports service delivery under six service areas that reflect our planning priorities and support investment decision-making across the public healthcare sector.

Our service areas are:

Prevention promotion and protection

Aims to prevent illness and injury, actively promote and protect the good health and wellbeing of Queenslanders and reduce the health status gap between the most and least advantaged in the community. This service area is directed at the entire well population or specific sub-populations rather than individual treatment and care, using a range of strategies, such as disease control, regulation, social marketing, community development and screening.

Primary healthcare

The TS-NP HHS, through multidisciplinary teams of healthcare professionals, provides a range of primary healthcare services, including early detection and intervention, and risk factor management programs through community health facilities, child health centres and dental clinics.

Ambulatory care

Provides equitable access to emergency medical services in public hospital emergency departments and services provided through outpatient departments, including a range of pre-admission, post-acute and other specialists medical, allied health nursing and ancillary services.

Acute care

Aims to increase equity of access to high quality acute hospital services on a statewide basis and includes the provision of medical, surgical and obstetric services to people treated as acute admitted patients in Queensland's public acute hospital.

Rehabilitation and extended care

This service area includes rehabilitation, palliative care, respite, psychogeriatric evaluation and management, residential aged care services for young people with physical and intellectual disabilities, and extended care services.

Integrated mental health services

Spanning the health continuum through the provision of mental health promotion and prevention activities (including suicide prevention strategies), community-based services, acute inpatient services and extended treatment services. The aim of mental health services is to promote the mental health of the community, prevent the development of mental health problems where possible, and to provide timely access to assessment and treatment services.

Service standard data 2013-14

TS–NP HHS service standards	Notes	2013-14	2013-14	2013-14
		Target/estimated.	Estimated/actual	Actual
Total weighted activity units:				
Acute inpatients		1,917	1,666	1,666
Outpatients	1	922	401	331
Sub-acute		153	554	554
Emergency department		491	330	330
Mental health		43	31	31
Interventions and procedures		30	2	2
Number of in-home visits, families with newborns		199	272	272
Ambulatory mental health service contact duration	2	3,260	2,149.20	1,791

Notes

1. Actual data reported to May 2014, estimate has projected to June 2014
2. Actual data reported to April 2014, estimate has projected to June 2014

3. Financial performance summary

The TS–NP HHS is committed to delivering appropriate, safe and efficient acute and primary healthcare services as well as improving financial management and restructuring the workforce. The TS–NP HHS achieved an operating surplus of $1.175 million while delivering all services contained in the service agreement with the Department of Health. The surplus is mainly attributed to improved financial management procedures and the implementation of a TS–NP HHS Financial Turn-Around Plan. Through its financial management policies and turn-around framework, the TS–NP HHS is committed to minimising operational expense through the introduction of contestability, implementing an integrated health service and delivering the best possible healthcare to the community. The Torres and Cape HHS will seek to re-invest the surplus in building staff capacity across all disciplines, better infrastructure and increased services available at local centres for the community.

Total expenses for 2013-14 year were $80.15 million, of which employee expenses were $41.55 million (57%) the majority of which was for staff involved in front line servicing.

Total revenues for the 2013-14 year were $81.33 million, of which $78.99 million (97%) was government grants.

At 30 June 2013, the HHS assets totalled $135.48 million and total liabilities were $8.82 million.

The Torres and Cape HHS will continuously drive its strategies to increase revenues and further improve its cost efficiencies and financial strength. To operate a sustainable service the HHS is required to ensure management of costs within budget and value-for-money expenditure in accordance with the State Government purchasing policy. This will be a continued area of focus and the HHS will work closely with the Contestability branch on this.

Challenges that could affect the 2014-15 financial performance and position include:

- uncertainty in attracting and retaining a skilled medical, nursing and health worker workforce, given the remoteness of the HHS's services resulting in increased costs
- the amalgamation with Cape York HHS to form Torres and Cape Hospital and Health Service
- the transfer of government housing to the Queensland Government's Department of Public Works
- the responsibility of long term management of land and buildings
- the poor condition of buildings, requiring capital funding for new or upgraded facilities

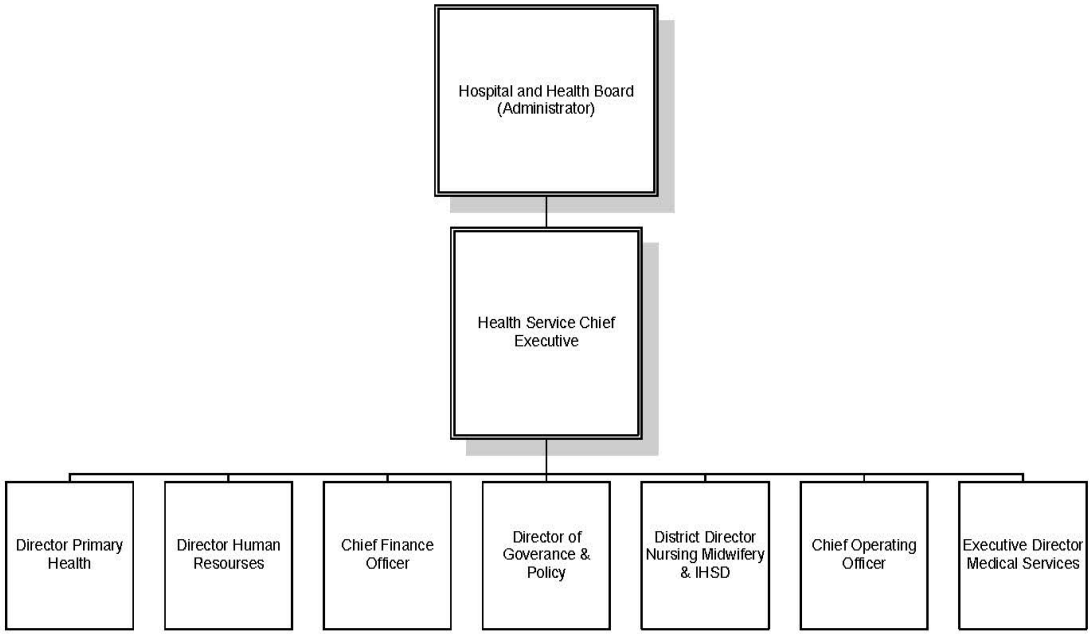
4. Governance – management and structure

4.1. Organisational Structure

During 2013-14, the TS–NP HHS had an administrator and Executive Management team that had the authority and responsibility for the planning, directing and controlling of TS–NP HHS activities.

The Director-General, Queensland Health, was appointed the administrator of the TS–NP HHS, by the Queensland Governor in Council, to act in place of a Hospital and Health Board (HHB). The administrator has the authority to make decisions in respect of the usual functions of a HHB.

Figure 2: Torres Strait–Northern Peninsula HHS Executive Structure



4.2. Executive Management

During the reporting period, the Director of Corporate Services position was discontinued with the introduction of a Chief Operating Officer position based at Thursday Island Hospital. This change brought the TS–NP HHS into closer alignment with other HHSs across Queensland.

At 30 June 2014, the executive management team comprised:

Division and Title	Incumbent	Key responsibilities
Health Service Chief Executive (Acting)	Philip Davies	Responsible for the overall management of TS–NP HHS through major functional areas to ensure the delivery of key government objectives in improving the health and well-being of far north Queenslanders.
Director, Primary Health	Charlotte Tamwoy	Responsible for the leadership and delivery of high-quality, efficient and effective primary healthcare services.
Director of Human Resources* (Acting)	Terry Middleditch	Responsible for supporting the Chief Executive in the development of the HR framework for the service as well as the efficient and effective management of human resources and promoting learning and development.
Chief Financial Officer** (Acting)	Chris Allmond	Responsible for strategic and operational leadership for the financial management function of the HHS. Develop and maintain the reporting systems, policies and guidelines to facilitate effective budgetary and financial management.
Director, Governance and Policy*** (Acting)	Ben Jesser	Provide high-level and confidential support services and advice to coordinate the governance, decision-making and both State and Commonwealth reporting requirements of the TS-NP HHS. Provide strategic leadership, direction and coordination of the Service.
Director Nursing and Midwifery & Integrated Health Service Delivery (Acting) Director of Nursing and Midwifery****	David Tibby	Responsible for the professional leadership and direction of nursing and midwifery services within the HHS; maximising the potential of nursing and midwifery practice to enhance health outcomes and lead the development and implementation of an Integrated Health Service Delivery model.
Chief Operating Officer***** (Acting)	Kerrie Freeman	The Chief Operating Officer is responsible for supporting the Chief Executive in the development and execution of the TS–NP HHS Operational Plan.
Executive Director, Medical Services (EDMS)	Oscar Whitehead	The single point of accountability for the professional leadership and direction of medical services within the TS-NP HHS. The EDMS maximises the potential of medical practice to enhance health outcomes.
Director of Corporate Services****** (Acting)	Danielle Hoins	Responsible for the leadership of the HHS's Corporate Services Branch. The branch includes Human Resources, Supply Services, Travel, Accommodation (staff and patients),

		Assets, General Administration, Operational Engineering support, workplace Health and Safety and rehabilitation for both hospital and community health services.

* The Director of Human Resources position was established on 25 November 2013

** The Chief Financial Officer position was established on 13 November 2012

*** The Director, Governance and Policy position was established on 2 May 2013
**** The Director of Nursing and Midwifery position was adjusted to include the portfolio of Integrated Health Service Delivery on 10 March 2013
***** The Chief Operating Officer position was established on 17 March 2014
****** The vacant Director of Corporate Services position was disestablished on 16 March 2014

The Executive Management Team meets monthly on strategic agenda and weekly on operational agenda. Under its Terms of Reference the purpose and role of this group is to support the Health Service Chief Executive including:

- Making recommendations on the strategic direction, priorities and objectives of the HHS and reviewing and endorsing operational and business plans and actions to achieve these objectives
- Monitoring and reviewing HHS performance against service agreements and Key Performance Indicators and making recommendations for corrective action or improvements
- Reviewing organisational risks and compliance with relevant regulatory requirements, standards, policies and procedures.

4.3. Related Entities

Far North Queensland Medicare Local

The Far North Queensland Medicare Local (FNQML) is an independent not-for-profit company, run by a board and funded by the federal government. The TS–NP HHS recognises the important role that general practice, primary care and acute care play in the delivery of health services. Both agree to:

- promote cooperation with one another in the planning and delivery of health services.
- collaborate wherever possible and practical on matters and issues of common concern and interest.

Both parties work together in order to achieve joint objectives in line with state and national strategies, policies, agreements and healthcare standards.

4.4. Public Sector Ethics Act 1994

TS–NP HHS is a prescribed public service agency under the *Public Sector Ethics Regulation 2010*. Since its establishment on 1 July 2012, TS–NP HHS has been 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*.

All persons working for the HHS, whether on the Board, committees, management, clinicians, support staff, administrative staff or contractors 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.

All new staff are required to undertake the online training— approximately 62 staff completed the training within 2013-14.

In addition to education and training at the point of recruitment, the HHS internal website provides all persons access to appropriate on-line education and training about public sector ethics, including

their obligations under the Code and policies. It is a requirement by the HHS Chief Executive that all line managers ensure that staff regularly, at least once in every year, are given access to appropriate education and training about public sector ethics during their employment.

When breaches of the Code of Conduct were identified in 2013-14 appropriate performance management or other action was taken to ensure continuing compliance with the Code. Where the breaches involved suspected unlawful conduct, the matter was referred to the Department of Health's Ethical Standards Unit or other appropriate agency for further action.

The values inherent in the Strategic Plan 2013-2017 are consistent with the public sector ethics principles and the Code of Conduct.

All HHS administrative procedures and management practices have proper regard to the ethics principles and values, and the approved code of conduct. The HHS conducted periodic reviews during 2013-14 of its human resources policies, procedures and practices to ensure that they comply with all statutory requirements.

5. Governance – risk management and accountability

5.1. Risk Management and audit committee

During 2013-14, the TS–NP HHS's Audit and Risk Committee continued to function under the authority of the administrator in accordance with the *Hospital and Health Boards Act 2011* and under the *Hospital and Health Board Regulation 2012*. The committee is responsible for directly providing independent assurance and assistance to the administrator on the following:

- examine any matter in relation to its objectives as it sees fit or as requested by the administrator
- engage external resources if necessary to obtain independent advice in relation to committee matters with the approval of the administrator
- have access to all levels of management in accordance with agreed protocols in order to seek information from any employee to assist in carrying out the committee's responsibilities
- TS-NP HHS' risk, control and compliance frameworks
- TS-NP HHS' external accountability responsibilities, as prescribed in the *Financial Accountability Act 2009*, the *Auditor-General Act 2009*, the *Financial Accountability Regulation 2009* and the *Financial and Performance Management Standard 2009*.

During 2013-14, the committee met on four occasions, including one meeting to review and endorse the financial statements.

Membership of the Audit and Risk Committee

Name	Membership	Meetings attended
Susan Middleditch (Chair)	Department of Health member	4
John Slaven	Chief Finance Officer, Cairns and Hinterland HHS	3
Greg Edwards	External member	4
Oscar Whitehead	Executive Director, Medical Services	2
Danielle Hoins	Acting Director, Corporate Services	3
Kerrie Freeman	Acting COO (appointed in March 2014)	1

Note: External members on the committee are not remunerated for their time.

The Terms of Reference provides the guidance and direction for the operation of the committee, with specific responsibilities across nine key business functions:

- Financial statements
- Fraud, misconduct and corruption oversight
- Risk management
- Internal control
- Internal audit
- External audit
- Compliance
- Reporting

Following each meeting, minutes were made available to the Executive Management Team.

5.2. External scrutiny

The TS–NP HHS was audited externally by the Queensland Audit Office (QAO).

In accordance with the Queensland Audit Office Report of the 2013-14 financial year, there were no significant findings or issues identified by the audit in the TS–NP HHS that would lead to a material misstatement as part of the financial statement.

In accordance with the *Auditor-General Act 2009* the external audit presents a true and fair view and in all respects the material has been in compliance, and an unqualified auditor's report issued.

5.3. Internal audit

TS–NP HHS has established an internal audit function and operates in accordance with the HHS's approved Internal Audit Charter so as to provide independent, impartial and professional advice to the Administrator and executive management. The Charter is consistent with relevant audit and ethical standards. In addition, the internal audit function has had due regard to Queensland Treasury's Audit Committee Guidelines.

The role and function of the internal audit is to be independent of all operational and functional management and undertake internal auditing activities that add value to the whole HHS by evaluating, benchmarking and recommending improvements to the effectiveness and efficiency of the HHS's governance, controls and risk management processes. The work of the internal audit function is also independent from the work of the external auditors and has due regard to Treasury's *Audit Committee Guidelines*.

Internal Audit reports are communicated to both the Board's Audit and Risk Committee and the Health Service Chief Executive.

Internal audit has no limitation on its access to all HHS staff, administrative records, or other information it may require to perform its audit activities in accordance with the Annual Audit Plan which is reviewed and recommended by the Audit and Risk Committee and approved by the Health Service Chief Executive.

For the 2013-14 year, the TS–NP HHS engaged an external accounting firm, PriceWaterhouseCoopers (PwC) following a tender process.

PwC performed the internal audit for the TS-NP HHS during October 2013 and May 2014. The internal audit focussed on:

October 2013

- Patient Travel Subsidy Scheme
- Remote Area Nursing Incentive Package
- Employee Overtime Payments

May 2014

- Unrecorded Leave Review
- Activity Data Recording and Reporting

The final reports from the October audit were presented to the Audit and Risk Committee on 1 April 2014, reports have not yet been finalised for the May audits.

5.4. Information systems and recordkeeping

TS–NP HHS creates, receives and keeps clinical and business records to support legal, community, stakeholder and business requirements. Records include plans, reports, minutes, correspondence, publications, financial transactions, policy and procedures.

The TS–NP HHS's Executive Management Team and Health Information Manager are developing a strategy to transform how the service captures, uses and manages its information and records within the ICT Queensland Government Enterprise Architecture framework.

The Torres and Cape Hospital and Health Service plans to develop an ICT governance framework to manage ongoing investment and priorities in information management and technology solutions.

6. Governance – Human Resources

6.1. Workforce planning, attraction and retention and performance

Throughout the year, the TS–NP HHS has worked to improve its effectiveness in planning, attracting, developing and retaining its workforce to support the Queensland Public Service, Queensland Health and HHS service delivery objectives.

The HHS monitored and reviewed workforce needs and skills, and aligned workforce planning with business priorities to ensure a flexible workforce and service delivery.

Succession strategies for critical roles included building internal talent through capability development, relieving opportunities and mobility programs.

The TS-NP HHS supports the promotion of flexible working arrangements and work-life balance, such as:

- the implementation of an explicit work and family policy
- flexible working hours and leave arrangements
- working from home and telecommuting
- part-time and job share opportunities.

These initiatives are essential components in attracting and retaining a skilled and capable workforce in a geographically diverse and remote network of health services. Existing and new staff are also encouraged and supported to undertake further education or training to support current work or career aspirations.

Workforce profile of the TS–NP HHS at 30 June 2014:

Position	Full Time Equivalent
Medical including Visiting Medical Officers (VMOs)	12.20
Nursing	116.21
Health Professional, Professional and Technical	23.26
TOTAL clinical Streams	151.67
Managerial and Clinical	89.51
Operational	134.05

Trades, Artisans and General	2.00
TOTAL non clinical streams	225.56
TOTAL FTE (all streams)	377.23
TOTAL separation rate	101.58 FTE or 26.92%

In June 2014, the TS–NP HHS launched its Staff Recognition Awards to recognise the significant contributions of TS–NP staff towards various accomplishments since the HHS was established in 2012. Employees at all levels are eligible to nominate or be nominated by their colleagues for these awards under specific categories. To reduce the effect of geographical boundaries, the winners are announced via video conference with certificates forwarded to the winners later.

Moving forward, the Torres and Cape HHS will continue to align people with business priorities and focus on developing a flexible and resilient workforce able to respond efficiently to changing priorities.

Demographic factors, such as an ageing workforce, and increasing the recruitment of Indigenous employees were addressed through the recruitment and retention of graduates in critical occupational groups. Hard-to-fill roles were identified and targeted advertising was used to attract and retain staff.

The priority during 2013-14 was to build capacity and to provide internal staff development programs across the TS-NP HHS. Career entry programs resulted in:

- employment of four graduates
- Indigenous staff completed or currently enrolled in:
  - 1 x Child Health Electives
  - 4 x Certificate II Primary Health Care
  - 2 x Certificate III Primary Health Care
  - 1 x Certificate IV Accounting
  - 2 x Certificate IV Aboriginal and Torres Strait Islander Primary Health Care
  - 1 x Dual Certificate IV Business and Business Admin
  - 1 x Bachelor of Social Work
  - 1 x Diploma of Business
  - 1 x Diploma of Community Service
  - 1 x Diploma of Aboriginal and Torres Strait Islander Primary Health Care
  - 1 x Grad Diploma Indigenous Health Promotion
  - 1 x Master of Public Health
- employment of five health worker trainees
- professional progression for approximately 23 employees from all streams (staff who have applied and been approved Study and Research Assistance Scheme (SARAS).

6.1.1. Induction

To integrate new employees and to help them understand their role, responsibilities and the culture internally and externally across a complex and geographically dispersed service, all new employees were required to complete the online induction course.

The course covered:

- Queensland Health and the TS–NP HHS structure and functions

- conditions of employment
- behaviour at work
- safety at work
- keeping information safe and secure
- cultural awareness training
- fire and evacuation instructions
- hand hygiene
- clinical competencies.

Employees were required to complete the online courses:

- Code of Conduct for the Queensland Public Service
- Ethical decision making.

Business units and work divisions within the TS-NP HHS also provided information on policies and procedures, and particular needs of the business.

6.1.2. Management and leadership development

A suite of programs was delivered in 2013–14 to develop and strengthen staff capabilities.

The focus was on building management and leadership skills, and building resilience in the workplace, including:

- staff enrolment in a Diploma of Management and Business through external organisations
- line manager and management forums were held throughout the year
- research and sourcing of high-level management programs.

6.1.3. Employee performance management framework

The TS–NP HHS continued with a performance management framework. Supervisors and employees provided input to set clear individual and business unit goals, and objectives to achieve the overall business strategy. This critical partnership between employee, supervisor and the Executive Management team ensures that each employee has a performance and development plan (PAD) that cascades from the strategic plan through the phases of performance planning, (operational plans) assessment, coaching and development. The emphasis is on monitoring of agreed measures, skills, competency requirements, and ongoing learning and development, resulting in a motivated and high performing workforce.

6.1.4. Industrial and employee relations framework

The TS–NP HHS maintained and improved relationships with its industrial partners to promote workplace harmony.

TS–NP HHS meets all obligations under the relevant legislation, awards, agreements and public service directives.

The HHS Consultative Committee is a joint union/employer committee. It provides a regular forum to discuss a broad range of employee issues and is an avenue for consultation between the department and relevant unions regarding current and emerging industrial issues.

6.2. Early retirement, redundancy and retrenchment

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

7. Open data

Additional information to accompany this final report, including overseas travel and consultancy expenditure, can be accessed at www.data.qld.gov.au

8. Financial statements

8.1. Independent Auditors Report

The Queensland Audit Office has conducted an audit of the TS–NP HHS's financial statements to assess whether they are true and fair, and check that account keeping methods meet prescribed requirements.

The Independent Auditor's Report is included within Attachment 1 – Financial Statements 2013-14.

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	ARRs – section 8	ii
Accessibility	Table of contents Glossary	ARRs – section 10.1	iii iv
	Public availability	ARRs – section 10.2	i
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 10.3	i
	Copyright notice	Copyright Act 1968 ARRs – section 10.4	i
	Information Licensing	QGEA – Information Licensing ARRs – section 10.5	i
General information	Introductory Information	ARRs – section 11.1	2
	Agency role and main functions	ARRs – section 11.2	2
	Operating environment	ARRs – section 11.3	3
	Machinery of government changes	ARRs – section 11.4	6
Non-financial performance	Government's objectives for the community	ARRs – section 12.1	7
	Other whole-of-government plans / specific initiatives	ARRs – section 12.2	7
	Agency objectives and performance indicators	ARRs – section 12.3	7
	Agency service areas, and service standards	ARRs – section 12.4	10
Financial performance	Summary of financial performance	ARRs – section 13.1	11
Governance –	Organisational structure	ARRs – section 14.1	12

Summary of requirement		Basis for requirement	Annual report reference
management and structure	Executive management	ARRs – section 14.2	12
	Related entities	ARRs – section 14.3	14
	Government bodies	ARRs – section 14.4	n/a
	Public Sector Ethics Act 1994	Public Sector Ethics Act 1994 (section 23 and Schedule) ARRs – section 14.5	14
Governance – risk management and accountability	Risk management	ARRs – section 15.1	15
	External scrutiny	ARRs – section 15.2	16
	Audit committee	ARRs – section 15.3	15
	Internal audit	ARRs – section 15.4	16
	Public Sector Renewal	ARRs – section 15.5	n/a
	Information systems and recordkeeping	ARRs – section 15.6	17
Governance – human resources	Workforce planning, attraction and retention, and performance	ARRs – section 16.1	17
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment ARRs – section 16.2	19
Open Data	Open Data	ARRs – section 17	20
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Page 35 of Attachment 1
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Page 26 of Attachment 1

Summary of requirement		Basis for requirement	Annual report reference
	Remuneration disclosures	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	Page 32 of Attachment 1

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2009

ARRs Annual report requirements for Queensland Government agencies

Attachment 1 – TS–NP Financial Statements

Financial Statements 30 June 2014

Torres Strait–Northern Peninsula Hospital and Health Service

ABN 84 401 636 498

Torres Strait-Northern Peninsula Hospital and Health Service

Financial Statements 2013-2014

General Information

The Torres Strait-Northern Peninsula Hospital and Health Service (the "Service") was established on 1 July 2012 as a Queensland Government statutory body under the *Hospital and Health Boards Act 2011.* The Service operates under ABN 84 401 636 498.

The Service is controlled by the State of Queensland which is the ultimate parent entity.

The head office and principal place of business of the Service is:
163 Douglas Street
THURSDAY ISLAND QLD 4875

A description of the nature of the Service's operations and its principal activities is included in the notes to the Financial Statements.

For information in relation to the Service's Financial Statements visit the Torres Strait-Northern Peninsula Hospital and Health Service website at: http://www.health.qld.gov.au/services/torresstrait-np

Torres Strait–Northern Peninsula Hospital and Health Service
Statement of Comprehensive Income
For the year ended 30 June 2014

Statement of Comprehensive Income

	Notes	2014 $'000	2013 $'000
Revenue			
User charges and fees	4	79,844	80,232
Grants and other contributions	5	510	200
Other revenue	6	973	1,145
Total Revenue		**81,327**	**81,577**
Expenses			
Employee expenses	7	371	367
Health service employee expenses	8	41,176	45,035
Supplies and services	9	31,718	28,831
Grants and subsidies	10	419	465
Depreciation	11	5,841	4,125
Impairment losses	12	93	440
Other expenses	13	534	1,084
Total expenses		**80,152**	**80,347**
Operating result for the Year		**1,175**	**1,230**
Other comprehensive income			
Items that will not be subsequently reclassified to operating result:			
Increase/(Decrease) in asset revaluation surplus	21	(212)	3,121
Total other comprehensive income		**(212)**	**3,121**
Total comprehensive income		**963**	**4,351**

The accompanying notes form part of these statements.

Torres Strait–Northern Peninsula Hospital and Health Service
Statement of Financial Position
For the year ended 30 June 2014

Statement of Financial Position

	Notes	2014 $'000	2013 $'000
Current assets			
Cash and cash equivalents	14	12,275	11,108
Receivables	15	707	1,426
Inventories	16	146	177
Other current assets	17	-	6
Total current assets		**13,129**	**12,717**
Non-current assets			
Property, plant and equipment	18	122,353	117,740
Total non-current assets		**122,353**	**117,740**
Total assets		**135,481**	**130,457**
Current liabilities			
Payables	19	8,816	9,863
Accrued employee benefits	20	-	17
Total current liabilities		**8,816**	**9,880**
Total liabilities		**8,816**	**9,880**
Net assets		**126,666**	**120,577**
Equity			
Contributed equity		121,353	116,226
Accumulated surplus		2,404	1,230
Asset revaluation surplus	21	2,909	3,121
Total equity		**126,666**	**120,577**

The accompanying notes form part of these statements.

Statement of Changes in Equity

	Notes	Accumulated Surplus/Deficit	Asset Revaluation Surplus	Contributed Equity	Total
		$'000	$'000	$'000	$'000
Balance as at the 1 July 2012		-	-	-	-
Operating result from continuing operations		1,230			1,230
Other comprehensive income					
Increase in asset revaluation surplus	21		3,121		3,121
Total Comprehensive Income for the Year					
Transactions with owners as owners					
Net assets transferred under National Health Reform	3			90,630	90,630
Non appropriated asset transfers	3			28,611	28,611
Non appropriated equity injections				1,074	1,074
Non appropriated equity withdrawals				(4,089)	(4,089)
Net Transactions with Owners as Owners				116,226	116,226
Balance as at 30 June 2013		**1,230**	**3,121**	**116,226**	**120,577**
Balance as at the 1 July 2013		1,230	3,121	116,226	120,577
Operating result from continuing operations		1,174			1,175
Other comprehensive income					
Increase in asset revaluation surplus	21		(212)		(212)
Total Comprehensive Income for the Year					
Transactions with owners as owners					
Net assets transferred under National Health Reform					
Non appropriated asset transfers				9,358	9,358
Non appropriated equity injections				1,606	1,606
Non appropriated equity withdrawals				(5,837)	(5,837)
Net Transactions with Owners as Owners				5,127	5,127
Balance as at 30 June 2014		**2,404**	**2,909**	**121,352**	**126,666**

The accompanying notes form part of these statements.

Statement of Cash Flows

	Notes	2014 $'000	2013 $'000
Cash flows from operating activities			
Inflows			
User charges and fees		73,372	78,160
Grants and other contributions		510	200
Interest receipts		32	36
GST collected from customers		51	43
GST input tax credits from Australian Taxation Office		1,934	1,468
Other		945	1,108
Outflows			
Employee expenses		(371)	(350)
Health service employee expenses		(40,744)	(43,997)
Supplies and services		(32,127)	(23,991)
Grants and subsidies		-	(465)
GST paid to suppliers		(2,013)	(1,643)
GST remitted to Australian Taxation Office		(65)	(26)
Other		(648)	(436)
Net cash provided by operating activities	22	**876**	**10,107**
Cash flows from investing activities			
Outflows			
Payments for property, plant and equipment	18	(1,315)	(971)
Net cash used in investing activities		**(1,315)**	**(971)**
Cash flows from financing activities			
Inflows			
Non appropriated equity injections		1,606	1,074
Net cash provided by financing activities		**1,606**	**1,074**
Net increase in cash and cash equivalents		**1,167**	**10,210**
Cash and cash equivalents at the beginning of the financial year		11,108	-
Cash and cash equivalents transferred under National Health Reform		-	898
Cash and cash equivalents at the end of the financial year	14	**12,275**	**11,108**

The accompanying notes form part of these statements.

Notes to the Financial Statement

1 Objectives and strategic priorities of the Service

The Torres Strait–Northern Peninsula Hospital and Health Service (the "Service") is an independent not for profit statutory body responsible for providing public health services to a population of just under 11,000 living in the geographic area of the Torres Strait and five communities in the Northern Peninsula Area. The public health services provided by the Service are defined in the Service Agreement with the Department of Health as manager of the public hospital system.

The Service's Strategic Plan for 2013 to 2017 outlines the vision to deliver consistent, quality accessible and culturally effective health services to the community in the Torres Strait and Northern Peninsula Area. As part of the Strategic Plan, the Service also seeks to contribute to the National Indigenous Reform Agreement (NIRA) which aims to close the gap in disadvantage between Indigenous and non-indigenous Australians.

To achieve this, it is essential that services are well planned and organised and that they evolve and change in line with changing practice and community needs. This is reflected in the key objectives of the Service:

- Revitalise front line health services and improve their cultural effectiveness
- Increase the emphasis on keeping people well, and avoiding preventative hospitalisations
- Improve confidence in the Service's capability, governance and financial sustainability
- Enhance engagement and working relationships with patients, families, communities and other health providers.

2 Summary of significant accounting policies

(a) Statement of compliance

The Hospital and Health Boards Amendment Regulation (No.1) 2014, made by Governor in Council on 24 April 2014, amended the Hospital and Health Boards Regulation 2012 to establish a new Torres and Cape Hospital and Health Service commencing on 1 July 2014.

The Cape York Hospital and Health Service and the Torres Strait-Northern Peninsula Hospital and Health Service were amalgamated to form this new Torres and Cape Hospital and Health Service.

The Cape York Hospital and Health Service and the Torres Strait-Northern Peninsula Hospital and Health Service were abolished on 30 June 2014 and the assets of the two abolished Services, other than non-operational housing assets, became the assets of the new Service and liabilities are assumed by the new Service. Non-operational housing assets transferred to the Department of Housing and Public Works on 1 July 2014, refer Note 29(b).

As a result of the amendment Regulation abolishing the Service, the Service is no longer a going concern. While it is not a going concern, these final financial statements have been prepared consistent with the going concern basis as the Service's functions and services will continue to be delivered by the new Torres and Cape Hospital and Health Service (TCHHS). The values of assets and liabilities reported in these financial statements represent their carrying amounts immediately prior to the transfer to the new Torres and Cape Hospital and Health Service and the Department of Housing and Public Works (non-operational housing assets).

The Service has prepared these financial statements in compliance with section 62 (1) of the *Financial Accountability Act 2009* and section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ended 30 June 2014, and other authoritative pronouncements. Except where stated, the historical cost convention is used.

(b) The reporting entity

The Service prepares individual financial statements, which include the value of all revenues, expenses, assets, liabilities and equity of the Service. The Service does not have any controlled entities.

Establishment of the Entity

The Service was established as a statutory body on 1 July 2012. Details of its formation are set out below.

On 2 August 2011, Queensland, as a member of the Council of Australian Governments signed the National Health Reform Agreement, committing to major changes in the way that health services in Australia are funded and governed. These changes took effect from 1 July 2012 and include:

2 Summary of significant accounting policies (continued)

(b) The reporting entity (continued)

- moving to a purchaser-provider model, with health service delivery to be purchased from legally independent hospital networks (statutory bodies to be known as Hospital and Health Services (HHSs) in Queensland)
- introducing national funding models and a national efficient price for services. It is expected that the block funding in the future will also be influenced by the national efficient price for services.

The *Health and Hospitals Network Act 2011* (HHN Act), enabling the establishment of the new health service entities and the System Manager role for the Department of Health in Queensland, was passed by the Queensland Parliament in October 2011. On 17 May 2012, the Minister for Health introduced amending legislation into the Parliament to expand the functions of HHSs under the HHN Act. The amended legislation is known as the *Hospital and Health Boards Act 2011* (HHB Act).

Balances transferred at 1 July 2012

On 1 July 2012, net assets of the Torres Strait and Northern Peninsula District of Queensland Health were transferred from Queensland Health to the Service at fair value. This was executed via a transfer notice (Deed of Lease arrangement) signed by the Minister for Health, designating that the transfer be recognised as a contribution by owners through equity.

The transferred balances were reflected in the 30 June 2012 financial statements of Queensland Health audited by the Queensland Audit Office. A cash balance was also transferred to the Service which was the amount required to ensure that the Service could commence operations with a balanced working capital position. Consequently net assets of $90.6 million were transferred from Department of Health to the newly created statutory body on 1 July 2012.

(c) Fiduciary trust transactions and balances

The Service acts in a fiduciary capacity in relation to patient monies provided to the Service to safe keep in a specific patient trust bank account. The transactions and balance of the patient trust account is not recognised in the financial statements. No disclosure is included in these financial statements as for the 2013-2014 year there were no patient trust transactions or balance at the end of the financial year. Trust activities are included in the annual audit performed by the Auditor-General of Queensland.

(d) User charges and fees

User charges and fees primarily comprises Department of Health funding, hospital fees, reimbursement of pharmaceutical benefits and sales of goods and services. There has been a change in the recognition of Department of Health funding from grants and other contributions in 2012-13 to user charges and fees this year, refer Note 2(cc) for details.

User charges and fees controlled by Torres Strait-Northern Peninsula HHS are recognised as revenues when the revenue has been earned and can be measured reliably with sufficient degree of certainty. User charges and fees are controlled by the HHS where they can be deployed for the achievement of Torres Strait-Northern Peninsula HHS's objectives.

The funding from Department of Health is provided predominantly for specific public health services purchased by the Department from Torres Strait-Northern Peninsula HHS in accordance with a service agreement between the Department and Torres Strait-Northern Peninsula HHS.

The funding from Department of Health is received fortnightly in advance. At the end of the financial year, a financial adjustment may be required where the level of services provided is above or below the agreed level.

Revenue recognition for other user charges and fees is based on either invoicing for related goods, services and/or the recognition of accrued revenue.

2 Summary of significant accounting policies (continued)

(e) Grants and other contributions

Grants, contributions and donations that are non-reciprocal in nature are recognised as revenue in the year in which the Service obtains control over them. This includes amounts received for programs that have not been fully completed at the end of the financial year. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

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

(f) Interest revenue

Interest revenue is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest rate method.

(g) Recoveries

General recoveries represent money reimbursed to the Service for costs incurred in relation to Health Service Employees by either external organisations or other Government bodies.

Recoveries from Work Cover relate to receipt of money for claims in relation to worker's compensation.

(h) Special Payments

Special payments include ex gratia expenditure and other expenditure that the Service is not contractually or legally obligated to make to other parties. In compliance with the Financial and Performance Management Standard 2009, the Service maintains a register setting out the details of all special payments greater than $5,000. The total of all special payments (including those of $5,000 or less) is disclosed separately within Other Expenses (refer Note 13). However, descriptions of the nature of special payments are only provided for special payments greater than $5,000.

(i) Finance and borrowing costs

Finance costs (bank fees and charges) are recognised as an expense in the period in which they are incurred. The Service has no borrowing costs in the current reporting period.

(j) Cash and cash equivalents

The Service's bank accounts form part of the Whole-of–Government banking arrangements with the Commonwealth Bank of Australia. Under this arrangement, the service has access to the whole-of-Government debit facility with a $1,500,000 limit approved by Queensland Treasury and Trade. The draw down balance as at 30 June 2014 is nil.

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked as at 30 June 2014.

(k) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery less any impairment. Settlement of these amounts is required within 30 days from invoice date.

The recoverability of trade debtors is reviewed periodically with an allowance being made for impairment. All known bad debts are written off when identified. Refer Note 15.

(l) Inventories

Inventories consist of pharmacy supplies held in the Thursday Island Pharmacy for distribution to and consumption by hospitals and clinics. Inventory does not include supplies held for ready use in wards of hospitals and clinics. These are expensed as issued from the Thursday Island Pharmacy.

Inventories are measured at the lower of cost and net realisable value. Inventory is measured as the weighted average cost (including expenditure incurred in acquiring them and bringing them to their existing location and condition).

2. Summary of significant accounting policies (continued)

(m) Property, plant and equipment

The Service holds property, plant and equipment in order to meet its core objective of providing quality health care. Items of property, plant and equipment with a cost or other value equal to more than the following thresholds and with a useful life of more than one year are recognised at acquisition. Items below these values are expensed on acquisition.

Buildings (includes Land Improvements)	$10,000
Land	$1
Plant and Equipment	$5,000

Property, plant and equipment are initially recorded at consideration plus any other costs directly incurred in bringing the asset ready for use. Items or components that form an integral part of an asset are recognised as a single (functional) asset.

Where assets are received for no consideration from another Queensland Government entity (whether as a result of a Machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are initially recognised at their fair value at the date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

Under the National Health Reform (refer Note 2b), the control of land and buildings used by the Service were transferred to the Service via a transfer notice (Deed of Lease arrangement) on 1 July 2012. Under the arrangement, legal ownership of land and buildings remains with the Department of Health, but the property is reported on the balance sheet of the Service as the Service substantially holds all the risks and rewards incidental to ownership of the land and building assets during the term of the lease arrangement. These transferred assets have been disclosed separately in Note 18.

(n) Revaluations of non-current physical assets

Land and buildings are measured at fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector.*

In respect of these asset classes, the cost of items acquired during the financial year has been judged by management to materially represent the fair value at the end of the reporting period.

Land is measured at fair value using indexation by the State Valuation Service (SVS) within the Department of Natural Resources and Mines. The SVS supplied the index for land and provided assurance of their robustness, validity and appropriateness for application of the index to the relevant assets. The index used in the revaluation process has been reviewed by the Service to ensure the application of the index results in a valid estimation of the asset's fair value at reporting date.

Buildings are measured at fair value utilising either independent revaluation or applying an interim revaluation methodology developed by the external registered quantity surveyor valuer. Assets under construction are not revalued until at least one year after their commissioning date. The *Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector* require an independent valuation at least every five years for assets considered material to the financial statements. The valuation is based on the highest and best use for each asset and reflects the likely exit price in the principal market for an asset of this type.

In considering materiality of buildings, a policy has been adopted to ensure at least eighty percent of buildings have a comprehensive independent valuation every five years. In addition, any buildings identified with specific risk factors will be included in the comprehensive revaluation program. In the 2013-2014 financial year, 35% (2013: 83%) of the Service's buildings were comprehensively revalued. The comprehensive revaluation and the indexation results have been reviewed by the Service to ensure the result is a valid estimation of the asset's fair value at reporting date.

Plant and equipment is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for plant and equipment at cost should not materially differ from their fair value. Fair value is generally considered to be market value. However, in accordance with Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*, where no market-based evidence exists to derive fair value, the fair value will be calculated using depreciated replacement cost.

2 Summary of significant accounting policies (continued)

(n) Revaluations of non-current physical assets (continued)

Depreciated replacement cost is the cost of replacing the future service potential embedded in that asset, adjusted to reflect the condition of the asset being currently valued (ie. Replacement cost less cost to bring the asset to current standards). This method is applicable to the specialised properties used for health service provision and assumes a zero residual value. A summary of fair value methodology for buildings is below:

- Staff accommodation (Off-site) – Market Value
- Staff accommodation (On-site) – Depreciated replacement Cost
- Health Service Delivery – Depreciated replacement Cost

In determining the depreciated replacement cost of each building, the quantity surveyors consider a number of factors such as age, location, functionality and physical condition. The model developed by the quantity surveyor creates an elemental cost plan using these quantities and the model includes multiple building types and is based on their experience of cost managing construction contracts. The costs are at Brisbane prices and published location indices are used to adjust pricing to suit local market conditions. The cost to bring the asset to current standards is the estimated costs of refurbishment, assuming a building with the same form (size and shape) and functionality

The following table outlines the condition assessment rating applied to each building which assists the valuer in determining the cost to bring asset to a current standard. Each category has sub-categories to ensure that assets do not experience significant change in value as the condition rating changes.

Category	Condition	Description
1	Very good condition	Only normal maintenance required
2	Minor defects only	Minor maintenance required
3	Maintenance required to return the building to accepted level of service	Significant maintenance required
4	Requires renewal	Complete renewal of the internal fit out and engineering services required
5	Asset unserviceable	Complete asset replacement required

Revaluation increments are 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 Service has adopted the gross method of reporting comprehensively revalued assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets. Accumulated depreciation is restated proportionally in accordance with the independent valuation. The proportionate method has been applied to those assets that have been revalued by way of indexation.

Plant and equipment is measured at cost net of accumulated depreciation and any impairment in accordance with Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*.

(o) Depreciation of non-current physical assets

Property, plant and equipment are depreciated on a straight-line basis. Annual depreciation is based on fair values and the Service's assessment of the useful remaining life of individual assets. Land is not depreciated as it has an unlimited useful life. Assets under construction (work-in-progress) are not depreciated until they are ready for use.

Any expenditure that increases the capacity or service potential of an asset is capitalised and depreciated over the remaining useful life of the asset. Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate. For each class of depreciable assets, the following depreciation rates were used:

2 Summary of significant accounting policies (continued)

(o) Depreciation of non-current physical assets (continued)

Class	Depreciation rates
Buildings	2% - 4%
Plant and Equipment	4% - 25%

All non-current assets are assessed for indicators of impairment on an annual basis in accordance with AASB 136 *Impairment of Assets*. If an indicator of impairment exists, the Service determines the asset's recoverable amount (higher of value in use and fair value less costs to sell). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss.

(p) Impairment of non-current physical assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount, in which case the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) Fair value measurement

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets or liabilities being valued. Observable inputs used by the service include, but are not limited to, published sales data for land and general buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristic of the assets or liabilities being valued. Significant unobservable inputs used by the service include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the service's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics and functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets or 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 or by selling it to another market participant that would use the asset in its highest and best use.

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

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

2. Summary of significant accounting policies (continued)

(q) Fair value measurement (continued)

None of the Service's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. As 2013-14 is the first year of application of AASB 13 *Fair Value Measurement* by the Service, there are no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the Service's property, plant and equipment is outlined in Note 18a.

r) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease payments are allocated between the principal component of the lease liability and the interest expense. For the reporting period, there were no finance leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability. For the financial year, there were no lease incentives received.

As a result of the amalgamation leases registered in the name of the former HHS have been vested in the name of the new Torres and Cape Hospital and Health Service. This vesting applies to all leases registered in the name of the former HHS including private leases, leases with councils, and all leases with Department of Housing and Public Works.

(s) Payables

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

Payables also include accruals for amounts to be paid for goods and services received, for which an invoice has not yet been received.

(t) Financial instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit or loss;
- Receivables – held at amortised cost;
- Payables – held at amortised cost.

The Service does not enter into transactions for speculative purposes, not for hedging.

Other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 26.

(u) Employee benefits

Under section 20 of the *Hospital and Health Boards Act 2011* (HHB Act), the Service can employ board members, a Chief Executive Officer and health executives, and (where regulation has been passed for the Service to become a prescribed service) a person employed previously by the Department of Health as a health service employee. Where the Service has

2. **Summary of significant accounting policies (continued)**

(u) Employee benefits (continued)

not received the status of a "prescribed service", staff working in the Service remain legally employees of the Department of Health.

Employee expenses relating to Department of Health employees engaged as Health Service employees

During the reporting period, the Service was not a prescribed service and accordingly all staff previously employed by the Department of Health working in the Torres Strait-Northern Peninsula district have remained employed by the Department of Health in 2013-2014.

Provisions in the HHB Act enable the Service to perform functions and exercise powers to ensure the delivery of its operational plan. Under this arrangement:

- The Department of Health provides employees to perform work for the Service, and the Department of Health acknowledges and accepts its obligations as the employer of these Department of Health employees.
- The Service is responsible for the day to day management of these employees.
- The Service reimburses the Department of Health for the salaries and on-costs of these employees.

As a result of this arrangement, the Service treats the reimbursements to the Department of Health for these employees in these financial statements as Health Service Employee expenses. The reimbursement amount is based on the total employee expense associated with these employees. Refer Note 8.

Employee expenses relating to the Service's directly engaged employees

In addition to the employees of the Department of Health, the Service may engage executive employees directly. The information detailed below relates specifically to the directly engaged employees of the Service, which for 2013-2014 was only the Health Service Chief Executive.

The Service classifies salaries and wages, rostered days-off, sick leave, annual leave and long service leave levies and employer superannuation contributions as employee benefits in accordance with AASB 119 *Employee Benefits* (Note 7).

Wages and salaries due but not paid at reporting date are recognised in the Statement of Financial Position at current salary rates (refer Note 20). Non-vesting employee benefits such as sick leave are recognised as an expense when taken.

Annual Leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercial business units, shared service providers and selected not for profit statutory bodies. The Service was admitted into this arrangement effective 1 July 2012. Under this scheme, a levy is made on the Service to cover the cost of employee's annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. The Department of Health centrally manages the levy and reimbursement process on behalf of the Service.

No provision for annual leave is recognised in the Service's financial statements as the liability 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.*

Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Service to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. The Department of Health centrally manages the levy and reimbursement process on behalf of the Service.

No provision for long service leave is recognised in the Service's financial statements as the liability 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 QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Service's obligation is limited to its contribution to QSuper.

2 Summary of significant accounting policies (continued)

(u) Employee benefits (continued)

Superannuation (continued)

The QSuper scheme has defined benefit and defined contribution categories. 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*

The Service complies with *The Superannuation Guarantee (Administration) Act 1992* (Superannuation Guarantee) which requires the Service to provide a minimum superannuation cover for all eligible employees. The minimum level of superannuation cover under the Superannuation Guarantee is a specified per cent of each eligible employee's earnings base.

Other employee and health service employee related expenses

Payroll tax

Payroll tax is not counted in an employee's total remuneration package and is not an employee benefit as per AASB 119 *Employee Benefits*. For directly engaged employees of the Service, payroll tax is included in other employee related expenses in Note 7. For Health Service employee expenses, payroll tax is included in other Health Service employee expenses in Note 8.

Worker's Compensation

The Service is covered by the Department of Health policies with Work Cover for directly engaged employees as well as Health Service employees and pays a fee to the Department of Health as a fee for service arrangement. This is included in supplies and services, refer Note 9.

Other expenses

Other expenses include professional development costs incurred by the Service, mainly relating to the Remote Area Nursing Incentive Package. These expenses are included in other health service employee expenses, refer Note 8.

Key management personnel and remuneration

Key management personnel and remuneration disclosures include direct employees of the Service and also employees of the Department of Health engaged as Health Service employees. Disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to Note 27 for the disclosures on key management personnel and remuneration.

(v) Insurance

The Service is covered by the Department of Health insurance policies with Queensland Government Insurance Fund (QGIF) and pays a fee to the Department of Health as a fee for service arrangement. This is included in supplies and services, Under this arrangement refer Note 9.

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

Torres Strait-Northern Peninsula HHS receives corporate services support from the Department of Health for no cost. Corporate services received include payroll services, accounts payable services, accounts receivable services, finance transactional services, taxation services, supply services and information technology services. As the fair value of these services is unable to be estimated reliably, no associated revenue and expense is recognised in the Statement of Comprehensive Income.

(x) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland Public Sector entities are treated as non appropriated asset transfers in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities.*

Equity injections are received from the Department of Health in relation to minor capital funding and capital reimbursement programs. Equity withdrawals relate to depreciation funding received from the Department of Health under a service agreement.

2 Summary of significant accounting policies (continued)

(y) Taxation

The Service is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes recognised by Torres Strait-Northern Peninsula Hospital and Health Service. The GST transactions with the Australian Tax Office are lodged and managed via the Department of Health.

Both the Service and the Department of Health satisfy section 149-25(e) of the A New Tax System (Goods and Services) Act 1999 (Cth) (the GST Act) and were able, with other Hospital and Health Services, to form a "group" for GST purposes under Division 149 of the GST Act. This means that any transactions between the members of the "group" do not attract GST. However, all entities are responsible for the payment or receipt of any GST for their own transactions. As such, GST credits receivable from and payable to the Australian Taxation Office (ATO) are recognised and accrued. Refer Note 15. GST transactions with the ATO are lodged and managed via DoH.

(z) Issuance of financial statements

The financial statements are authorised for issue by the former Administrator and the former Health Service Chief Executive, at the date of signing the Management Certificate.

(aa) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

Property, plant and equipment - Notes 2(o) - (p) and Note18;
Receivables - Note 15;
Contingencies - Note 25; and
Depreciation - Note 2(r) and Note 11.

(bb) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where the amount is $500 or less, to zero unless the disclosure of the full amount is specifically required. The full amount has been disclosed for key management personnel remuneration disclosures (refer Note 27).

(cc) Voluntary change in accounting policy

The HHS has made a voluntary change in accounting policy for the recognition of funding provided by the Department of Health under a service agreement between the Department and Torres Strait-Northern Peninsula HHS. The service agreement specifies those public health services purchased by the Department from Torres Strait-Northern Peninsula HHS.

In 2012-13 the Department of Health provided this funding as grant payments but for 2013-14 has determined that the payment is not of a grants nature but rather is procurement of public health services. Specific public health services are received by the department under a service agreement and the department has determined that it receives approximately equal value for the payment provided, and directly receives an intended benefit.

To align with this basis of funding provided by the Department of Health under a service agreement, Torres Strait-Northern Peninsula HHS now recognises the 2013-14 funding of $79,349,372 as User Charges and Fees revenue for 2013-14 rather than as grants revenue which occurred in 2012-13. The main affect is that the revenue is now recognised under the criteria detailed in AASB 118 *Revenue* for 2013-14, rather than under AASB 1004 *Contributions* in 2012-13. The revenue recognition criteria is described in Notes 2(d) User charges and fees and Note 2(e) Grants and other contributions.

This change in accounting policy has been applied retrospectively with the affect that Grants and other contributions revenue for 2012-13 has reduced by $79,731,587 and User charges and fees revenue has increased by the same amount.

2 Summary of significant accounting policies (continued)

(dd) New and revised accounting standards

The Service did not voluntarily change any of its accounting policies during 2013-14. The only Australian Accounting Standard changes applicable for the first time as from 2013-14 that have had a significant impact on the service's financial statements are those arising from AASB 13 *Fair Value Measurement*, as explained below.

AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of the Service's assets and liabilities (excluding leases) that are measured and disclosed at fair value or another measurement based on fair value. The impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

The Service reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to assess whether those methodologies comply with AASB 13. To the extent that the methodologies didn't comply, changes were made and applied to the valuations. None of the changes to valuation methodologies resulted in material differences from the previous methodologies.

AASB 13 has required an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. For those fair value measurements of assets or liabilities that substantially are based on data that is not 'observable' (i.e. accessible outside the department), the amount of information disclosed has significantly increased. Note 2(q) explains some of the principles underpinning the additional fair value information disclosed. Most of this additional information is set out in Note 18 Property plant and equipment

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. The only implications for the Service relate to clarifications made in relation to termination and short term employee benefits. The changes set out in the revised AASB 119 will not have a material impact on disclosure for the prior period or the current period.

Certain new Australian accounting standards and interpretations have also been published that are not mandatory for 30 June 2014 reporting period. The Service is not permitted to early adopt accounting standard unless approved by Queensland Treasury and Trade. Consequently, the Service has not applied any Australian Accounting Standards and Interpretations that have been issued but not yet effective.

As at 30 June 2014, the following Accounting Standards had been issued by the AASB but were not yet effective. They may impact the Service in future periods. The potential effect of the revised Standards and Interpretations on the Service's financial statements has not yet been determined.

AASB 1055 Budgetary Reporting and 2013-1 Amendments to AASB 1049 – *Relocation of Budgetary Reporting Requirements (effective 1 July 2014).* This Standard specifies budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. Disclosures made in accordance with this Standard will provide users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it. The Service will be required to include the original budgeted financial statements as presented to parliament in the same format as the statutory financial statements together with explanations of major variances between the actual amounts presented in the financial statements and the corresponding original budget amounts. The Service does not intend to adopt the revised standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2015.

3 Major activities and other events

Torres Strait-Northern Peninsula HHS and Cape York HHS amalgamation

On the Wednesday, 4 December 2013 the amalgamation of the Torres Strait–Northern Peninsula HHS and Cape York HHS was announced by the Minister for Health. Since this date the Service has been working collaboratively with the Cape York HHS to ensure the new entity is operating effectively from 1 July 2014.

4 User charges and fees

	2014 $'000	2013 $'000
Australian Government funding		
Rural and Remote Medical Benefits Scheme	1,563	1,698
Indigenous health funding	2,381	1,260
Home and community care grants	130	229
Total Australian Government funding	**4,074**	**3,187**
State Government funding		
Block funding	46,238	62,234
Department of Health funding	23,165	10,155
Depreciation funding	5,837	4,089
Home and community care grants	34	66
Total State Government funding	**75,275**	**76,544**
Other User charges and fees		
Hospital and clinical fees	313	214
Sale of medical services and products	182	287
Total Other User charges and fees	**495**	**501**
Total User charges and fees	**79,844**	**80,232**

*Funding is provided in accordance with the 2013-2014 Service Agreement between the Service and the Department of Health. An amalgamated Service Agreement for Torres Cape HHS has been negotiated for 2014-2015 (refer Note 28.)

5 Grants and other contributions

Australian Government grants and contributions		
Indigenous health grants	-	156
Total Australian Government grants and contributions	**-**	**156**
State Government grants and contributions		
Other	204	40
Total State Government grants and contributions	**204**	**40**
Donations	-	4
Other grants and contributions	306	-
Total grants and contributions	**510**	**200**

6 Other revenue

Interest revenue	32	36
General recoveries	609	816
WorkCover recoveries	2	159
Other	330	134
	973	**1,145**

7 Employee expenses

	2014 $'000	2013 $'000
Employee benefits		
Wages and salaries	288	292
Employer superannuation contributions	41	37
Annual leave expense	42	14
Long service leave expense	-	7
Employee related expenses		
Payroll tax	-	17
	371	367

During the reporting period, only the Health Service Chief Executive was employed directly by the Service (refer Note 2 (u)).This was on a full-time basis. Further details in relation to employment benefits are reported in Note 27.

8 Health service employee expenses

Health service employee expense	40,970	44,772
Health service employee related expenses	207	263
	41,176	45,035

At 30 June 2014, the number of health service employees was 363 (2013: 371). This includes full-time and part-time employees measured on a full time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)).
Health service employee expenses above include (2013: $1,371,818) paid to key management personnel (refer Note 27.) During the 2012-2013 year, the Health service employee expenses also include:
$2,400,509 of termination benefits paid to 39 health service employees who accepted redundancies through the Department of Health's voluntary redundancy program in 2012-2013 financial year. The Service received funding for this amount from Department of health in 2012-2013. This amount is included in user charges and fees from Department of Health (refer note 4).

9 Supplies and services

	2014 $'000	2013 $'000
Consultants and contractors	6,581	4,739
Electricity and other energy	990	1,086
Patient travel	6,255	5,035
Other travel	2,801	2,584
Building services	638	477
Computer services	486	487
Communications	910	959
Freight	449	458
Repairs and maintenance	2,978	2,023
Expenses relating to capital works	331	224
Operating lease rentals	2,734	2,360
QGIF Insurance premium paid to the Department of Health	340	334
Work Cover premium paid to the Department of Health	1,029	990
Drugs, bloods and parts	2,905	4,411
Clinical supplies and services	1,129	1,088
Catering and domestic supplies	913	1,377
Other	248	199
	31,718	28,831

	2014 $'000	2013 $'000
10 Grants and subsidies		
Grants and subsidies	419	465
	419	**465**
11 Depreciation		
Buildings	4,969	3,358
Plant and equipment	872	767
	5,841	**4,125**
12 Impairment losses		
Impairment losses on receivables	93	440
	93	**440**
13 Other expenses		
External audit fees *	139	140
Internal audit fees	280	132
Bank fees	1	1
Inventory written off	46	75
Asset retirement expense	7	574
Special payments		
Ex-gratia payments**	-	85
Other legal costs	11	40
Advertising	49	27
Other	-	10
	534	**1,084**

* Total Audit fees paid to the Queensland Audit Officer for the 2013-14 financial year were estimated to be $0.139 million (2013 $0.140 million).

** During the comparative reporting period, an ex-gratia payment of $85,372 was made to a former employee of Queensland Health working in the Torres Strait and Northern Peninsula Area district as compensation for a claim made during the prior year ended 30 June 2012.

14 Cash and cash equivalents		
Cash at bank and on hand	11,412	10,183
Queensland Treasury Corporation Cash Fund	863	925
	12,275	**11,108**

Interest rates
Queensland Treasury Corporation Cash Funds earns interest at an average rate of 3.43% (2013:3.96%). All interest and excess cash at bank is reinvested within the Queensland Treasury Corporation Cash Fund.

Restricted Cash
The Service also receives cash contributions from external entities and other benefactors in the form of gifts, donations and bequests for specific purposes. These funds are retained in the Queensland Treasury Corporation Cash Fund and set aside for specific purposes underlying the contribution. Restricted cash within the Queensland Treasury Corporation Cash Fund amounts to $797,138 (2013: $727,269).

		2014 $'000	2013 $'000
15	**Receivables**		
	Trade debtors	506	385
	Receivables from government bodies	484	1,323
	Less: Allowance for impairment loss	(533)	(440)
	Net trade debtors	**456**	**1,268**
	GST input tax credits receivable	254	175
	GST payable	(3)	(17)
	Net receivable	**251**	**158**
	Total receivables	**707**	**1,426**
	Movements in the allowance for impairment loss:		
	Balance at the beginning of financial year	440	-
	Increase in allowance recognised in operating result	93	440
	Balance at the end of financial year	533	440

Impairment of financial assets

At the end of each reporting period, the Service assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, changes in debtor credit ratings and current outstanding accounts over 30 days.

The allowance for impairment reflects the Service's assessment of the credit risk associated with receivables balances and is determined based on consideration of objective evidence of impairment, past experience and management judgement.

16	**Inventories**		
	Pharmacy supplies	146	177
		146	**177**
17	**Other current assets**		
	Prepayments	-	6
		-	6
18	**Property, plant and equipment**		
	Land – At fair value	11,522	11,522
	Buildings - At fair value	155,754	146,171
	Less: Accumulated depreciation	(49,544)	(44,575)
	Plant and equipment – At cost	8,939	8,276
	Less: Accumulated depreciation	(4,318)	(3,654)
	Work in progress – At cost	-	-
	Total property, plant and equipment	**122,353**	**117,740**

18 Property, plant and equipment (continued)

(a) Movement Schedule

	Land	Buildings	Plant and Equipment	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Balance at beginning of 2012-13 financial year	-	-	-	-	-
Transfer under National Health Reform	11,522	73,149	5,006	59	89,736
Acquisitions	-	-	516	455	971
Asset retirements	-	(438)	(136)	-	(574)
Transfers between classes	-	514	-	(514)	-
Non appropriated asset transfers	-	28,608	3	-	28,611
Revaluation increment/(decrement)	-	3,121	-	-	3,121
Depreciation charge	-	(3,358)	(767)	-	(4,125)
Balance at end of the 2012-13 financial year	**11,522**	**101,596**	**4,622**	**-**	**117,740**

	Land	Buildings	Plant and Equipment	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Balance at beginning of 2013-14 financial year	**11,522**	**101,596**	**4,622**		**117,740**
Transfer under National Health Reform	-	-	-	-	-
Acquisitions	-	108	652	555	1,315
Asset retirements	-	-	(7)	-	(7)
Transfers between classes	-	555	-	(555)	-
Asset transfers	-	9,133	225	-	9,358
Revaluation increment/(decrement)	-	(212)	-	-	(212)
Depreciation charge	-	(4,969)	(872)	-	(5,841)
Balance at end of the 2012-13 financial year	**11,522**	**106,210**	**4,621**	**-**	**122,353**

Land

Land was fair valued by State Valuation Service using a desktop valuation, taking into consideration valuation indicators such as location, size, zoning and recent market data. Land was last comprehensively revalued June 2012. The service indexed these valuations to determine the fair value for the 2013-14 financial year. Indexation data has been obtained from the State Valuation Service and has resulted in no adjustments to the carry amount of land.

Buildings

An independent comprehensive revaluation of 35% (2013: 83% of the net value of the building portfolio was performed during 2013-14 by the quantity surveyor firm, Davis Langdon. The buildings valuations for 2013-14 resulted in no impact to the building portfolio. (2013: $3,121,620). For buildings not subject to comprehensive revaluations during 2013-14, Davis Langdon supplied an index that resulted in a net decrement adjustment of $211,988 to the carrying amount of buildings.

From 1 July 2013, AASB 13 *Fair Value Measurement* became mandatory which requires non-financial assets measured at fair value to be categorised based on the input values used to measure fair value, into a fair value hierarchy as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted process included within Level 1 that are observable either directly or indirectly; and
- Level 3 inputs are unobservable inputs.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

18 Property, plant and equipment (continued)

(a) Fair value hierarchy

The following table details the fair value hierarchy for Land and Buildings at 30 June 2014:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Land	-	**11,522**	-	**11,522**
Buildings	-	6,512	99,698	106,210
Fair Value at 30 June 2014	-	**18,034**	**99,698**	**117,732**

(b) Valuation methodology for level 2 and 3 fair values

Land (Level 2)

Land is measured as fair value using independent revaluations, desktop market valuations or indexation by the State Valuation Service within the Department of Natural Resources and Mines. Independent revaluations are performed with sufficient regularity to ensure assets are carried at fair value.

In 2013-14 TS HHS engaged the State Valuations Service to provide indices for all holdings at 30 June 2014. The fair value of land is based on individual factor changes per property derived from the review of market transactions. These market movements are determined having regard to review of land values undertaken for each local government area issued by the Valuer-General. All local government property market movements are reviewed annually by market surveys to determine any material change in values. These ongoing market investigations assist in providing an accurate assessment of the prevailing market conditions and details the specific market movements applicable to each property

Buildings – Non-health service delivery (level 2)
The fair value of non-health service delivery buildings were determined based on an average of rental rates per square metre advertised publicly for comparable buildings in similar locations, together with industry-accepted rental multiples for such buildings. Adjustments are made for the age, internal features/design and physical condition of each building being valued, but none of the adjustments have a significant impact on the valuations.

Buildings – Health service delivery (level 3)
Due to their specialised nature, health service delivery buildings were valued based on a depreciated replacement cost methodology to simulate a 'market or income approach'. The methodology reflects the likely exit price in the principal market for an asset of this type.

(c) Fair value measurement using significant unobservable inputs (level 3)

The following table details a reconciliation of level 3 movements:

	Buildings 2014 $'000	Total 2014 $'000
Fair Value at 1 July 2013	-	-
Adoption of ASB 13	94,891	94,891
Transfer between levels	-	-
Total gains or losses recognised in other income	-	-
Total gains or losses recognised in other comprehensive income	(212)	(212)
Additions	9,796	(9,796)
Disposals	-	-
Depreciation	(4,776)	(4,776)
Fair Value at 30 June 2014	**99,698**	**99,698**

18 Property, plant and equipment (continued)

(d) Level 3 significant valuation inputs and relationships to fair value

The fair value of health service site buildings is computed by quantity surveyors. The methodology is known as the Depreciated Replacement Cost valuation technique. The following table highlights the key unobservable (level 3) inputs assessed during the valuation process and the relationship to the estimated fair value.

Description	Significant Unobservable Inputs	Unobservable Inputs quantitative measures Ranges in valuations	Unobservable inputs – general effect on fair value measurements
Buildings – health service sites (fair value $99.698M)	Replacement Cost estimates	Hospitals $15,100,000 to $35,300,000 Other Buildings $1,200,000 to $30,700000	Replacement cost is based on tender pricing and historical building cost data. An increase in the estimated replacement cost would increase the fair value of the assets. A Decrease in the estimated replacement cost would reduce the fair value of the assets.
	Remaining lives estimate	1 year to 34 years	The remaining useful lives are based on industry benchmarks. An increase in the estimated remaining useful lives would increase the fair value of the assets. A decrease in the remaining useful lives would reduce the fair value of the assets.
	Costs to bring to current standards	Hospitals $4,700,000 to $16,500,000 Other Buildings Nil to $3,900,000	Costs to bring current standards are based on tender pricing and historical building cost data. An increase in the estimated costs to bring to current standards would reduce the fair value of the assets. A decrease in the estimated costs to bring to current standards would increase the fair value of the assets.
	Condition Rating	1 to 4	The condition rating is based on the physical state of the assets. An improvement in the condition rating (possible high of 1) would increase the fair value of the asset. A decline in the condition rating (possible low of 5) would reduce the fair value of the assets.

For further information on Condition Ratings refer to Note 2(n).

Usage of alternative quantitative values (higher or lower) for each unobservable input that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value.
The condition rating of an asset is used as a mechanism to determine the cost to bring to current standards and also to estimate the remaining life.

There are no other direct of significant relationships between the unobservable inputs which materially impact fair value.

(e) Highest and best use
After considering what is physically possible, legally permissible and financially feasible, the independent valuers consider that the highest and best use of all fair valued assets is their current use.

19 Payables

	2014 $'000	2013 $'000
Trade creditors	43	20
Accrued expenses	2,728	3,284
Accrued health service employee expenses	2,594	2,144
Revenue Received in Advance	510	0
Payables to government bodies	2,941	4,415
	8,816	9,863

20 Accrued employee benefits

Employee benefits accrued	-	17
	-	17

21 Asset revaluation surplus by class

	Land $'000	Buildings $'000	Total $'000
Balance as at 1 July 2012	-	-	-
Revaluation increment	-	3,121	3,121
Balance as at 30 June 2013	-	3,121	3,121
Balance as at 1 July 2013	-	3,121	3,121
Revaluation increment/(decrement)	-	(212)	(212)
Balance as at 30 June 2014	-	2,909	2,909

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

22 Reconciliation of operating surplus to net cash flows provided by operating activities

	2014 $'000	2013 $'000
Operating result	1,173	1,230
Non-cash items:		
Depreciation funding	(5,837)	(4,089)
Depreciation expense	5,843	4,125
Asset retirement expense	7	574
Impairment losses	93	440
Changes in assets and liabilities		
Decrease in receivables	625	1,858
(Increase) in inventories	31	(177)
(Increase) in other assets	6	(6)
Increase in payables	(1,047)	6,135
Increase in accrued employee benefits	(17)	17
Net cash generated by operating activities	876	10,107

23 Non-cash financing and investing activities

For the current and comparative period Assets and liabilities transferred to the Service are set out in Note 2(b) and the Statement of Changes in Equity

24 Commitments

	2014 $'000	2013 $'000
(a) Non-cancellable operating leases		
Non-cancellable operating leases at reporting date are inclusive of anticipated GST and are payable as follows:		
Not later than one year	53	41
Later than one year and not later than five years	265	205
Later than five years	1,170	923
	1,488	1,169

The non-cancellable operating leases only relate to Native Title Trustee Leases.

The Service also makes payments for other non-cancellable operating leases relating predominantly to residential accommodation it utilises for staff accommodation. No disclosure is included in relation to these leases as they are held in the name of the Department of Health.

As of 1 July 2014, Torres Strait-Northern Peninsula HHS has been abolished (refer to Note 29(a)) and all commitments identified in Note 23(a) have been transferred to the new entity Torres and Cape Hospital and Health Service.

	2014 $'000	2013 $'000
(b) Capital expenditure and other commitments		
Material classes of capital and other expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:		
Capital maintenance	-	159
	-	159

(c) Grants and other contributions

There are no grants and contribution commitments at reporting date that are not recognised in the accounts.

(d) Other expenditure commitments

There are no other expenditure commitments at reporting date that are not recognised in the accounts.

25 Contingencies

(a) Litigation in progress

Property and general losses above a $10,000 threshold are insured through the Queensland Government Insurance Fund (QGIF) under the Department of Health's insurance policy. Health litigation payments above a $20,000 threshold and associated legal fees are also insured through QGIF. Premiums are calculated by QGIF on a risk assessed basis.

TSHHS is covered in respect of its obligation for employee compensation through the Department of Health's cover with WorkCover Queensland.

TSHHS pays fees for these insurances to the Department of Health as part of a fee for service arrangement. This is included in Supplies and services (refer to Note 9)

As of 30 June 2014, there was one claim (2013: no claims) managed by QGIF, which may never be litigated or result in payments to claim. The maximum exposure to TSHHS under this policy is up to $20,000 for each insurable event.

25 Contingencies (continued)

(b) Native Title

The Queensland Government Native Title Work Procedures were designed to ensure that native title issues are considered in all of the Services' land and natural resource management activities. All dealings pertaining to land held by or on behalf of the Service must take native title into account before proceeding. These dealings include disposal, acquisition, development, redevelopment, clearing, fencing and the granting of leases, licences or permits and so on. Dealings may proceed on the Service's owned land where native title continues to exist, provided native title holders or claimants receive the necessary procedural rights.

All dealings in relation to Native Title are through the Department of Health, as legal owner of the land. In accordance with State Government Land Policies, when native title over a particular holding has been cleared, State Agencies are required to convert the tenure to freehold ownership. Where native title can continue to exist, (Reserve or Deed of Grant in Trust land for example), dealings cannot proceed until native title has been addressed. Where the Department of Health is the trustee of reserve land, native title will need to be addressed over the whole of the reserve before a dealing proceeds.

In some cases, facilities have been constructed on Deed of Grant in Trust (DOGIT) land, which is Aboriginal or Torres Strait Islander community land created in 1986. Facilities constructed on DOGIT land 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).

Native Title has been cleared over ten sites on Thursday Island and two sites on Horn Island, with Department of Health holding the land in freehold tenure. In addition, the Department of Health, as trustee, holds tenure over eight reserves on Thursday Island and one reserve on Prince of Wales Island in the Torres Strait. The land and reserves are recorded at fair value in the Service's Statement of Financial Position (Refer Note 18).

Also, the Service administers eight reserves located within DOGIT land (seven reserves in Northern Peninsula Area and one in the Torres Strait). These reserves are held in the name of Department of Health as trustee and recorded at fair value in the Service's Statement of Financial Position (Refer Note 18). Fair value of these reserves is a nominal value ($1).

Registered Trustee leases and ILUAs have been negotiated for eight facilities previously located on DOGIT land, while an additional three trustee leases and ILUAs are either still being negotiated or are awaiting registration. In the case of the remaining nine sites on which facilities have been constructed on DOGIT land, tenure and ILUA negotiations will progress with the Torres Strait Island Regional Council (TSIRC) and the native title holders respectively, subject to funding availability. Seven of the Trustee leases are registered in the name of the Service and the lease commitment (generally for a period of 30 years) is disclosed in Note 24 (a).

26 Financial instruments

(a) Categorisation of financial instruments

The Service has the following categories of financial assets and financial liabilities:

	Note	2014 $'000	2013 $'000
Financial assets			
Cash and cash equivalents	14	12,275	11,108
Receivables	15	707	1,426
		12,982	**12,534**
Financial liabilities			
Payables	19	8,816	9,863
		8,816	**9,863**

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

26 Financial Instruments (continued)

(b) Financial risk management

The Service is exposed to a variety of financial risks – credit risk, liquidity risk and market risk. Financial risk is managed in accordance with policies of the Service and Queensland Government. These policies provide written principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of the Service.

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

(c) Credit risk exposure

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment. The carrying amount of receivables represents the maximum exposure to credit risk. Refer Note 15 for further information.

No collateral is held as security and no credit enhancements relate to financial assets held by the Service.

The Service manages credit risk through the use of a credit management strategy included in the Financial Management Practice Manual. This strategy aims to reduce the exposure to credit default by ensuring that the Service invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the Service, according to the due date (normally terms of 30 days). Economic changes impacting the debtors, and relevant industry data, also form part of the Service's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the Service determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written off directly against receivables.

Impairment loss expense for the current year regarding the Service's receivables is $533,115.
Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2013-2014 Financial Assets past due but not impaired ($'000)

	Less than 30 days	30 - 60 days	61 - 90 days	More than 90 days	Total
Receivables	6	15	8	61	90

2013-2014 Individually impaired financial assets ($'000)

	Less than 30 days	30 - 60 days	61 - 90 days	More than 90 days	Total
Receivables	-	-	-	533	533
Allowance for Impairment	-	-	-	(533)	(533)
Carrying amount	-	-	-	-	-

26 Financial Instruments (continued)

(c) Credit risk exposure (continued)

2012-2013 Financial Assets past due but not impaired ($'000)

	Less than 30 days	30 - 60 days	61 - 90 days	More than 90 days	Total
Receivables	-	-	-	-	-

2012-2013 Individually impaired financial assets ($'000)

	Less than 30 days	30 - 60 days	61 - 90 days	More than 90 days	Total
Receivables	-	42	7	391	**440**
Allowance for Impairment	-	(42)	(7)	(391)	**(440)**
Carrying amount	-	-	-	-	-

(d) Liquidity risk

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

The Service is exposed to liquidity risk through payables incurred in the normal course of business.

The Service manages liquidity risk through the use of a liquidity management strategy included in the Financial Management and Practice Manual. This strategy aims to reduce the exposure to liquidity risk by ensuring the Service has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

Total payables as per the Statement of Financial Position represent the maximum exposure to liquidity risk. These amounts have a contractual maturity within one year from reporting date, and are calculated based on undiscounted cash flows. Refer Note 19 for further information.

The Service also has an approved debit facility of $1,500,000 with Commonwealth Bank through the Whole-of-Government banking arrangements to manage any short term cash shortfalls.

(e) Market risk

The Service does not trade in foreign currency and is not materially exposed to commodity price changes. The Service is exposed to interest rate risk on its cash deposited in interest bearing accounts with Commonwealth Bank through Whole-of-government bank arrangements and Queensland Treasury Corporation.

The Service does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the Service's Financial Management Practice Manual.

Changes in interest rate have a minimal effect on the operating result of the Service.

(f) Interest rate sensitivity analysis

The Service is not sensitive to interest rate movements.

(g) Fair value

The fail value of trade receivables and payables is assumed to approximate the value of the original transaction less any provision for impairment.

27 Key management personnel and remuneration expenses

(a) Key management personnel

Key management personnel include those personnel who occupied positions that had authority and responsibility for planning, directing and controlling the activities of the Service during 2013-2014.

The Service has an Administrator and Executive Management Team responsible for the activities of the Service.

Administrator

The Administrator was appointed by the Queensland Governor in Council to act in place of a Hospital and Health Board, until such time as a Board with sufficient experience and capability could be established. For the reporting period, the Director General of Department of Health has acted as the Administrator. The Administrator is taken to constitute the Hospital and Health Board (Section 277, *Hospital and Health Boards Act 2011*). Per the Terms of Reference for the Administrator, the Administrator has unilateral authority to make decisions in respect of the usual functions of a Hospital and Health Board.

Executive Management Team

The Executive Management Team consists of the following positions and based on their responsibilities are determined to be key management personnel.

Position	Responsibilities
Health Service Chief Executive	Responsible for the overall management of the Service through major functional areas to ensure the delivery of key government objectives in improving the health and well-being of Queenslanders.
Director – Governance & Policy*	Responsible for high level and confidential support services and advice to coordinate the governance, decision-making and reporting machinery of the Service. Provide strategic leadership, direction and coordination of the Service.
Executive Director - Medical Services	Responsible for the professional leadership and direction of medical services within the Service. The position will be responsible for maximising the potential of medical practice to enhance health outcomes.
Director – Primary Health Care	Responsible for the leadership of the Service's Primary Health Care Services. The position is also responsible for the delivery of high quality, efficient and effective Primary Health Care Services.
Director of Nursing, Midwifery & Integrated Health Service Delivery	Responsible for the professional leadership and direction of nursing and midwifery services within the Service. The position will be responsible for maximising the potential of nursing and midwifery practice to enhance health outcomes. Leads the development and implementation of an Integrated Health Service Delivery model
Director of Nursing & Midwifery**	Responsible for the professional leadership and direction of nursing and midwifery services within the Service. The position will be responsible for maximising the potential of nursing and midwifery practice to enhance health outcomes.
Chief Financial Officer***	Responsible for strategic and operational leadership for the financial management function of the Service. Develop and maintain the reporting systems, policies and guidelines to facilitate effective budgetary and financial management.
Director of Corporate Services	Responsible for the leadership of the Service's Corporate Services Branch. The branch includes Human Resources, Supply Services, Travel, Accommodation (staff and patients), Assets, General Administration, Operational and Engineering support, workplace Health and Safety and rehabilitation for both hospital and community health services.
Chief Operating Officer******	Responsible for strategic and operational leadership of the Service's major operations. This includes Supply Services, Travel, Accommodation (staff and patients), Assets, General Administration, Operational and Engineering support and rehabilitation for both hospital and community health services.
Director of Human Resources*******	Responsible for strategic and operational leadership of the Service's Human Resources branch. The branch includes Human Resources and workplace Health and Safety.

27 Key management personnel and remuneration (continued)

(a) Key management personnel (continued)

Director – Northern Peninsula Area (NPA)****	Responsible for the leadership of the Northern Peninsula Area (NPA) Health Care Services. This is achieved by implementing the strategic plan and decision made by the Service executives through effective management of human resources, general administration, medical, primary health and hospital within NPA. This responsibility encompasses both hospital and Primary health service delivery.

* The Director-Governance and Policy position was established on 2 May 2013

** The Director of Nursing & Midwifery position became redundant on 10 March 2013

*** The Chief Financial Officer position was established on 13 November 2012

**** The Director – Northern Peninsula Area position became redundant on 10 March 2013

***** The Director of Corporate Services position became redundant on 16 March 2014

****** The Chief Operating Officer position was established on 17 March 2014

******* The Director of Human Resources position was established on 25 November 2013

The Executive Management Team during the year comprised of the following personnel:

Name	Position	Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Simone Kolaric	Health Service Chief Executive	s27/s70	23/07/12 (14/1/2014)
Philip Davies	Health Service Chief Executive	HES 4	15/1/2014 (30/06/2014)
Kerrie Freeman	Chief Operating Officer	DAO1	17/03/2014 (30/06/2014)
Ben Jesser	Director – Governance & Policy	A08 Acting	02/05/13 (30/06/2014)
Dr Oscar Whitehead	Executive Director - Medical Services	MED C2	01/07/2014 (30/06/2014)
Charlotte Tamwoy	Director – Primary Health Care	A08	01/07/12 (30/06/2014)
David Tibby	Director of Nursing, Midwifery & Integrated Health Service Delivery	NRG11	05/08/2013 (30/06/2014)
Scott Bryant	Chief Financial Officer	A08 Acting	13/11/2012 (19/09/2013)
Danielle Hoins	Director of Corporate Services	A08 Acting	01/04/2013(16/3/14)
Terry Middleditch	Director – Human Resources	A08	25/11/13 (30/6/14)

27 Key management personnel and remuneration (continued)
(a) Key management personnel (continued)

2012 – 13:

Name	Position	Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Simone Kolaric	Health Service Chief Executive	s27/s70	23/07/12
Ben Jesser	Director – Governance & Policy	A08 Acting	02/05/13
Dr Oscar Whitehead	Executive Director - Medical Services	MED C2	01/07/12
Charlotte Tamwoy	Director – Primary Health Care	A08	01/07/12
Allison Wilkinson	Director of Nursing, Midwifery & Integrated Health Service Delivery	NRG11	10/03/2013
Beverley Hamerton	Director of Nursing & Midwifery	NRG11	01/07/12 (10/03/13)
Scott Bryant	Chief Financial Officer	A08 Acting	13/11/2012 (19/09/2013)
Danielle Hoins	Director of Corporate Services	A08 Acting	1/04/2013
James Sherry	Director of Corporate Services	A08 Acting	05/12/12 (31/03/13)
Nahtanha Davey	Director of Corporate Services	A08	01/07/12 (05/12/12)
Patricia Yusia	Director – Northern Peninsula Area	A08	01/07/12 (10/03/13)

(b) Remuneration

Remuneration for key management personnel is set out below.

Administrator

The Administrator did not receive any remuneration from the Service during the reporting period. As Director General of Department of Health, he received remuneration in this capacity during the year. The details of his remuneration as paid by Department of Health are disclosed in the Department of Health 2013-2014 financial statements.

Chief Executive

In addition to performing the duties of the Chief Executive Torres Strait-Northern for the period 15 January to 30 June 2014, Phillip Davies also undertook the role of Deputy Director General, System Policy and Performance role for the duration of the 2013-14 financial year in a dual capacity.

Chief Finance Officer

From 20 September 2013 the position of Chief Finance Officer has been included in Supplies and Services as this was a Contract Service.

Executive Management Team

Remuneration policy for the executive management team is set by the following legislations:
- Queensland Public Service Commission as provided for under the *Public Service Act 2008*
- *Hospital and Health Boards Act 2011*

The remuneration and other terms of employment for the executive management team are specified in employment contracts. Remuneration packages for key executive management personnel comprise the following components:

- Short-term employee benefits which include:
  - Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income. For health service employees, this equals the amount paid to the Department of Health (refer Note 8).
  - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Termination benefits are amounts paid to health service employees on resignation (ie. payout of accrued annual leave and long service leave) or in relation to the Department of Health's voluntary redundancy program.

27 Key management personnel and remuneration (continued)

- There were no performance bonuses paid in the 2013-14 (2013: $0) financial year.

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.

2013-2014	Short term employee expense					
Personnel	Monetary Expense	Non-monetary benefits	Long term benefit	Post employment benefit	Termination benefit	Total Remuneration
Health Service Chief Executive	186,017	9,439	4,756	13,524	-	**213,737**
Health Service Chief Executive	147,172		3,603	17,260	-	**168,036**
Director – Governance & Policy	133,285	1,201	2,761	13,314	-	**150,562**
Executive Director - Medical Services	486,548		4,480	31,741	-	**522,770**
Director – Primary Health Care	136,770		2,877	14,554	-	**154,201**
Director of Nursing, Midwifery & Integrated Health Service Delivery	139,877		7,784	14,802	-	**162,463**
Director of Nursing & Midwifery	37,737		626	712	-	**39,076**
Chief Financial Officer	33,715		639	830	-	**35,183**
Director of Corporate Services	84,607	54	1,951	4,623	-	**91,235**
Chief Operating Officer	37,745		1,005	4,939	-	**43,688**
Director Human Resources	67,059		1,843	8,288	-	**77,189**

2012-2013	Short term employee expense					
Personnel	Monetary expense	Non-monetary benefits	Long term benefit	Post employment benefit	Termination benefit	Total Remuneration
Health Service Chief Executive	305,146	8	7,399	37,120	-	**349,673**
Director – Governance & Policy	12,435	-	279	1,427	-	**14,141**
Executive Director - Medical Services	428,978	-	3,928	27,843	-	**460,749**
Director – Primary Health Care	83,547	-	2,524	12,769	-	**98,840**
Director of Nursing, Midwifery & Integrated Health Service Delivery	35,058	-	798	3,766	-	**39,622**
Director of Nursing & Midwifery	82,983	430	2,233	9,691	115,475	**210,812**
Chief Financial Officer	71,017	-	2,395	7,221	-	**80,633**
Director of Corporate Services	26,808	-	526	1,902	-	**29,236**

27 Key management personnel and remuneration (continued)

Director of Corporate Services	44,664	-	862	3,146	-	**48,672**
Director of Corporate Services	54,659	-	1,163	5,967	15,252	**77,041**
Director – Northern Peninsula Area	98,381	9,622	1,840	8,713	193,516	**312,072**

28 Economic dependency

The Service is dependent on funding predominantly received from the Department of Health as part of the National Health Reform. A Service Agreement with the Department of Health for the 2014-2015 financial year was signed on the 19 August 2014 for the amalgamated entity Torres and Cape Hospital and Health Services.

The Service Agreement for 2014-2015 provides for total funding of $182,617,389 for the amalgamated entity.

29 Events after the reporting period

a) Torres Strait- Northern Peninsula HHS and Cape York HHS amalgamation

Pursuant to the Hospital and Health Boards Amendment Regulation (No. 1) 2014, Torres Strait- Northern Peninsula Hospital and Health Service was abolished on 30 June 2014 and the assets and liabilities as disclosed in the Statement of Financial Position other than non-operational housing assets, were transferred to the new Torres and Cape Hospital and Health Service, refer also Note 2(a).

b) Transfer of general purpose housing to the Department of Housing and Public Works

As part of a Whole-of-Government initiative, management of all non-operational housing transitioned to the Department of Housing and Public Works (DHPW) on 1 January 2014. Legal ownership of housing assets will transfer to the DHPW on 1 July 2014.

As at 30 June 2014, the Service held non-operational housing assets with a total net book value of $15 million under a Deed of Lease arrangement with the Department of Health. Effective 1 July 2014, the Deed of Lease arrangement in respect of these assets will cease, and the assets will be transferred for no consideration to the Department of Health at their net book value, prior to their transfer to the DHPW.

The Service will have continuing access to the staff housing under an MOU agreement with DHPW.

c) Senior Medical Officer and Visiting Medical Officer Contracts

Effective 4 August 2014, Senior Medical Officers and Visiting Medical Officers will transition to individual employment contracts.

Individual contracts mean senior doctors will have a direct employment relationship with the HHS and employment terms and conditions tailored to individual or medical specialty circumstances (within a consistent state-wide framework).

As a direct employment relationship will be established between contracted medical officers and the HHS, employee-related costs for contracted Senior Medical Officers and Visiting Medical Officers will be recognised by the HHS (not the department) from the date the contracts are effective.

Non-contracted Senior Medical Officers and Visiting Medical Officers will remain employed under current award arrangements. They will continue to be employed by the department.

Torres Strait–Northern Peninsula Hospital and Health Service

Management Certificate

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

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

b) the final statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of former Torres Strait-Northern Peninsula Hospital and Health Service for the financial year ended 30 June 2014 and of the financial position of former Torres Strait-Northern Peninsula Hospital and Health Service at the end of that year;

and

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

Dr Michael Cleary
Former A/Administrator

28 / 8 / 2014.

Philip Davies
Former Health Service Chief Executive

28 / 8 / 14

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the former Administrator of Torres Strait - Northern Peninsula Hospital and Health Service

Report on the Final Financial Report

I have audited the accompanying final financial report of the former Torres Strait - Northern Peninsula Hospital and Health Service, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the final period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the former Acting Administrator and former Health Service Chief Executive.

The former Administrator's responsibility for the Final Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

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

(b) in my opinion –

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

  (ii) the final financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the former Torres Strait - Northern Peninsula Hospital and Health Service for the final period 1 July 2013 to 30 June 2014 and of the financial position as at the end of that final period.

Emphasis of Matter – Abolishment of Torres Strait - Northern Peninsula Hospital and Health Service

Without modifying my opinion, attention is drawn to Notes 2(a) and 29(a) in the final financial report which identify that pursuant to *the Hospital and Health Boards Amendment Regulation (No. 1) 2014*, the former Torres Strait - Northern Peninsula Hospital and Health Service was abolished on 30 June 2014. In accordance with the requirements of the Regulation, all assets and liabilities of the former statutory body as at the date of abolition, other than non-operational housing assets, were transferred to the Torres and Cape Hospital and Health Service immediately after the abolishment at the values reported in the statement of financial position. Non-operational housing assets transferred to the Department of Health on 1 July 2014. Accordingly this final financial report has been prepared on a basis that is consistent with a going concern basis.

Other Matters - Electronic Presentation of the Audited Final Financial Report

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

B R Steel CPA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane