Sunshine Coast Hospital and Health Service

Queensland Good jobs Better services Great lifestyle

ANNUAL REPORT 2022–23

Queensland Government

Open data

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

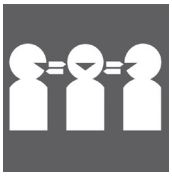
Public availability statement

An electronic copy of this report is available at www.sunshinecoast.health.qld.gov.au/about-us/corporate-publications-and-reporting/annual-reports

Hard copies of the annual report are available by phoning Communications and Engagement on 07 5202 0000. Alternatively, you can request a copy by emailing sc-communications@health.qld.gov.au.

Interpreter service statement

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you need help understanding the annual report, you can contact us on telephone 07 5202 0000 and we will arrange an interpreter to effectively communicate the report to you.



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ISSN 2202-5200 (print) ISSN 2202-977X (online)

Acknowledgement

Acknowledgement to Traditional Owners

Sunshine Coast Health respectfully acknowledges the Traditional Custodians, the Kabi Kabi (Gubbi Gubbi) and Jinibara people on whose land we provide our services.

We also pay our respects to the Aboriginal and Torres Strait Islander Elders, past, present, and future. We recognise the strength and resilience that Aboriginal and Torres Strait Islander peoples and their ancestors have displayed in laying solid foundations for the generations that follow.

Recognition of Australian South Sea Islanders

Sunshine Coast Health formally recognises the Australian South Sea Islanders as a distinct cultural group within our geographical boundaries.

Sunshine Coast Health is committed to fulfilling the Queensland Government Recognition Statement Australian South Sea Islander Community to ensure that present and future generations of Australian South Sea Islanders have equality of opportunity to participate in and contribute to the economic, social, political, and cultural life of the State.

1 September 2023

The Honourable Shannon Fentiman MP
Minister for Health, Mental Health and Ambulance Services and Minister for Women
GPO Box 48
Brisbane QLD 4001

Dear Minister

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

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided on page 96 of this annual report.

Yours sincerely,

Brian Anker

Acting Chair
Sunshine Coast Hospital and Health Board

Table of contents

Statement on Queensland Government objectives for the community

In 2022-2023, Sunshine Coast Hospital and Health Service (Sunshine Coast Health) continued to fulfil its obligations to the community by providing an effective public health service.

Sunshine Coast Hospital and Health Service Strategic Plan 2022–2026 supports the Queensland Government's objectives for the community and contributes to the Government's sub-objectives of:

- Keeping Queenslanders safe
- Backing our frontline services
- Protecting the environment
- Connecting Queensland.

Sunshine Coast Health's priorities also closely align with Queensland Health's commitment to:

- Protect the health of all Queenslanders through effectively planned and timely responses to systemwide threats
- Effective partnerships with primary care and Queensland Ambulance Service to drive co-designed models of care
- Support and advance our workforce
- Advance Health Equity for First Nations people
- Health reform that plans for a sustainable future
- Interconnected system governance that delivers the building blocks to support Hospital and Health Services.

These priorities drive our commitment to co-design models of care, support and advance our workforce, health equity for Aboriginal and Torres Strait Islander people, and health reforms that support a sustainable future.

Sunshine Coast Health's priorities are:

- Our care
- Our people
- Our sustainability
- Our future.

These priorities support our delivery of the directions outlined in My health, Queensland's future: Advancing health 2026:

- Promoting wellbeing
- Delivering healthcare
- Connecting healthcare
- Pursuing innovation.

Key strategic enablers for contributing to the objectives include a positive work environment, technology and innovation, research capacity, infrastructure, key partnerships with other agencies sectors and providers, and the use of data.

This annual report details how Sunshine Coast Health has contributed to the Government's priorities.

From the Board Chair and Chief Executive

As we reflect on our achievements and health outcomes for the community for this year, there is a lot to celebrate for Sunshine Coast Health. Although we are still managing the effects and impacts of the COVID-19 pandemic, we have made significant progress in making our health service more efficient and centred on the services our community needs.

Our new four-year Strategic Plan commenced in July 2022 with new values and priorities developed in consultation with staff, with a focus of building a values-based organisation that provides the best possible health care services to our community. We also published our first Local Area Needs Assessment and continued to progress the priorities in our Master Clinical Services Plan. These three documents provide a strategic roadmap for our organisation and inform development of future services that are responsive to the needs of our communities.

This year, we released the Sunshine Coast Health Equity Strategy and subsequent Health Equity Implementation Plan 2022 – 2025 to improve Aboriginal and Torres Strait Islander health and work towards closing the gap on health outcomes and ensure our services meet the needs of our first nations communities. We are committed to making it everyone's business to ensure our services are accessible, culturally appropriate, and welcoming.

We have seen considerable progression in our elective surgery and specialist outpatient waitlists. Although some patients are still waiting longer than expected for their elective surgery and outpatient appointments, addressing this has been our health service's key focus and priority. To support our capacity, we opened an additional surgical ward at the Sunshine Coast University Hospital and increased surgical beds at Nambour General Hospital. We also introduced an acute leukemia service at Sunshine Coast University Hospital which supports patients to access care as close to home as possible.

This year we have also seen the ongoing demands of the COVID-19 pandemic and the worldwide shortages of workforce impacting how we provide care. We continually appreciate the work of our dedicated health workforce and recognise their significant contributions in making our health service more efficient. The benefit of the past few years has also been the adoption of virtual care and as a health service we have capitalised on our community's willingness to use our telehealth services and care provision in the home. We will continue to investigate opportunities for use of technology and virtual models to support our patients to access care.

We have a number of infrastructure projects in progress with the most significant being the $86 million redevelopment at Nambour General Hospital which is on track for completion in early 2024 with several areas completed and operational. The new Command Centre at Sunshine Coast University Hospital is complete and once operational will provide greater visibility and management of patient access and flow activity across SCHHS facilities. The new staff accommodation at the Gympie Hospital is progressing well and kitchen upgrades at Caloundra Health Service have been completed.

In our role as the health service for our region, we are focused on health outcomes for the whole community. This means fostering our strategic partnerships to help us network an efficient health system across primary (including Aboriginal Medical Services), tertiary, and private health. We know that the successful implementation of health services in our region relies on partnerships and a responsive culture as enablers, and this has been a focus for us this year.

We want to thank our consumer advisory groups and the volunteers in our health service. We are so grateful for their support every day in assisting us to deliver healthcare to our communities.

Thank you also to Wishlist – our Sunshine Coast Hospital Foundation who provide invaluable support to our staff and community through supported accommodation, funding for research projects and medical equipment and other support services across the SCHHS.

On behalf of the Board and Executive Team we thank our staff for their ongoing commitment and dedication to providing responsive, high-quality, patient-centred care to the members of our communities

Brian Anker
Acting Chair

Dr Peter Gillies
Chief Executive

About us

Sunshine Coast Health is the primary provider of public health services, health education, and research in the Sunshine Coast, Gympie and Noosa local government areas.

Established in 2012, Sunshine Coast Health is an independent statutory body governed by the Sunshine Coast Hospital and Health Board under the *Hospital and Health Boards Act 2011*.

We operate according to a service agreement with Queensland Health which identifies the services to be provided, funding arrangements, performance indicators, and targets to ensure the expected health outcomes for our communities are achieved.

Our strategic direction

Our *Sunshine Coast Hospital and Health Service Strategic Plan 2022–2026* outlines our vision, purpose, values, objectives, and future direction as well as how we work with our community to improve people's health and wellbeing.

When determining our strategic vision and objectives, we respect, protect, and promote human rights in our decision-making and actions.

Our priorities

- Our care – we provide high-quality, equitable, accessible, person-centred care
- Our people – we value and support our people
- Our sustainability – we manage our financial, physical, and environmental resources responsibly
- Our future – we improve and prepare for the future through research, education and innovation.

Our vision, purpose, values

Our vision: Health and wellbeing through person-centred care

Our purpose: High-quality, cost-effective, innovative healthcare in collaboration with our communities and partners

Our values:

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Integrity: we are respectful, trustworthy, equitable and honest in everything we do.

Compassion: we respect others, act with kindness, encourage and take time to listen to others.

Accountability: we take responsibility for our performance and behaviours and celebrate our achievements.

Innovation: we embrace change and strive to know more, learn more, and do better.

These values underpin the culture of Sunshine Coast Health. We have adopted the Queensland Public Service values: Customers First, Unleash Potential, Ideas into Action, Empower People and Be Courageous.

Aboriginal and Torres Strait Islander Health

Aboriginal and Torres Strait Islander peoples, make up 2.8 per cent of our health service region's population with the largest proportion residing in Caloundra (20.2 per cent) and Gympie (20 per cent) regions.

Sunshine Coast Health is committed to achieving the outcomes of the Queensland Government's Strategy, Making Tracks, toward closing the gap in health outcomes for Indigenous Queenslanders by 2033. Overseen and monitored by its Closing the Gap Committee, Sunshine Coast Health is on track to meet its targets.

- Embed Aboriginal and Torres Strait Islander representation in leadership, governance and workforce
- Improve local engagement and partnerships between Sunshine Coast Health and Aboriginal and Torres Strait Islander peoples, communities and organisations
- Improve transparency, reporting and accountability in our efforts to close the gap in health outcomes for Aboriginal and Torres Strait Islander peoples by maintaining and regularly reviewing an outcome-based report of services delivered.

Our hospital and health services

Sunshine Coast Health provides health care services through its hospitals, a residential aged care facility, and various other health facilities including:

Sunshine Coast University Hospital

The Sunshine Coast University Hospital (SCUH) is a tertiary level teaching hospital. SCUH is co-located with the Sunshine Coast Health Institute and the Sunshine Coast University Private Hospital.

Nambour General Hospital

The Nambour General Hospital has a strong history of providing services to the Sunshine Coast community since the 1920s. Nambour General Hospital is undergoing a redevelopment to better service the growing health needs of the local community.

Caloundra Health Service

Caloundra Health Service is Sunshine Coast Health's hub for palliative care and ophthalmology. It provides a range of outpatient, ambulatory, and community-based services, including a Minor Injury and Illness Clinic, renal, oral health, and community services for residents of Caloundra and surrounds.

Gympie Hospital

Gympie Hospital has served the community for over 150 years and provides acute regional services to residents in the Gympie, Cooloola and Kilkivan areas. A range of acute, ambulatory, community and mental health services are provided, including emergency, surgical and medical services, palliative care and rehabilitation, maternity services, and renal dialysis.

Maleny Soldiers Memorial Hospital

Maleny Soldiers Memorial Hospital is a rural facility providing services to the Maleny region. It delivers emergency services, medical care, a subacute rehabilitation unit, ambulatory clinics, essential diagnostic and clinical support services, oral health, and community-based services.

Glenbrook Residential Aged Care Facility

Glenbrook Residential Aged Care Facility is a 45-bed purpose-built high-care residential aged care facility in Nambour. Glenbrook provides high-quality resident-focused care in a home-like environment, including transition care, general aged care, older persons' mental health care, and a secure dementia wing.

Janelle Killick Community Care Unit

The Janelle Killick Community Care Unit provides a 24-hour, seven days per week, mental health residential rehabilitation service. The service aims to promote an individual's recovery by offering opportunities to maximise their strengths and potential, peer support and supervised rehabilitation. Clinical interventions and living skills development are provided to consumers who require medium to long-term mental health care and rehabilitation.

Kawana Oral Health

Kawana Oral Health provides child and adult dental services in the Sunshine Coast region to people who meet the eligibility criteria for accessing public dental services in Queensland.

Maroochydore Community Hub

The Maroochydore Community Hub is a purpose-built facility consolidating 19 community-based services into one facility, increasing and improving access for our patients and the community. The hub accommodates services from Mental Health and Specialised Services, Community and Preventive Health, and Women's and Children's services.

Noosa Hospital

Noosa Hospital is operated by Ramsay Health and provides some public health services to the residents of Noosa and surrounds. The hospital provides a comprehensive range of inpatient and day services across various specialties.

Concessional parking

Sunshine Coast Health provides free parking for patients and carers at most of its facilities, however concessional parking is available for eligible patients and carers at Sunshine Coast University Hospital and Nambour General Hospital. In 2022-2023, Sunshine Coast Health issued 14,613 concessional parking tickets for patients and carers to the value of $145,360.

Targets and challenges

Sunshine Coast Health has experienced significant growth in the range of services provided and an increase in the demand for services. The *Sunshine Coast Hospital and Health Service Strategic Plan 2022-2026* outlines five strategic challenges and key opportunities to deliver on its vision of health and wellbeing through person-centred care. The *Sunshine Coast Hospital and Health Service Strategic Plan 2022-2026* outlines four focus areas with strategies and measures for success. The measures outlined in the Strategic Plan are stretch targets that align with the vision of *Health and Wellbeing through person-centred care* and align with the Queensland Government objectives for the community – *Good jobs, better services, great lifestyle.*

Targets and measures of success:

We provide high-quality, equitable, accessible, person-centred care

- Hospital acquired complications rates below 25th percentile of peer hospitals
- Health Equity Strategy is implemented meeting at least 80 per cent of the implementation milestones
- At least 75 per cent of patients rate overall care at Sunshine Coast Health as very good on statewide inpatient PREMS (Patient Reported Experience and Outcome Measures)

We value and support our people

- Sunshine Coast Health leadership program is implemented with 80 per cent of managers completing the program by June 2026
- Working for Queensland employee survey results demonstrate employee engagement improved by 10 per cent by 2023
- At least 2.63 per cent of the workforce identifies as being Aboriginal or Torres Strait Islander by 2024

We manage our financial, physical, and environmental resources responsibly

- Nambour redevelopment is complete and fully operational by December 2023
- 50 per cent of non-admitted consultations are conducted virtually by June 2026
- A balanced operating position is achieved by June 2024

We improve and prepare for the future through research, education and innovation

- Annual number of Sunshine Coast Health research projects and clinical trials increased by June 2026 by 20 per cent
- The number of publications in Q1 and Q2 journals increased by 20 per cent by 2026
- 75 per cent of clinical departments have an identified research team and active research projects by June 2024.

Challenges

The targets and priorities of our health service respond to the identified challenges of:

Cultural capability

To build sustainable cultural capability that provides equitable and inclusive health outcomes for Aboriginal and Torres Strait Islander peoples and other culturally diverse groups.

There has been significant work in the 2022-2023 financial year to address this challenge including mandatory training for all staff, recognising days of significance for Aboriginal and Torres Strait Islander communities and the deliverables outlined in the *Health Equity Strategy.*

Workforce

To attract and retain a skilled workforce to meet service demand in an environment of industry-wide workforce shortages. Sunshine Coast Health is not unique in its challenges in workforce.

There is an international focus on health workforces and there have been a number of recruitment initiatives undertaken this year to attract a skilled workforce.

Demand

To meet the diverse needs of our communities and improve health outcomes amidst rising demand that potentially exceeds capacity and funding.

Sunshine Coast Health hospitals have seen a significant increase in demand in the 2022-2023 financial year with a number of initiatives enacted to support patient flow including interim care beds, optimisation of virtual care, and an improvement to the transfer initiative nursing model.

Disaster and pandemic response

To meet the needs of our patients and the broader community in the advent of outbreak events and emerging threats.

This year we have again seen the effects of COVID-19 and responding to disaster and pandemic has been a key factor when considering health service planning.

Financial sustainability

To provide safe and cost-effective healthcare within available funding.

Sunshine Coast Health has been committed this financial year to enhancing service provision and exploring opportunities to return a balanced financial position.

Opportunities

As a health service, we have several opportunities in future service development innovative models of care, and emerging technologies.

- Use our clinical resources and infrastructure to our fullest potential and integrate our network of services.
- Develop and embed new and innovative models of care to better meet the needs of our communities.
- Enhance our organisational and governance structures to clarify the responsibilities, reduce red tape and meet the requirements of the health service.
- Leverage current and emerging digital technologies to improve our processes and models of care.
- In partnership with our people, embed our consumer voice in the continuous improvement and innovation of our care and service delivery.

Our governance

Our Board

The Sunshine Coast Hospital and Health Service Board (the Board) is appointed by the Governor in Council on the recommendation of the Minister for Health, Mental Health and Ambulance Services and Minister for Women in accordance with section 23 of the *Hospital and Health Boards Act 2011*. To strengthen local decision making, our Board members represent and oversight the health services in the region and are accountable for its performance in delivering quality health outcomes to meet the needs of our communities.

Key responsibilities

The Board has a range of functions as articulated in the Board Charter which include:

- control and accountability systems reviewing, monitoring and approving systems for risk management, internal control and legal compliance
- ensuring appropriate safety and quality systems are in place to make sure safe, high-quality healthcare is provided to the community
- providing input into and final approval of management's development of organisational strategy and performance objectives, including agreeing the terms of our Service Agreement with the Director-General of Queensland Health
- approval of, and ongoing monitoring of, the annual health service budget and financial and performance reporting.

Board membership

Ms Sabrina Walsh Exec MPA, M.App.Psych, GAICD

Chair

Sabrina has over 30 years' experience in consulting and senior executive roles in the health industry. She began her career in health as a clinical psychologist before moving into health policy, health service leadership and leading major digital transformation initiatives in health.

She has expertise in governance, strategy, planning and delivery in complex health services and is passionate about helping health organisations prepare for the future and improve health outcomes and patient experience. Her recent consulting work has focussed on strategy and governance in health organisations.

Previous roles include Chief Information Officer roles in Queensland and NSW; chief executive roles for public sector health services in Queensland; and executive leadership roles in mental health, aged and disability services. As Director for Mental Health in the Northern Territory, she led territory-wide policy development, strategic planning, resource allocation and evaluation of mental health services.

Sabrina is a graduate of the Australian Institute of Company Directors, and her qualifications include a Master of Applied Psychology and an Executive Master of Public Administration.

Original appointment date: 18 May 2020
Appointed as Chair: 10 June 2021 to 31 March 2024

Mr Brian Anker MAICD

Deputy Chair

Brian has extensive knowledge and experience in strategic planning and policy development within government and non-government organisations.

He is the Principal of a Consulting firm which he established in 2011 and provides strategic advice and planning particularly to the research and university sector. Brian has previously held senior executive positions within the Qld State Government including as the Deputy DG Innovation of the Department of Employment, Economic Development and Innovation. He is the Chair of the Sunshine Coast Hospital and Health Board Workforce Committee and is a member of the Finance and Performance Committee and has been the Chair of the Safety and Quality Committee. Brian is also the Sunshine Coast Hospital and Health Board representative on the Wishlist Board.

Original appointment date: 18 May 2013
Current term 1 April 2022 to 31 March 2024

Mr Terrance (Terry) Bell BA, Grad Cert P.S. Mgt, MBA, DoPS

Board Member

Terry is long term resident of the Sunshine Coast having bought his first property in Mooloolaba in 1978 and living here on the coast ever since. Terry is a Bundjalung man of the Southern Gold Coast and Northern NSW regions. Terry has a B.A., Grad. Cert Public Sector Management, MBA and currently undertaking a Doctor of Professional Studies. Terry has extensive experience in leadership roles in the public, private and tertiary sectors and is currently undertaking Doctoral studies at Central Queensland University and working as Business Consultant to improve Indigenous employment outcomes.

Terry has been heavily involved in Sunshine Coast Sport where he has played and coached Rugby League and participated heavily in Surf Lifesaving competing at National levels and successfully holding management positions.

Original appointment date 18 May 2020
Current term 18 May 2020 to 31 March 2024

Ms Debra (Debbie) Blumel BA, BSocWk, MSocWK, MBA, GAICD

Board Member

Debbie has extensive experience in organisational and strategic leadership in health, disability and housing organisations facing disruptive challenges and transformational change. Her roles include CEO of a Medicare Local and a Sunshine Coast regional health and NDIS provider organisation. Debbie is interested in meeting contemporary challenges, such as increasing health system demand and costs, through smarter integrated care models that span hospital, community, family and private care services. Debbie is committed to safe quality services and chairs the Board's Safety and Quality Committee. Debbie was the inaugural Chair of Regional Development Australia Sunshine Coast and served as a Sunshine Coast Councillor where she held the Major Projects Portfolio and represented council on the Council of Mayors' Infrastructure Committee.

Debbie's worked for almost three decades in Queensland Health including as Manager Public Health Planning and Research and worked on a range of national policy, strategy and costing forums. Debbie has made a significant contribution to women's issues through a pioneering research project, "Who Pays? The Economic Cost of Violence Against Women" which was used by the Queensland Government in its Stop Violence Against Women campaign.

Original appointment date 18 May 2019
Current term 1 April 2022 to 31 March 2026

Emeritus Professor Birgit Lohmann BSc (Hons), PhD, GAICD

Board Member

Birgit has extensive leadership experience in the Higher Education sector, most recently as the Senior Deputy Vice-Chancellor of University of the Sunshine Coast. In that role she had broad responsibility for the academic activities of the University, including the Faculties, was the standing deputy to the Vice Chancellor, Chair of Academic Board and a member of University Council. She represented the University at high level national forums, in meetings with the various levels of government, and engaged with a broad range of community organisations and other stakeholders.

Birgit previously had academic and management roles at the Australian National University, Murdoch University, Griffith University and the University of Adelaide. Leadership roles included Head of the School of Science and Director of the Centre for Quantum Dynamics at Griffith University, and Pro Vice Chancellor (Learning and Quality) at the University of Adelaide.

She has been a Board member of a number of not-for-profit Boards.

Emeritus Professor Birgit Lohmann has an Honours degree in Physics from the University of Adelaide, a Ph. D. in Atomic Physics from Flinders University, and is a Graduate of the Australian Institute of Company Directors.

Original appointment date 18 May 2019
Current term 1 April 2022 to 31 March 2026

Mr Rodney (Rod) Cameron BCOM (Honours), FCPA, MBA, MFM, FAICD

Board Member

Rod has more than 35 years' domestic and international experience with multinational ASX, and NYSE listed and unlisted companies operating in sectors including energy, resources, manufacturing, and disability services. He has held a host of leadership roles in sophisticated organisations, including Chief Executive Officer of Autism Queensland and Chief Financial Officer of Endeavour Foundation, as well as Chief Financial Officer for an ASX listed company and Chief Financial Officer of the subsidiary of an NYSE listed multinational corporation.

Rod has been a Partner in a large Australian management consulting business and has operated his own management consultancy for over a decade providing corporate financial advisory services to corporate clients. In that time, he has personally raised in excess of $20 billion project finance and equity on some of the most complex and largest project finance transactions ever completed in the world. He also provides general management consultancy services on strategy, finance and operations to the SME market.

He is a Fellow of the Australian Institute of Company Directors and has been a director of sophisticated not-for-profit and for-profit companies for more than a decade. Rod is a qualified accountant and Fellow of CPA Australia and holds an Honours degree in commerce, Master of Business Administration and Master of Financial Management.

Original appointment date 10 June 2021
Current term 1 April 2022 to 31 March 2026

Dr Abbe Anderson PhD, MBA, FGIA

Board Member

Abbe has more than 30 years of experience in the public, private and not-for-profit health sectors of Australia, New Zealand and the United States of America (USA). For 20 of those years, she held senior executive roles, including Chief Executive Officer of the Brisbane North PHN, Metro North Brisbane Medicare Local, and Brisbane North Division of General Practice.

Abbe has worked in hospital management with Southland District Health in New Zealand, including with small rural hospitals in Gore and Queenstown. In her early career, she served as a volunteer with a medical relief aid organisation in the South Pacific Islands before becoming a qualified medical assistant and working in general practices in the USA.

Original appointment date 1 April 2022
Abbe Anderson resigned from the Board on 25 September 2022.
Term of appointment was until 31 March 2026.

Mr Bruce Cowley BCOM/LLB (Honours), FAICD

Board Member

Bruce practised as a corporate and governance lawyer for nearly 40 years at the law firm, MinterEllison. He was elected global chair of the firm for three consecutive terms from 2013 to 2019 immediately prior to his retirement from the firm. He has extensive experience on boards, having served on a range of listed, unlisted and not-for profit companies. He is currently on the board of Australian Retirement Trust (ART), the second-largest superannuation fund in Australia. He sits on ART's Audit and Risk Committee and chairs the Finance Committee and the Legal and Governance Committee. Bruce also sits on the Takeovers Panel, is the Chair of the Queensland Trust for Nature and the Griffith University Business School Strategic Advisory Board and is a Board member of the Fijian Drua Rugby Union Team.

He is a former national Chair of the Law Council of Australia's Corporations Committee and the Australian Institute of Company's Directors Law Committee. He has also recently held roles as Chair of the Children's Hospital Foundation, Chair of CPL (Cerebral Palsy League), Deputy Chancellor of the University of Sunshine Coast, Chair of the Indigenous Diabetes Eyes and Screening Partnership and Chair of the Queensland Children's Medical Research Institute.

Bruce has written two books on directors' duties and corporate governance: Duties of Board and Committee Members, with Stephen Knight as co-author (Thompson Reuters 2017) (with a second edition in the planning stages) and Directorship in Context (AICD Publishing) published in 2023. Bruce is also an Adjunct Professor in the University of Queensland School of Law.

Bruce holds a Bachelor of Commerce and a Bachelor of Laws (with Honours) from the University of Queensland, is a Fellow of the Australian Institute of Company Directors and has been awarded an Honorary Senior Fellowship at the University of the Sunshine Coast.

Original appointment date 18 May 2021
Current term 1 April 2022 to 31 March 2026

Dr David Rowlands OAM, MBBS (Qld), MRACGP, FAICD

Board Member

David is a graduate of The University of Queensland. He served as a Medical Officer in the Royal Australian Army Medical Corps and worked in Accident and Emergency in the United Kingdom, before deciding on a career in General Practice. He is the co-owner of a mixed billing General Practice, where he works four days per week in clinical practice.

David also has an extensive career in governing health care organisations, and in ensuring that safe and efficient care is delivered to the community they serve. He has high level skills in the areas of corporate governance, clinical governance, fiscal management, patient safety and patient experience.

He is a graduate of the Australian Institute of Company Directors and has more than 25 years' experience as a company director. In 2019, he was awarded Fellowship of the Australian Institute of Company Directors. David was instrumental in establishing both the Gold Coast Medicare Local and the Gold Coast Primary Health Network and served as Chair of both organisations. He has extensive experience in community engagement and has also served as Chair of the Gold Coast Health and Wellbeing Council. In 2021, David was awarded the Medal of the Order of Australia for services to Medicine, in General Practice.

Original appointment date 1 April 2022
Current term 1 April 2022 to 31 March 2026

Committees

The Board has legislatively prescribed committees that assist the Board to fulfil its responsibilities. Each committee operates in accordance with a Charter that clearly articulates the specific purpose, role, functions, and responsibilities.

Executive Committee

The role of the Executive Committee is to support the Board in its role of controlling our organisation by working with the Sunshine Coast Health Chief Executive to progress strategic priorities and ensure accountability in the delivery of services.

Committee members:

- Ms Sabrina Walsh (Chair)
- Mr Bruce Cowley (from Oct 2022)
- Dr David Rowlands.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance and assistance to the Board on:

- the organisation's risk, control, and compliance frameworks
- the Board's external accountability responsibilities as prescribed in the *Financial Accountability Act 2009*, the *Hospital and Health Boards Act 2011*, the *Hospital and Health Boards Regulation 2012*, and the *Statutory Bodies Financial Arrangements Act 1982*.

Committee members:

- Mr Bruce Cowley (Chair)
- Emeritus Professor Birgit Lohmann
- Mr Rodney Cameron

Finance and Performance Committee

The Finance and Performance Committee oversees the financial position, performance, and resource management strategies of Sunshine Coast Health in accordance with relevant legislation and regulations.

Committee members:

- Mr Rodney Cameron (Chair)
- Mr Brian Anker
- Emeritus Professor Birgit Lohmann
- Dr Abbe Anderson (until 25 September 2022)

Safety and Quality Committee

The role of the Safety and Quality Committee is to ensure a comprehensive approach to governance of matters relevant to safety and quality of health services is developed and monitored.

Committee members:

- Ms Debra Blumel (Chair)
- Mr Terry Bell
- Dr David Rowlands.

Workforce Committee

The Workforce Committee is responsible for assisting the Board in its oversight of Sunshine Coast Health workforce responsibilities.

Committee members:

- Mr Brian Anker (Chair)
- Ms Debra Blumel
- Mr Terry Bell.

Table 1: Board and committee meeting attendance 2022-2023

Sunshine Coast Hospital and Health Service	
Act or instrument	*Hospital and Health Boards Act 2011*
Functions	*The Sunshine Coast Hospital and Health Service's main function is to deliver the hospital services, other health services, teaching, research and other services stated in the service agreement with the Department of Health.*
Achievements	*Refer to 'Our Performance'*
Financial reporting	*Refer to Annual Financial Statements*

Remuneration

Position	Name	Meetings/sessions attendance	Approved annual fee	Approved sub-committee fees if applicable (per annum, per committee)#	Actual fees received
Board Chair	Sabrina Walsh	11 Board **Committees** 2 Executive 11 Finance and Performance 4 Audit and Risk 3 Safety and Quality	$85,714	$4,000 (Chair)	$85,749
Member	Dr Abbe Anderson*	2 Board **Committees** 1 Finance and Performance	$44,503	$3,000	$11,258
Member (Deputy Chair from 10 November 2022)	Brian Anker	12 Board **Committees** 12 Finance and Performance 4 Workforce	$44,503	$3,000 $4,000 (Chair)	$44,521
Member	Terry Bell	12 Board **Committees** 5 Safety and Quality 3 Workforce	$44,503	$3,000 $3,000	$44,521
Member	Debra Blumel	11 Board **Committees** 4 Workforce 6 Safety and Quality	$44,503	$3,000 $4,000 (Chair)	$44,521
Member	Rodney Cameron	11 Board **Committees** 12 Finance and Performance 6 Audit and Risk	$44,503	$4,000 (Chair) $3,000	$44,521
Member	Bruce Cowley	12 Board **Committees** 6 Audit and Risk 1 Executive	$44,503	$4,000 (Chair) $3,000	$44,521
Member	Emeritus Professor Birgit Lohmann	11 Board **Committees** 12 Finance and Performance 6 Audit and Risk	$44,503	$3,000 $3,000	$44,521
Member	Dr David Rowlands OAM	12 Board **Committees** 1 Executive 6 Safety and Quality	$44,503	$3,000 $3,000	$44,521

Board meetings	12
Committee meetings	
Audit and Risk	6
Executive	2
Finance and Performance	12
Safety and Quality	6
Workforce	4
Total out of pocket expenses	Nil out of pocket expenses

** Resigned from Board September 2022*

#Committee fees - $4,000 for Committee Chair and $3,000 for Committee members

Executive Management

Dr Peter Gillies

Health Service Chief Executive

Peter was appointed as Health Service Chief Executive in October 2021. Peter is a Fellow of the Royal Australasian College of Medical Administrators and has a Master of Business Administration from Otago University.

He is also a Graduate of the Australian Institute of Company Directors. He has been a medical professional for nearly 30 years and has worked in hospital and general practice roles in Australia, New Zealand, South Africa and the United Kingdom including over five years as a Health Service Chief Executive in Toowoomba prior to moving to the Sunshine Coast role. He also has a background in general management, previously working in the health software industry and as a regional manager for a not-for-profit private hospital group in Auckland, New Zealand.

Ms Joanne Shaw

Chief Operating Officer

Joanne was appointed Chief Operating Officer in December 2021. She has broad experience in leadership and management roles, including an extensive knowledge of strategic and operational leadership to provide high-quality, safe, sustainable, patient and family centred care. Joanne has a varied background in different organisations which includes tertiary centre work in metropolitan Melbourne and Perth coupled with regional, rural and remote experience in Queensland. Joanne holds a Bachelor of Nursing and is a registered nurse with postgraduate qualifications including a Graduate Certificate in Critical Care Nursing, Graduate Certificate in Transfusion Practice, Graduate Certificate in Consumer and Community Engagement, and a Master of Nursing.

Other notable achievements include graduating from the Australian Institute of Company Directors and publishing in the British Journal of Haematology. Joanne is passionate about health and she uses values-based leadership to build integrated service models to ultimately improve patient and community outcomes.

Mr Julian Tommei

Executive Director Legal and Governance

Julian joined Sunshine Coast Health in January 2022 as Executive Director, Legal and Governance. He has more than 20 years' experience in public sector corporate law and governance in both Australia and New Zealand. Julian studied a Bachelor of Arts (1985) at the University of Natal in South Africa and law at the University of the Witwatersrand (1998).

He was admitted as a Solicitor in South Africa (1992), as a Barrister and Solicitor in New Zealand (2003) and as a Solicitor in Australia (2012). Julian has interests in leadership development and culture change in the workplace.

Dr Marlene Pearce

Executive Director Medical Services

Marlene commenced as the Executive Director of Medical Services in March 2022. She completed a Bachelor of Science (2004) and MBBS at The University of Queensland (2008) and went on to obtain her Fellowship with the Royal Australian College of General Practitioners (2014) in Victoria. She holds a Master of Health Administration from Monash University (2021).

Marlene has practiced as a General Practitioner in both rural and regional settings in Victoria and Queensland, and driven quality and innovation in her role as GP Liaison Officer for Sunshine Coast Health from 2015- 2020. She has previously held roles in Safety, Quality and Innovation and Medical Administration.

Ms Lisa Newport

Executive Director Nursing and Midwifery

Lisa has had a long career in health leadership roles including mental health nursing, facility management, and was appointed as Executive Director of Nursing and Midwifery in xxxx. She is committed not only to the health and wellbeing of the people in our communities but also in growing support for nurses and midwives to professionally succeed.

Lisa is focussed on investing in the next generation of nurses and midwives, and further promoting the importance of evidence-based practices, training, and development for sustainable services. She believes that being a nurse or midwife is more than just a profession – it's a lifelong journey.

Dr Gemma Turato

Executive Director Allied Health

Gemma commenced in the role of Executive Director of Allied Health in September 2017. Gemma has worked for Sunshine Coast Health since 2005. Gemma has extensive experience in allied health management and leadership, working in dual clinical and leadership roles in New Zealand from 1999 and then in Australia from 2004.

She completed a Diploma in Occupational Therapy in 1991, Master in Human Movement Science at the University of Wollongong in 1995, and completed her Ph.D. through the University of the Sunshine Coast in 2022 completing research on using systems theory to identify the components of an evidence-based framework for allied health leadership development.

Further research interests include allied health governance and structure for optimal functioning. Gemma has published her research in peer reviewed journals including Q1 and Q2 journals.

Ms Karen Dean

Chief Finance Officer

Karen joined Sunshine Coast Health in 2017 and was appointed Chief Finance Officer (CFO) in June 2022. Karen holds more than 18 years of experience as a finance leader, and as a management consultant. She has worked with various organisations to implement finance and business performance improvements, spanning funding model reviews, cost saving projects, benchmarking, finance shared services, and organisational redesign. Karen has worked across the public and private sector as a finance professional and worked overseas at a multi-national financial services company.

Karen is a Fellow Certified Practicing Accountant (FCPA) with a Graduate Certificate in Professional Accounting and Bachelor of Commerce (Banking and Finance).

Mr Silven Simmons

Executive Director Workforce

Silven joined Sunshine Coast Health in January 2022 as the Executive Director Workforce. Prior to this Silven worked as the Senior Director, People Safety and Performance and Executive Director, Employment Relations, Human Resources Branch, Corporate Services Division with Queensland Health for five years. Silven has also worked as the General Manger, Human Resources for Roads and Maritime Services in New South Wales.

Silven has more than 20 years of experience working in senior human resources and corporate professional roles with demonstrated experience managing large corporate functions through periods of significant change and transformation in large and complex environments. Silven has a Diploma in Business, Graduate Certificate in Business (Public Sector) and has completed the Australian Institute of Company Directors course.

Ms Sharon Barry

Service Director Aboriginal and Torres Strait Islander Health

Sharon is a proud Aboriginal woman and comes from a long line of strong Aboriginal women born in Central West Queensland and is connected to the Iningai people. Her father was born in Linaskea, Northern Ireland and arrived in Australia in 1949. Sharon has been working in Queensland Health for more than 20 years, prior to this she worked in the Community Control sector. Sharon has extensive knowledge on leadership, community and health service delivery and has been integral in building strong relationships with various stakeholders and community.

She is a strong advocate for Aboriginal and Torres Strait Islander peoples and is a key contributor to the design and implementation of Aboriginal and Torres Strait Islander Health services across Sunshine Coast Health.

Mr Andrew Leggate

Senior Director Capital Assets and Infrastructure

Andrew has a technical background in Electrical engineering systems with further studies in asset management. Andrew started with Queensland Health in 2014 and has worked across several Hospital and Health Services. He commenced with Sunshine Coast Hospital and Health Service in 2016 as the Director of Assets and Infrastructure after working on the Sunshine Coast University Hospital development as part of the State engineering compliance team.

Andrew has worked across multiple government departments including Police, Education and Public Works in the fields of project, programs and asset management. Prior to joining the public sector Andrew worked for several multinational companies across States and Territories of Australia, in the B2B sector managing commercial supply and service contracts to companies such as BHP, Comalco and Rio Tinto.

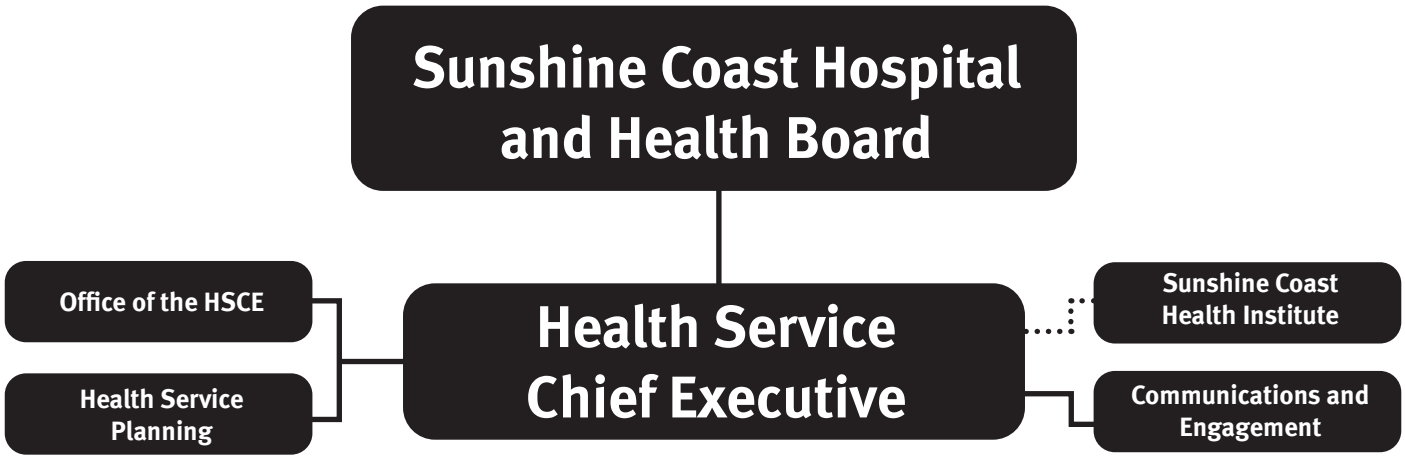
Mr Jake Penrose

Senior Director Digital Health and Technology

Jake has 20 years of experience in Information and Communication Technology (ICT) across health, banking and consulting industry sectors. This experience includes leading major ICT transformation initiatives such as the Queensland Health new hospitals program, as well as delivering clinical ICT solutions critical to the opening of the Gold Coast University Hospital, Queensland Children's Hospital and Sunshine Coast University Hospital. More recently, Jake led the technical delivery of the integrated electronic Medical Record deployment at Sunshine Coast Health and has worked closely with clinical leads in the development of the new health service Digital Health strategy.

Jake has expertise in ICT and Digital Health strategy, planning and delivery in complex health services and as well as loving the Sunshine Coast lifestyle is passionate about helping improve health outcomes for our community and consumers.

Organisational Structure



Chief Operating Officer	• Clinical Services Directorates • Facility Management • Emergency and Business Continuity • Operational Support Services • Medical imaging • Ambulatory Care Centre • Clinical Documentation Improvement Program
Executive Director Medical Services	• Professional Leadership - Medical • Safety Quality and Innovation • Medical Education • Research
Executive Director Nursing and Midwifery	• Professional Leadership - Nursing and Midwifery • Nursing and Midwifery Practice Development • Nursing Informatics and Workforce • COVID-19 Response
Executive Director Allied Health	• Professional Leadership - Allied Health • Allied Health Education
Chief Finance Officer	• Financial Management • Financial Operations • Procurement and Contracts • Fleet Services
Executive Director Legal and Governance	• Corporate Governance • Legal Services • Internal Audit • Ethics and Integrity • Clinical Information Access
Executive Director Workforce	• Workforce Planning, Capability and Engagement • Workplace Safety and Wellbeing • Workplace Relations • Workforce Advisory • Workforce Establishment and Analytics • Recruitment
Senior Director Digital Health and Technology	• ICT and Digital Health • Strategy and Architecture • Cyber Security • Clinical Information Services • Clinical Lead Digital Health
Senior Director Capital Assets and Infrastructure	• Assets and Infrastructure • Major Capital Projects • PPP Contract Management
Service Director Aboriginal and Torres Strait Islander Health	• Aboriginal and Torres Strait Islander Health Services • Cultural Capability • Health Equity • Aboriginal and Torres Strait Islander Health Workforce

Strategic committees

Sunshine Coast Health is committed to building and supporting an executive leadership team that promotes a culture of safety, accountability, service and operational excellence and organisational learning. The committee structure aligns with the Board committee structure ensuring direct alignment of purpose, oversight, and clarity of function. The four Executive Committees are: Workforce, Audit and Risk, Safety and Quality, and Finance and Performance.

The Executive Committees support the Health Service Chief Executive and Board in meeting its responsibilities outlined in the *Hospital and Health Boards Act 2011*, the health service's Service Agreement and other relevant legislation, plans and policies.

Table 2: Executive committee meetings held in 2022-2023

Executive (Tier 2) Committees 2022-2023	
Executive Safety and Quality Committee (ESQC)	12
Executive Audit and Risk Committee (EARC)	6
Executive Finance and Performance Committee (EFPC)	12
Executive Workforce Committee (EWC)	6

Strategic workforce planning and performance

At the end of the reporting period (June 2023), the Sunshine Coast Health workforce had a paid full-time equivalent of 6806.99. This is made up 72.47 per cent of frontline staff and 22.2 per cent of frontline support staff.

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

Table 3: Total Staff in 2022-2023

Total Staffing	
Headcount	8,793
Paid FTE	6,806.99

Table 4: Occupation types by FTE 2022-2023

Occupation Types by FTE	**FTE**	**Percentage**
Corporate	362.91	5.33%
Frontline	4,933.23	72.47%
Frontline Support	1,510.85	22.20%

Table 5: Appointment type by FTE

Appointment Type by FTE	**FTE**	**Percentage**
Permanent	5,044.64	74.11%
Temporary	1,529.80	22.47%
Casual	219.82	3.23%
Contract	12.73	0.19%

Table 6: Employment status by headcount 2022-2023

Employment Status by Headcount	**Headcount**	**Percentage**
Full-time	3,439	39.11%
Part-time	4,845	55.10%
Casual	509	5.79%

Table 7: Gender

Gender	Headcount	Percentage
Woman	6588	74.92%
Man	2172	24.70%
Non-binary	33	0.38%

Table 8: Diversity target group

Diversity Groups	Headcount	Percentage
Women	6588	74.92%
Aboriginal and Torres Strait Islander Peoples	163	1.85%
People with a disability	145	1.65%
Culturally and Linguistically Diverse – Speak a language at home other than English^	827	9.41%

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

Table 9: Target group data for Women in Leadership Roles

Target Groups	Headcount	Percentage
Senior Officers (Classified and s122 equivalent combined)	13	72.22%
Senior Executive Service and Chief Executives (Classified and s122 equivalent combined)	2	33.33%

Workforce data provided by Public Service Commission.

Open data

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

Our risk management

Sunshine Coast Health is committed to effectively managing risk through application of better-practice principles and practices. Sunshine Coast Health has an established risk management system, underpinned by our Risk Management Framework that applies a standardised and structured approach to risk management aligned to international standards. The framework reinforces that all staff have a role to play in being risk aware and managing risk. Specific accountabilities and responsibilities rest with individual officers at Executive and Senior management levels, where that officer has the delegated authority or technical expertise to appropriately manage the risk to an acceptable level. This is reflected in our governance and supporting processes and tools.

Our Risk Appetite Statement sets out the Board's expectations to managing risk. The Statement is broadly articulated for key activities, behaviours and risk exposures, linked to our strategic objectives and priorities. We consider risk from an enterprise-wide perspective, encompassing strategic and operational risks to enable whole-of-organisation visibility and management level decision-making on the sources of uncertainty in pursuit of our objectives and priorities. Strategic risks are identified and managed by the health service Executive and monitored by the Board Audit and Risk Committee and the Board.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister for Health, Mental Health and Ambulance Services and Minister for Women to a health service during the financial year and the action taken by the health service as a result. During 2022-2023, no directions were given by the Minister to Sunshine Coast Health.

Internal audit

For a number of years, Sunshine Coast Health has partnered with Central Queensland Hospital and Health Service to establish an effective, efficient and economical internal audit function. The function provides independent and objective assurance and advisory services to the Board and Executive management. It enhances Sunshine Coast Health's governance environment through a systematic approach to evaluating internal controls, governance and risk management processes.

The function has executed the strategic and annual audit plan prepared due to reviewing the strategic objectives, strategic and high-level operational risks, contractual and statutory obligations and prior audit assurance in consultation with the Audit and Risk Committee and executive management. The audit team are members of professional bodies, including the Institute of Internal Auditors, CPA (Certified Practicing Accountants) Australia and ISACA (International Systems Audit and Control Association). Sunshine Coast Health continues to support its ongoing professional development.

External scrutiny, information systems and recordkeeping

Sunshine Coast Health underwent Short Notice Accreditation Assessment by the Australian Council of Healthcare Standards (ACHS) against the National Safety and Quality Health Care Standards (NSQHS) version 2.0 in May 2023 at which full accreditation status was attained. Glenbrook Residential Aged Care Facility was assessed against the Aged Care Standards in September 2022 meeting all 44 criteria across the eight standards, therefore also being awarded full accreditation status.

Sunshine Coast Health recognises the value of administrative and functional records as a source of organisational knowledge that underpins and supports the facilitation and provision of high-quality, evidence-based healthcare services.

Records are appropriately created, managed, retained, and disposed of in accordance with the Administrative and Functional Records Management Framework. Sunshine Coast Health maintains an effective and compliant administrative and functional records management system that supports business efficiency.

Our staff can access comprehensive record-keeping and information management guidance materials on Sunshine Coast Health's internal intranet site.

During the 2022-2023 financial year, Sunshine Coast Health has actively managed and assessed information security risks against the health service's risk appetite with appropriate assurance activities undertaken in line with the requirements of the Queensland Government Enterprise Architecture (QGEA) Information security policy (IS18:2018).

Queensland Public Service ethics and values

Sunshine Coast Health continues to uphold the principles of the *Public Sector Ethics Act 1994*: Integrity and impartiality, Promoting the public good, Commitment to the system of government, and Accountability and Transparency. The Code of Conduct for the Queensland Public Service is based on these four legislative principles and applies to all Queensland Health staff, including Sunshine Coast Health.

An online training module for the Code of Conduct and ethical decision-making forms part of Sunshine Coast Health's mandatory training provided to all employees at the start of employment. Code of Conduct for Managers also forms part of mandatory training for managers responsible for modelling expected behaviours and ensuring ethical decision-making is understood by employees.

Fraud and corrupt conduct

The Fraud and Corruption Control Policy was revised in 2022 to further embed our commitment to an ethical organisational culture, reinforcing our ethical expectations across all areas of Sunshine Coast Health. This year, the Fraud and Corruption Control Framework and the Fraud and Corruption Control Action Plan were developed to help minimise the risk of fraud and corrupt behaviour.

Human Rights

Sunshine Coast Health recognises that respecting, protecting and promoting human rights supports healthy living and is critical to the role we perform in our community as a provider of public health services. Sunshine Coast Health is firmly committed to advocating for the human rights of all individuals in our organisation by how we operate, deliver health services, and interact daily.

Upon the introduction of the *Human Rights Act 2019* (Queensland) (HR Act), we have acknowledged this commitment in the Plan. Since mid-2019, Sunshine Coast Health has focused on building a human rights culture across all facilities and services.

During this reporting period, Sunshine Coast Health has demonstrated significant progress in its human rights culture by the way it incorporates human rights into its actions and decisions.

Highlights from 2022-2023 include:

- Genuine partnerships and consultation with Aboriginal and Torres Strait Islander Elders, staff, patients, and community members to better understand how to deliver health services to care for their distinct cultural needs and improve health and wellbeing.
- The development and adoption of the Health Equity Strategy
- Continuing to embed a human rights culture across Sunshine Coast Health's facilities including through the development and review of policies and procedures

Sunshine Coast Health received no complaints from the Human Rights Commission in this financial year.

Confidential information

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

Our performance

The following provides an overview of strategic priorities and key performance indicators (KPIs) in the *Sunshine Coast Hospital and Health Service Strategic Plan 2022–2026*. Table 7 also provides an overview of Sunshine Coast Health's performance against the service standards.

Our care

We are focused on providing high-quality, equitable, accessible, person-centred care. To achieve this we have implemented new services and innovative models of care to support our patients.

Master Clinical Services Plan

We continue to focus and deliver on the priorities identified in the 2022-2027 Master Clinical Services Plan to ensure our services are responsive to the needs of our health service region

A lot of work was completed this year as part of the Master Clinical Services Plan, however hospital access targets for long waits were not met. The next financial year will see work completed as part of the Master Clinical Services Plan to support urgent care access and flow across all facilities, optimisation of Hospital in the Home, and interim care beds.

Some of the outcomes delivered from the Master Clinical Services Plan include:

- access and Flow Dashboard delivered in the emergency department at the Sunshine Coast University Hospital informing improvements in access and flow across all Sunshine Coast Health facilities;
- 12 new models of care have been implemented in allied health including improvements to models of care and clinical redesign. Changes include Post-Acute Community Services, Pharmacy Compounding Service, and Prosthetic and Orthotic Service;
- the Referral Centralisation Program was implemented and embedded across the health service;
- Nambour Redevelopment construction with clinical transition to occur in 2024; and
- patient flow initiatives including interim care, rehabilitation and subacute patients are complete.

Continuity of Care Criteria program

We are committed to strengthening partnerships across primary and community health to better connect care. This year we worked on the Continuity of Care Criteria program across several specialties, including orthopaedic outpatients. The program was delayed in the Ear, Nose, and Throat service due to workforce challenges, however, the program was extended by three months with additional funding to embed the program further.

New services

Several new services were introduced this financial year to further support equitable, accessible, person-centred care including:

- Introduction of a new Acute Leukaemia tertiary service at Sunshine Coast University Hospital.
- A 24-bed surgical ward opened at Sunshine Coast University Hospital for urology and gynaecology patients.
- A new interim bed strategy commenced in October 2022 at Glenbrook Aged Care Facility to allow lower acuity hospital inpatients to be accommodated until discharge.
- Establishment of Nurse-led intravitreal injection clinic in Ophthalmology to improve timely access and patient experience under the supervision of the Ophthalmology team.
- Delivery of a new Neuro Intensive Rehabilitation and Complex Concussion Clinic to support patients with brain and spinal cord injuries.
- Rapid programs including respiratory, cancer care, and hepatology. These programs allow patients known to the service to contact a nurse practitioner post-discharge if their condition changes. Assessment/treatment options include telephone advice, referral to their usual GP, a face-to-face assessment in the ward or, rarely, referral to the emergency department (ED). These programs are reducing readmissions and ED visits and are very popular with patients.

COVID-19 Management

We continue to safeguard our community with ongoing treatment of COVID-19 and respiratory patients in inpatient and virtual care settings. This has included the successful integration of COVID-19 and Respiratory Response plans into business-as-usual functions across the health service.

We continue to work to minimise hospital transmission risk while retaining operational capacity through continuous case monitoring, contact tracing and bed placement.

Sunshine Coast Health has planned and opened additional capacity in line with statewide guidance and requirements by flexing between tiered responses as required, the health service has been at tier 0 of this response since 25 January 2023.

Hospital Acquired Complication rates

Hospital Acquired Complication rates are monitored regularly across Sunshine Coast University, Nambour, and Gympie hospitals. The KPI outlined in the Sunshine Coast Hospital and Health Service Strategic Plan 2022–2026 of a rate below the 25th percentile of peer hospitals has been met this financial year.

Patient Reported Experience Measures (PREMs)

The data collected from patients about their experience in our hospitals is an important way for Sunshine Coast Health to improve services. A PREMs survey is sent to patients to complete with information on their health care visit including communication and involvement in decision making. This year, 75 per cent of patients completing the PREMs survey provided a rating of ‘very good’ for Sunshine Coast Health. The KPI outlined in the Sunshine Coast Hospital and Health Service Strategic Plan 2022–2026 is 75 per cent.

Our people

We value and support our people. We are committed to developing a values based organisational culture to ensure our staff feel included, respected and safe in their workplace.

Values-based culture

The iCAN values of integrity, compassion, accountability and innovation were developed this financial year and embedded across our health service. Our vision and values guide how we interact in the workplace and underpin decision-making, laying the foundation for our behaviour, and setting the ground rules for what we can expect from others. Demonstrating our values visibly and consistently builds a workplace where people feel safe, respected, and able to contribute.

Micro Skills series

A series of Micro Skills training guides were released this year designed to develop the leaderships skills of our workforce. The Micro Skills training courses are a three-minute takeaway guide designed to build practical team skills, good decision-making, setting expectations, and creating a safe workplace protecting staff from harm.

Diversity and Inclusion

This year Sunshine Coast Health invested in the diversity of its workforce through a number of celebration days and including and encouraging consumer participation. We are committed to supporting health equity, and diversity and inclusion in the workplace. Our workforce is made up of many unique backgrounds, skills, values, and life experiences. We value diversity and inclusion and recognise that a diverse workforce contributes to better business outcomes through higher innovation, creativity, improved team engagement and risk management. The Workforce Diversity and Inclusion strategy was also developed this year with an underlying action plan including regular meetings with key stakeholders and network groups.

White Ribbon accreditation

White Ribbon Australia this year awarded Sunshine Coast Health as a White Ribbon Accredited Workplace following the successful completion of the White Ribbon Workplace Accreditation.

This acknowledgment demonstrates we are taking proactive active steps to stop violence against women and children through a more inclusive workplace, increased safety at work and better support for employees following Domestic and Family Violence disclosures. To achieve accreditation, we successfully met 15 criteria under three standards to create a safer and more respectful workplace.

Leadership Capability Framework

This year the Leadership Capability Framework was developed in consultation with Sunshine Coast Health managers which includes a suite of leadership programs to be made available to leaders within the organisation. In the financial year 2022-2023, 483 current, acting, or aspiring managers completed one or more leadership programs. Sunshine Coast Health is on track for the target of 80 per cent of managers completing the leadership program by June 2026.

Culture survey

This year Best Practice Australia was engaged to deliver a culture survey for the 2023-2024 financial year encouraging staff to provide feedback on their experiences working within Sunshine Coast Health. Sunshine Coast Health is on track to improve the response rate of the culture survey by ensuring staff understand the value of their feedback and supporting the anonymity of response.

Our sustainability

We manage our financial, physical, and environmental resources responsibly

Nambour General Hospital redevelopment

The Nambour General Hospital is undergoing an $86 million redevelopment with construction due for completion in the next financial year. The redevelopment will increase the bed capacity at Nambour and better service the growing health needs of the Sunshine Coast. The redevelopment will be delivered within the existing hospital and includes:

- increased capacity of emergency care
- more beds for mental health patients
- increased capacity of wards for surgical and medical patients
- a new same-day rehabilitation unit
- a new purpose-built space for the renal dialysis unit
- relocation and refurbishment of cancer care services, including same-day medical infusions and chemotherapy
- a new central sterilising unit
- a new courtyard and drop-off zone located near the emergency department
- a new kitchen.

During the financial year, several milestones were reached including:

- temporary relocation of the emergency department and triage
- relocation of Cancer Care Services to a new purpose-built area
- opening of the new Day Rehabilitation Service
- new mental health inpatient ward.

While the redevelopment is taking place, the hospital has remained open and has continued to provide patient services. The deferred maintenance reflected in S/4HANA as at 30 June 2023 was $23,363,755.

Gympie Staff Accommodation

Sunshine Coast Health received funding for the build of an $8 million, 24-bed staff accommodation facility at Gympie Hospital, as part of the Building Rural and Remote Health Program (BRRHP), established to improve infrastructure critical to the delivery of health services in rural and remote communities.

The building will feature sustainable design elements, including energy efficiency and disability access and include 24 beds, a laundry, and meal preparation area. The build is underway, with plans to commission the accommodation for use in the next financial year.

Command Centre

Works commenced this year at the Sunshine Coast University Hospital on a dedicated Command Centre to build on our already established patient access and coordination hub. The location will also align with, and enhance our existing emergency response protocols with its adjacency to the Health Emergency Operations Centre (HEOC). The Command Centre will help us to support patient flow, manage our bed capacity, and relieve pressure on our frontline services.

Health service performance

Sunshine Coast Health has again seen unprecedented demand for its services. Although we have seen improvements in wait lists for elective surgery and specialist outpatients, we acknowledge we have patients waiting longer than expected. We are growing our services to better meet the needs of our communities and there has been a reduction in our waitlists. We are committed to improving our efficiency every day.

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We are also working to support patient flow, value for money for patient care, and efficiency and effectiveness through our emergency departments with a number of initiatives including interim care beds, optimisation of Hospital in the Home, alternative off-site low acuity care beds, and an improvement to our transfer initiative nursing model.

Local Area Needs Assessment

This financial year also saw the development of the Local Area Needs Assessment (LANA) for the Sunshine Coast Health region. The LANA is a detailed assessment of health and service needs, based on data analysis across multiple domains and consultation with local stakeholders, clinicians, consumers, and health organisations. It provides a summary of the health and service priority needs of the region. The LANA forms a part of the Sunshine Coast Health integrated planning framework inclusive of healthcare partners.

Virtual Acute Care Service (VACS)

Following on from the previous Virtual COVID-19 Ward, the Virtual Acute Care Service has been set up to accept non-COVID-19 patients needing extra support or monitoring in the community, in collaboration with their regular GP. A team of Primary Care Medical Officers and Nurses provide virtual care to sub-acute patients. VACS is a service designed to complement and work with the patient's existing GP and specialty teams to assist and manage at-risk patient cohorts, avoid unnecessary hospitalisations, and offer inpatients a bridging pathway for faster discharge.

Reporting and data analytics

This year a lot of work has been completed on the use of effective data analytics and reporting functions across the health service. The initial analysis has been completed, detailed review is currently underway, and a target operating model has been defined.

Clinical documentation improvement

The Clinical Documentation Improvement (CDI) program was successfully implemented this year - partnering with clinicians, Health Information Managers and Coders to transform the way we document patient care to improve patient safety, data integrity and deliver financial sustainability.

The objectives of the CDI program were to:

- improve clinical documentation through clinician engagement and education
- lead change to improve the clinical documentation culture within SCHHS thus facilitating accurate data collection to support quality improvement activities and research
- analyse documentation in real time to ensure the correct principal and additional diagnoses have been documented and, in a manner, which can be translated into coded data
- improve clinical documentation to support accurate and appropriate funding reimbursement for patient services.

Environmental Action Plan

This year the Environmental Action Plan underwent a significant refresh, ensuring accountabilities and responsibilities were clearly assigned.

Work was also completed on a refresh of the Environment Strategy and as well as the governance of documentation.

Our future

We improve and prepare for the future through research, education, and innovation

Sunshine Coast Health Institute (SCHI)

The Sunshine Coast Health Institute's co-location builds our region's capacity and capability through health education, collaboration, and innovation. SCHI is a joint venture collaborative partnership between Sunshine Coast Hospital and Health Service (SCHHS), University of the Sunshine Coast, TAFE Queensland (TAFE) and Griffith University (GU). The Institute is a dedicated health education, training, and research facility, contributing to the Sunshine Coast Health vision for health and wellbeing through exceptional care.

This year a number of research education sessions were delivered as part of the SCHI Seminar Series.

First cohort of student doctors

In December 2022, the first cohort of 46 Griffith University's Doctor of Medicine (MD) program completed their studies at SCHI. SCHI has state-of-the-art simulation suites, enabling the students to be trained in various procedural, teamwork, communication, and other skills they will need as medical practitioners. At the beginning of 2023, 25 of the graduating cohort were interns within the Sunshine Coast Hospital and Health Service.

Joint cardiac rehabilitation and research program

Free heart health checks were offered at the launch of a cardiovascular rehabilitation and research program on World Heart Day (29 September 2022). The program, jointly funded by Sunshine Coast Health and University of Sunshine Coast (UniSC), will deliver the latest developments in care for patients recovering from heart attacks and cardiovascular surgery.

The research aims to help patients to improve their quality of life and reduce future hospitalisations by continuing exercise and an active lifestyle following their cardiac rehabilitation.

Golden Hip Award

Sunshine Coast University Hospital was this year recognised among Australia's best performing hospitals for hip fracture care. In October 2022, SCUH won the Australian and New Zealand Hip Fracture Registry (ANZHFR) Golden Hip Award. This national award rates a hospital's performance against 16 indicators within the national Hip Fracture Care, Clinical Care Standard. The innovative model of care involves a multidisciplinary team approach across multiple areas of the hospital, including geriatricians, the emergency department, anaesthetists, nurses, allied health and orthopaedic surgeons. The model of care sees hip fracture patients being admitted directly under the care of an ortho-geriatrician, who is primarily responsible for the patient's care coordination.

Melanoma detection

Melanoma is the most common cancer in Australians aged 15 to 39, with the Sunshine Coast region being the melanoma capital of Queensland. This year we joined the $10 million Australian Cancer Research Foundation funded Australian Centre of Excellence in Melanoma Imaging and Diagnosis (ACEMID) research project, installing a 3D total body skin imaging system (VECTRA) at Sunshine Coast University Hospital.

The VECTRA revolutionises melanoma and skin cancer detection and diagnosis by digitally generating a patient's full-body avatar, significantly enhancing lesion identification and tracking, and improving monitoring accuracy.

The network of 15 facilities with total body imaging systems integrate and leverage world-class research expertise to provide new and reliable solutions for the early diagnosis of melanoma, particularly for people at high risk, in both metropolitan and regional areas.

Oncology pharmacy

This year, a pharmacy initiative at the Gympie Hospital supported cancer patients with access to a specialised oncology pharmacist. Patients now have access to a full-time Cancer Care Pharmacist to help improve timely access to medication information. Having a dedicated position allows for closer monitoring and follow-up with patients. This initiative has been especially beneficial for patients with complex medication needs.

Research and clinical trials

In the 2022-2023 financial year, 29 new research projects were approved by June 2023, this is equivalent to previous years (69 new projects in 2022 and 71 new projects in 2021). Of these projects, 13 were new clinical trials. This is equivalent to the number of clinical trials approved in the previous years (33 in 2022 and 22 in 2021).

Journal publications

In 2022, Sunshine Coast Health staff were authors in 259 publications (an increase of 12 per cent on 2021; 232 publications). Sunshine Coast Health staff also published 213 articles in Q1 and Q2 journals (an increase of 13% on 2021; 189 publications). There were also 42 articles published in Q3 and Q4 journals (almost equivalent to the 43 articles published in 2022).

Clinical department research teams

In June 2023, there were 331 research projects active across Sunshine Coast Health clinical departments. Research is currently being conducted across 41 clinical departments in eight service groups. This is above the KPI of 75 per cent of clinical departments with an identified research team and active research projects.

Aboriginal and Torres Strait Islander Health

Sunshine Coast Health acknowledges and pays respect to Aboriginal and Torres Strait Islander Elders, people, consumers, and staff, past, present, and future, on whose lands we provide health services to all Queenslanders. We are committed to improving health outcomes for Aboriginal and Torres Strait Islander people and providing respectful and responsive services.

Health Equity

Our vision is to improve Aboriginal and Torres Strait Islander health outcomes through culturally responsive, sustainable, and effective healthcare. We are also working to advance health equity, eliminate racism across the health system and achieve life parity for Aboriginal and Torres Strait Islander peoples by 2031.

Through extensive consultation with Aboriginal and Torres Strait Islander communities, our local Primary Health Network, Health and Wellbeing Queensland, and our Aboriginal and Torres Strait Islander Community Controlled Health Organisation (NCACCH), this year saw the development of the *Sunshine Coast Aboriginal and Torres Strait Islander Health Equity Strategy 2022-2031* (The Strategy). The Strategy is a pivotal opportunity for Sunshine Coast Health to address the health disparity for our Aboriginal and Torres Strait Islander communities.

The Strategy is an overarching blueprint to address health equity for Aboriginal and/or Torres Strait Islander people in the Sunshine Coast area, allowing subsequent implementation plans to be developed in three-year cycles (2022-2031) in consultation with prescribed stakeholders. Sunshine Coast Health was Queensland's first hospital and health service to launch its implementation plan. The Sunshine Coast Aboriginal and Torres Strait Islander Health Equity Implementation Plan (2022–2025) was developed in line with the Strategy.

The Implementation Plan also aligns with the overarching Sunshine Coast Hospital and Health Service Strategic Plan (2022–2026) and will be embedded in operational plans throughout Sunshine Coast Health. The implementation plan reflects the commitment of the Queensland Government, our health services, and our partners to improve health outcomes for Aboriginal and Torres Strait Islanders and drive change toward health equity.

The Sunshine Coast Aboriginal and Torres Strait Islander Health Equity Strategy and Implementation Plan are co-designed and co-owned by the Aboriginal and Torres Strait Islander community.

Following the launch, Sunshine Coast Health is on track to implement the deliverables set out in the strategy.

Cultural Practice Program

The Aboriginal and Torres Strait Islander Cultural Practice Program is mandatory for all Sunshine Coast Health staff.

There are four guiding principles covered through the online and face-to-face sessions:

- cultural respect and recognition
- relationships and partnerships
- capacity building
- communication.

The Sunshine Coast Health Cultural Practice Program is delivered in a blended format of self-paced online training and a three-hour face-to-face/virtual session.

Workforce Action Plan

Sunshine Coast Health is committed to developing a culturally responsive, inclusive, and educated workforce to negate discrimination and racism. The Workforce Action Plan 2023-2026 focuses on cultural integrity and strengthening career pathways. Our aim is to create a workplace to attract and retain Aboriginal and Torres Strait Islander people by providing a culturally safe work environment that:

- includes representation of Aboriginal and Torres Strait Islander staff
- provides rewarding career pathways for Aboriginal and Torres Strait Islander staff
- establishes Sunshine Coast Hospital and Health Service as an employer of choice for Aboriginal and Torres Strait Islander peoples.

Cultural celebrations

This year we hosted the Nyina Budja (Live Strong) Health Equity Expo. This event provided community with an opportunity to take part in health checks and learn more about their health and the services available to them, as well as employment and education opportunities. More than 250 community members attended this event. National Aboriginal and Islanders Day Observance Committee (NAIDOC) Week celebrations were held in July to celebrate Aboriginal and Torres Strait Islander people's history, culture, and achievements.

Hospital Liaison Service

Sunshine Coast Health's Aboriginal and Torres Strait Islander Hospital Liaison Service provides a cultural link between health professionals, identified Aboriginal and Torres Strait Islander patients and their families.

In 2022-2023, the health service received funding to extend the hours of Hospital Liaison Officers to support Aboriginal and Torres Strait Islander patients presenting to the emergency department after hours at Nambour General Hospital and Sunshine Coast University Hospital. This has successfully decreased the number of patients who did not wait for treatment. The service continues to work hard to reduce the number of patients who discharge against medical advice (DAMA) and those who fail to attend (FTA) outpatient appointments. The service is supporting an increasing number of patients and to date, the figures remain steady for DAMA and FTA.

Community Health Program

Our Community Health Workers provide culturally-appropriate services to the Aboriginal and Torres Strait Islander community. They provide social, cultural, and emotional wellbeing support including home visiting, regular contact, and referral to other services to meet needs and preferences. Our health workers also deliver health-related programs in schools and wellbeing group sessions in the community.

Preventable Hospital Program

The Preventable Hospital Program supports Aboriginal and Torres Strait Islander People with existing chronic health conditions. The program runs for up to 12 weeks with support from our health workers, clinical nurse, and accredited exercise physiologist.

Cultural Healing

The cultural healing and Jabba Child Health teams provide home visiting services, baby health checks, hearing assessments, and home visiting vaccination programs for children.

Table 10: Service standards

Sunshine Coast Hospital and Health Service	2022-2023 Target	2022-2023 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes		
• Category 1 (within 2 minutes)	100%	100%
• Category 2 (within 10 minutes)	80%	71%
• Category 3 (within 30 minutes)	75%	72%
• Category 4 (within 60 minutes)	70%	76%
• Category 5 (within 120 minutes)	70%	92%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	>80%	65%
Percentage of elective surgery patients treated within the clinically recommended times[1]		
• Category 1 (30 days)	>98%	69%
• Category 2 (90 days)[2]	..	67%
• Category 3 (365 days)[2]	..	73%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days[3]	<2	0.7
Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit[4]	>65%	63.4%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge[5]	<12%	8.9%
Percentage of specialist outpatients waiting within clinically recommended times[7]		
• Category 1 (30 days)	80%	71%
• Category 2 (90 days)[6]	..	42%
• Category 3 (365 days)[6]	..	70%
Percentage of specialist outpatients seen within clinically recommended times		
• Category 1 (30 days)	82%	82%
• Category 2 (90 days)[6]	..	47%
• Category 3 (365 days)[6]	..	70%
Median wait time for treatment in emergency departments (minutes)	..	16
Median wait time for elective surgery treatment (days)[1]	..	46
Efficiency measure		
Average cost per weighted activity unit for Activity Based Funding facilities[7]	$5,232	$5,672
Other measures		
Number of elective surgery patients treated within clinically recommended times[1]		
• Category 1 (30 days)	3,156	3,291
• Category 2 (90 days)[2]	..	2,769
• Category 3 (365 days)[2]	..	1,964
Number of Telehealth outpatients service events[8]	15,655	15,689
Total weighted activity units (WAU)[9]		
• Acute Inpatients	119,369	112,009
• Outpatients	29,521	36,692
• Sub-acute	10,199	13,743
• Emergency Department	29,060	27,151
• Mental Health	10,403	11,187
• Prevention and Primary Care	5,249	4,456
Ambulatory mental health service contact duration (hours)[10]	>64,184	57,136
Staffing[11]	6,692	6,807

1	In response to the COVID-19 pandemic, the delivery of planned care services has been impacted. This has resulted from a period of temporary suspension of routine planned care services during 2021-2022 and subsequent increased cancellations resulting from patient illness and staff furloughing due to illness and isolation policies.
2	Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for elective surgery and the continual impacts to services as a result of responding to COVID-19, treated in time performance targets for category 2 and 3 patients are not applicable for 2022-2023.
3	Staphylococcus aureus (including MRSA) bloodstream (SAB) infections 2022-2023 Actual rate is as at 7 August 2023.
4	Mental Health rate of community follow up 2022-2023 Actual is as at 14 August 2023.
5	Mental Health readmissions 2022-2023 Actual is for the period 1 July 2022 to 31 May 2023 as at 14 August 2023.
6	Given the System's focus on reducing the volume of patients waiting longer than clinically recommended for specialist outpatients, and the continual service impacts as a result of responding to COVID-19, seen in time targets for category 2 and 3 patients are not applicable for 2022-2023.
7	All measures are reported in QWAU (Queensland Weighted Activity Unit) Phase Q25. The variation in difference of Cost per WAU to target is a result of the additional costs of the COVID-19 pandemic.
8	Telehealth 2022-2023 Actual is as at 21 August 2023.
9	The 2022-2023 target varies from the published 2022-2023 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q25. 2022-2023 Actuals are as at 14 August 2023.
10	Ambulatory Mental Health service contact duration 2022-2023 Actual is as at 14 August 2023.
11	Corporate FTEs are allocated across the service to which they relate. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. 2022-2023 Actual is for pay period ending 25 June 2023.

Financial Summary

Sunshine Coast Health reported an operating deficit of $14.8 million for the year ended 30 June 2023.

Table 11: Revenue and expenses— Financial year ended 30 June 2023 and 2022

	2023	2022
	$'000	$'000
Revenue	**1,611,349**	**1,451,378**
Expenses		
Employee expenses	(1,061,516)	(938,206)
Supplies and services	(363,634)	(340,528)
Depreciation and amortisation	(144,461)	(141,774)
Interest and other expenses	(56,527)	(42,594)
Total expenses	**(1,626,138)**	**(1,463,102)**
Net deficit from operations	**(14,789)**	**(11,724)**

Where the money comes from

Sunshine Coast Health's income was $1.611 billion, which is an increase of $160.0 million (11.0 per cent) from the prior year. Of this, the Queensland Government's contribution was $989.4 million and the Commonwealth contribution was $457.0 million. Specific-purpose grants and other contributions worth $23.2 million were received and user charges, fees and other revenue was $141.5 million.

Where the money goes

Sunshine Coast Health's expenses for 2022-23 were $1.626 billion, which is an increase of $163.0 million (11.1 per cent). The largest portion of expenditure relates to employee expenses including clinicians and support staff (65.3 per cent). Supplies and Services expenses such as clinical supplies, drugs, prosthetics, pathology, catering, repairs and maintenance, energy, communication and computers account for 22.4 per cent of expenditure; 8.9 per cent of expenditure was related to depreciation and amortisation of the fixed asset base; and 3.5 per cent of expenditure relates to interest and other expenses.

Financial outlook

Sunshine Coast Health is committed to providing better health outcomes for its community. Financial year 2023-24 will continue to be fiscally challenging for the Health Service as it continues to implement strategies to transition towards long term financial sustainability. Redevelopment of the Nambour General Hospital is anticipated to be completed to provide additional capacity across the Health Service.

Anticipated maintenance

Anticipated maintenance is a common building maintenance strategy utilised by public and private sector indus- tries. All Queensland Health entities comply with the Queensland Government Maintenance Management Frame- work which requires the reporting of anticipated maintenance. Anticipated maintenance is defined as maintenance that is necessary to prevent the deterioration of an asset or its function, but which has not been carried out. Some anticipated maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building. All anticipated maintenance items are risk assessed to identify any potential impact

on users and services and are closely managed to ensure all facilities are safe. Sunshine Coast Health has the following strategies in place to mitigate risks associated with these items:

- Ongoing condition assessment program covering major facilities to inform long-term maintenance plans and assist with prioritisation of works based on risk and linkage to clinical service delivery.
- Completion of the Strategic Asset Management Plan (SAMP) and the Asset Maintenance Management Plan (AMMP) to inform and support lifecycle management for current and future financial years.
- Funding applications under the Sustaining Capital Program.

Sunshine Coast Hospital and Health Service Financial Statements

For the year ended 30 June 2023

Table of contents

Sunshine Coast Hospital and Health Service Financial Statements

For the year ended 30 June 2023

Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Income			
Funding for public health services	B1.1	**1,446,420**	1,305,378
User charges and fees	B1.2	**122,315**	107,063
Grants and other contributions	B1.3	**23,214**	22,185
Other revenue	B1.4	**19,193**	16,565
Total revenue		**1,611,142**	1,451,191
Gains on disposal of assets		**207**	187
Total income from continuing operations		**1,611,349**	1,451,378
Expenses			
Employee expenses	B2.1	**(168,942)**	(151,762)
Health service employee expenses	B2.1	**(892,574)**	(786,444)
Supplies and services	B2.2	**(363,634)**	(340,528)
Grants and subsidies		**-**	(475)
Depreciation and amortisation	C3, C4	**(144,461)**	(141,774)
Impairment losses	C2	**(1,647)**	(2,662)
Interest expense		**(33,605)**	(21,602)
Other expenses	B2.3	**(21,275)**	(17,855)
Total expenses		**(1,626,138)**	(1,463,102)
Operating result for the year		**(14,789)**	(11,724)
Other comprehensive income			
Items that will not be reclassified subsequently to operating result			
Increase in the asset revaluation surplus	C9.2	**343,309**	181,425
Other comprehensive income for the year		**343,309**	181,425
Total comprehensive income for the year		**328,520**	169,701

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

Statement of Financial Position
As at 30 June 2023

	Note	2023	2022
		$'000	$'000
Assets			
Current assets			
Cash and cash equivalents	C1	**17,592**	39,542
Trade and other receivables	C2	**47,457**	36,011
Inventories		**7,770**	6,392
Other current assets		**4,434**	3,732
Total current assets		**77,253**	85,677
Non-current assets			
Property, plant and equipment	C3	**2,245,097**	1,975,956
Right-of-use assets		**725**	1,048
Intangibles	C4	**1,069**	1,657
Total non-current assets		**2,246,891**	1,978,661
Total assets		**2,324,144**	2,064,338
Liabilities			
Current liabilities			
Trade payables	C5	**170,354**	161,335
Lease liabilities		**215**	395
Interest bearing liability	C6	**11,636**	10,736
Accrued employee benefits		**15,213**	2,538
Contract liabilities	C7	**5,417**	6,719
Total current liabilities		**202,835**	181,723
Non-current liabilities			
Interest bearing liability	C6	**471,125**	482,762
Contract liabilities	C7	**69,575**	73,262
Lease liabilities		**748**	782
Total non-current liabilities		**541,448**	556,806
Total liabilities		**744,283**	738,529
Net assets		**1,579,861**	1,325,809
Equity			
Contributed equity	C9.1	**762,350**	836,818
Asset revaluation surplus	C9.2	**875,836**	532,527
Accumulated deficit		**(58,325)**	(43,536)
Total equity		**1,579,861**	1,325,809

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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

	Note	Contributed equity $'000	Asset revaluation surplus $'000	Accumulated result $'000	Total equity $'000
Balance at 1 July 2021		921,294	351,102	(31,812)	1,240,584
Operating result for the year		-	-	(11,724)	(11,724)
Other comprehensive income for the year	C9.2	-	181,425	-	181,425
Total comprehensive income for the year		-	181,425	(11,724)	169,701
Transactions with owners in their capacity as owners:					
Cash injection from the Department for capital works and acquisitions		58,381	-	-	58,381
Reclassify equity received to revenue		(2,595)	-	-	(2,595)
Non cash injection of other capital assets		1,512	-	-	1,512
Equity injections		57,298	-	-	57,298
Non cash withdrawal for depreciation and amortisation		(141,774)	-	-	(141,774)
Non cash withdrawal for assets transferred to the Department		-	-	-	-
Equity withdrawals		(141,774)	-	-	(141,774)
Transactions with owners in their capacity as owners		(84,476)	-	-	(84,476)
Balance at 30 June 2022		836,818	532,527	(43,536)	1,325,809
Balance at 1 July 2022		**836,818**	**532,527**	**(43,536)**	**1,325,809**
Operating result for the year		**-**	**-**	**(14,789)**	**(14,789)**
Other comprehensive income for the year	C9.2	**-**	**343,309**	**-**	**343,309**
Total comprehensive income for the year		**-**	**343,309**	**(14,789)**	**328,520**
Transactions with owners in their capacity as owners:					
Cash injection from the Department for capital works and acquisitions		**70,854**	**-**	**-**	**70,854**
Reclassify equity received to revenue		**(1,913)**		**-**	**(1,913)**
Non cash injection of other capital assets		**1,052**	**-**	**-**	**1,052**
Equity injections		**69,993**	**-**	**-**	**69,993**
Non cash withdrawal for depreciation and amortisation		**(144,461)**	**-**	**-**	**(144,461)**
Equity withdrawals		**(144,461)**	**-**	**-**	**(144,461)**
Transactions with owners in their capacity as owners		**(74,468)**	**-**	**-**	**(74,468)**
Balance at 30 June 2023		**762,350**	**875,836**	**(58,325)**	**1,579,861**

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

Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Inflows			
Funding for public health services		**1,263,717**	1,157,125
User charges and fees		**121,517**	93,243
Grants and other contributions		**12,392**	18,263
Interest received		**448**	69
GST collected from customers		**6,624**	6,538
GST input tax credits		**33,173**	28,130
Other revenue		**14,964**	15,023
Outflows			
Employee and Health service employee expenses		**(1,025,213)**	(935,981)
Supplies and services		**(344,153)**	(311,171)
Grants and subsidies		**-**	(475)
GST paid to suppliers		**(34,214)**	(27,310)
GST remitted		**(6,567)**	(6,569)
Interest expense		**(33,823)**	(21,803)
Other expenses		**(20,883)**	(17,687)
Net cash from / (used by) operating activities	CF.1	**(12,018)**	(2,605)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**207**	187
Payments for property, plant and equipment		**(70,042)**	(48,399)
Net cash / (used by) investing activities		**(69,835)**	(48,212)
Cash flows from financing activities			
Proceeds from equity injections		**70,854**	58,381
Borrowing redemptions	CF.2	**(10,737)**	(9,869)
Principal payments of lease liabilities	CF.2	**(214)**	(329)
Net cash from / (used by) financing activities		**59,903**	48,183
Net increase / (decrease) in cash held		**(21,950)**	(2,634)
Cash and cash equivalents at the beginning of the financial year		**39,542**	42,176
Cash and cash equivalents at the end of the financial year	C1	**17,592**	39,542

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

Notes to the Statement of Cash Flows

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

	2023	2022
	$'000	$'000
Operating result for the year	**(14,789)**	(11,724)
Adjustments for:		
Proceeds from disposal of property plant and equipment	**(207)**	-
Inventory written off	**248**	169
Losses on disposal of non-current assets	**392**	169
Depreciation and amortisation	**144,461**	141,774
Depreciation and amortisation funding offset from the Department	**(144,461)**	(141,774)
Derecognition / transfer out of plant and equipment	**463**	63
Donations of plant and equipment	**(207)**	(622)
Impairment losses on financial assets	**1,647**	2,662
Movements in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(4,256)**	(7,298)
(Increase)/decrease in GST input tax credits receivables	**(984)**	789
(Increase)/decrease in inventories	**(1,378)**	(798)
(Increase)/decrease in accrued revenue	**(6,669)**	4,627
(Increase)/decrease in other current assets	**(702)**	(266)
Increase/(decrease) in trade and other payables	**6,861**	20,713
Increase/(decrease) in salaries and wages accrued	**12,717**	769
Increase/(decrease) in other employee benefits payable	**(94)**	(106)
Increase/(decrease) in contract liabilities	**(5,060)**	(11,752)
Net cash from / (used by) operating activities	**(12,018)**	(2,605)

CF.2 Changes in liabilities arising from financing activities

		Non-cash changes	***Cash flows***	
2023	**Opening balance**	**New leases acquired**	**Cash repayments**	**Closing balance**
	$'000	**$'000**	**$'000**	**$'000**
Lease liabilities	**1,177**	**-**	**(214)**	**963**
Interest bearing liabilities	**493,498**	**-**	**(10,737)**	**482,761**
Total	**494,675**	**-**	**(10,951)**	**483,724**

		Non-cash changes	***Cash flows***	
2022	**Opening balance**	**New leases acquired**	**Cash repayments**	**Closing balance**
	$'000	**$'000**	**$'000**	**$'000**
Lease liabilities	1,244	262	(329)	1,177
Interest bearing liabilities	503,367	-	(9,869)	493,498
Total	504,611	262	(10,198)	494,675

CF.3 Non-cash investing and financing activities

Assets received or donated/transferred by the Department are recognised as revenue (refer Note B1.3) as applicable.

Notes to the Financial Statements
For the year ended 30 June 2023

Section A: About the entity and this Financial Report

A1 General information

Sunshine Coast Hospital and Health Service (SCHHS) is a not-for-profit statutory body established on 1 July 2012 under the *Hospital and Health Boards Act 2011*. SCHHS is controlled by the State of Queensland (State Government) which is the ultimate parent.

The principal address of SCHHS is:
Sunshine Coast University Hospital
6 Doherty Street, Birtinya, QLD 4575

For information in relation to SCHHS's financial statements, email SCHHS-CFO@health.qld.gov.au or visit the website at: https://www.health.qld.gov.au/sunshinecoast.

A2 Objectives and principal activities

A description of the nature, objectives and principal activities of SCHHS is included in the Annual Report.

A3 Compliance with prescribed requirements

These general-purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009*, Section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. The financial statements comply with Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies for reporting periods beginning on or after 1 July 2022.

SCHHS is a not-for-profit entity, and these general-purpose financial statements are prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

No new accounting standards or interpretations applied to SCHHS for the first time in 2022-23.

A4 Presentation

Currency and rounding

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

Comparatives

Comparative information reflects the audited 2021-22 financial statements. Comparatives have been reclassified where appropriate for consistency with current year classification.

Current/non-current classification

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

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

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

Notes to the Financial Statements
For the year ended 30 June 2023

A5 Authorisation of financial statements for issue

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

A6 Basis of measurement

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

- Land and building assets which are measured at fair value;
- Right-of-use assets and lease liabilities which are measured at present value; and
- Inventories which are measured at the lower of cost and net realisable value.

Historical cost

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

Fair value

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

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

Where fair value is used, the fair value approach is disclosed. Further information on fair value is disclosed at Note D1 Fair value measurement.

Present value

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

Net realisable value

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

A7 The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of SCHHS.

A8 Economic dependency

SCHHS has prepared these financial statements on a going concern basis which assumes it will be able to meet its financial obligations as and when they fall due. SCHHS is economically dependent on funding received from its Service Agreement with the Department of Health (the Department).

The Service Agreement provides performance targets and terms and conditions in relation to provision of funding commitments and agreed purchased activity for this period. Accordingly, the Board and management of SCHHS believe that the terms and conditions of its funding arrangements under the Service Agreement Framework, and with support as required by the Department, will provide SCHHS with sufficient cash resources to meet its financial obligations for at least the next financial year.

SCHHS has no intention to liquidate or to cease operations. Under section 18 of the *Hospital and Health Boards Act 2011*, SCHHS represents the State of Queensland and thus has all the privileges and immunities of the State in this respect.

Notes to the Financial Statements
For the year ended 30 June 2023

Section B: Notes about our Financial Performance

B1 Revenue

B1.1 Funding for public health services

	2023	2022
	$'000	$'000
Revenue from contracts with customers		
Activity based funding	**1,138,592**	1,004,830
Other funding for public health services		
Depreciation funding	**144,461**	141,774
Block funding	**101,980**	80,057
Other system manager funding	**59,763**	20,757
COVID-19 funding	**1,624**	57,960
Total	**1,446,420**	1,305,378

Accounting policy – Funding for public health services

Funding for public health services primarily comprises revenue from the Department as System Manager for the public health system in Queensland.

Of the total funding for public health services received in 2023, $989.396m (2022: $874.138m) was received from the State Government with $457.024m (2022: $431.240m) received from the Commonwealth Government.

The Service Agreement between the Department and SCHHS is reviewed periodically and updated for changes in activities and prices of services delivered by SCHHS. At the end of the financial year an agreed technical adjustment between the Department and SCHHS is undertaken according to the provisions of the Service Agreement, for the level of services performed above or below the agreed levels. The technical adjustments ensure that the revenue recognised in each financial year correctly reflects SCHHS delivery of health services and may result in a recognition of accrued revenue, contract asset, deferred revenue, or contract liabilities.

Activity Based Funding (ABF)

ABF is recognised over time as activity is delivered, or as otherwise agreed, in line with AASB 15 *Revenue from Contracts with Customers*. Delivery of activity includes provision of hospital services to patients.

Due to the impacts of COVID-19, in 2021-22 the Commonwealth Government provided a guaranteed envelope under the National Health Reform Agreement (NHRA), referred to as a Minimum Funding Guarantee, protecting 45% of the value of ABF. The State Government provided a partial funding guarantee for the residual 55% of the value of ABF from January 2022 to June 2022. There were no financial adjustments relating to activity shortfalls for the SCHHS relating to the period July 2021 to December 2021.

Depreciation funding

The Service Agreement specifies that the Department funds SCHHS's depreciation and amortisation charges via non-cash revenue. The Department retains the cash to fund future major capital replacements. This transaction is shown in the Statement of Changes in Equity as a non-appropriated equity withdrawal.

Block funding

Block funding is received for non-ABF facilities and other services SCHHS has agreed to provide under the Service Agreement. This funding is recognised upon receipt of funds and accords with the requirements of AASB 1058 *Income of Not-for-Profit Entities.*

Other system manager funding

Other system manager funding includes revenue provided for specific purposes, including project related costs. This funding is recognised under AASB 1058 *Income of Not-for-Profit Entities*.

B1 Revenue (continued)

B1.1 Funding for public health services (continued)

COVID-19 funding

In March 2020, the Commonwealth and states entered into a National Partnership on COVID-19 response. Under this agreement, the parties agreed to work together in response to the COVID-19 pandemic and to jointly fund additional health expenditure incurred to effectively manage the COVID-19 outbreak. Some funding was also provided through the Service Agreement. COVID-19 funding is recognised under AASB 1058 *Income of Not-for-Profit Entities*.

B1.2 User charges and fees

	2023	2022
	$'000	$'000
Revenue from contracts with customers		
Sale of goods and services	**15,807**	10,540
Hospital fees	**49,503**	44,166
Pharmaceutical Benefits Scheme reimbursement	**57,005**	52,357
Total	**122,315**	107,063

Accounting policy – User charges and fees

Sale of goods and services and hospital fees

Sale of goods and services and hospital fees are recognised when the health related goods and services are provided and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for the related goods and services and/or the recognition of accrued revenue.

Pharmaceutical Benefits Scheme (PBS) reimbursement

Revenue in relation to PBS is recognised at the point in time when service obligations are met. SCHHS invoices patients for prescription medicines at the reduced PBS rate and is entitled to reimbursement under the scheme. Where SCHHS has satisfied the performance obligations but not yet claimed through PBS arrangement, a contract asset is raised.

B1.3 Grants and other contributions

	2023	2022
	$'000	$'000
Revenue from contracts with customers		
State Government grants	**90**	130
Commonwealth Government grants	**11,096**	9,938
Other grants	**577**	384
	11,763	10,452
Other grants and other contributions		
Services received below fair value	**10,615**	10,905
Donations	**836**	828
	11,451	11,733
Total	**23,214**	22,185

Accounting policy – Grants and other contributions

Commonwealth Government grants were received to support programmes such as Transition Care and Home Support Programme.

Other grants occur when the grant or other funding agreement contains sufficiently specific performance obligations for SCHHS to transfer services.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations, revenue is recognised in line with satisfaction of these obligations with reference to AASB 15 *Revenue from Contracts with Customers*. Otherwise, the grant is recognised upon receipt of funding in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

B1 Revenue (continued)

B1.3 Grants and other contributions (continued)

Accounting policy – Grants and other contributions (continued)

Services received below fair value represents corporate services received by SCHHS below fair value, from the Department for no cost. Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. The revenue is classified under AASB 1058 *Income of Not-for-Profit Entities*.

SCHHS receives various types of donations, primarily from private practice clinicians and external parties for the provision of education, study and research in clinical areas. The donations are recognised upon receipt under AASB 1058 *Income of Not-for-Profit Entities*.

B1.4 Other revenue

	2023	2022
	$'000	$'000
Rental income	**7,313**	7,127
Recoveries	**3,954**	3,233
Interest income	**491**	71
Other revenue	**7,435**	6,134
Total	**19.193**	16,565

Accounting policy – Other revenue

Other revenue comprises of rental income from the Sunshine Coast University Hospital (SCUH) car parks and from Noosa Hospital (refer to Note C8 Public Private Partnerships (PPPs)), recoveries, interest income from cash on deposit with Queensland Treasury Corporation, and other revenue.

Other revenue is recognised when the right to receive the revenue has been established. Revenue is measured at the fair value of the consideration received, or receivable.

Notes to the Financial Statements
For the year ended 30 June 2023

B2 Expenses

B2.1 Employee and Health service employee expenses

(a) Employee expenses

Employee expenses include Board members, contracted health service executives, Senior Medical Officers (including Visiting Medical officers) directly engaged by SCHHS.

	2023	2022
	$'000	$'000
Wages and salaries	**133,903**	125,223
Employer superannuation contributions	**11,158**	10,440
Annual leave levy	**17,929**	9,730
Long service leave levy	**3,434**	3,219
Workers' compensation	**2,254**	1,376
Other employee related expenses	**264**	1,774
Total	**168,942**	151,762

Wages and salaries

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

Sick leave is included in wages and salaries. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Employer superannuation contributions

Employer superannuation contributions are paid to employee nominated superannuation funds. Contributions are expensed in the period in which they are payable and the obligation of SCHHS is limited to its contribution to employee nominated superannuation funds.

Annual leave levy and long service leave levy

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

No provision for annual leave or long service leave is recognised in the financial statements of SCHHS, as the liability for these schemes is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Workers' compensation

Workers' compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

(b) Health service employee expenses

The *Hospital and Health Boards Act 2011* (the Act) outlines the employment arrangements for SCHHS. Effective 15 June 2020, a legislative change was enacted regarding employer arrangements within Queensland Health. From this date, non-executive employees of prescribed HHSs became employees of the Department.

Under this arrangement, the Department provides employees to perform work for SCHHS. SCHHS is responsible for the day-to-day management of these employees and reimburses the Department for their salaries and related on-costs. Following this change, direct labour postings and related assets and liabilities of these employees have been classified as Health service employee expenses.

B2 Expenses (continued)

B2.1 Employee and Health service employee expenses (continued)

(b) Health service employee expenses (continued)

	2023	2022
	$'000	$'000
Health service employee expenses reimbursed to the Department	**892,574**	786,444

(c) Number of full-time equivalent employees

The number of employees is measured on a full-time equivalent basis reflecting Minimum Obligatory Human Resource Information (MOHRI) as at 30 June 2023. Members of the Board are not included in the number of HHS employees.

	2023	2022
HHS employees	**351**	327
Health service employees	**6,463**	6,249
Total employees	**6,814**	6,576

(d) Key management personnel remuneration

Key management personnel and remuneration disclosures are detailed in Note G1 Key management personnel and remuneration expenses.

B2.2 Supplies and services

		2023	2022
	Note	**$'000**	$'000
Clinical supplies and services		**88,667**	85,591
Drugs		**73,178**	65,494
Pathology, blood and biomedical technical services		**36,334**	35,471
Repairs and maintenance		**37,448**	33,700
Services purchased from private hospitals		**23,181**	21,948
Building services and utilities		**17,294**	18,932
Communications		**20,275**	17,863
Catering and domestic supplies		**15,163**	13,983
Computer services		**14,434**	12,712
Services received below fair value	B1.3	**10,615**	10,905
Clinical consultants and contractors		**8,987**	8,088
Expenses relating to capital works		**3,641**	3,323
Other consultants and contractors		**2,894**	2,276
Patient travel		**2,848**	2,714
Lease expenses		**1,993**	2,688
Motor vehicles		**1,336**	1,531
Other supplies and services		**5,346**	3,309
Total		**363,634**	340,528

Services purchased from private hospitals

Services purchased from private hospitals during the year amounted to $23.181m (2022: $21.948m). These expenses reflect the agreement with Noosa Privatised Hospital Pty Ltd for the provision of health services to public patients within the Noosa Hospital (refer to Note C8 Public Private Partnerships (PPPs)) and the Eden Private Hospital.

Sunshine Coast University Hospital (SCUH) Public Private Partnership (PPP) Arrangement

A total of $33.786m (2022: $28.086m) was expensed across various categories of supplies and services in relation to quarterly service payments due to Exemplar Health in relation to the facility management of SCUH. Refer to Note C8 Public Private Partnerships (PPPs).

B2 Expenses (continued)

B2.3 Other expenses

	2023	2022
	$'000	$'000
Insurance premiums	**14,441**	12,510
Legal costs	**615**	695
Inventory written off	**248**	169
Losses from the disposal of non-current assets	**392**	170
Special payments	**6**	5
Other	**5,573**	4,306
Total	**21,275**	17,855

External audit fees

Total audit fees quoted by the Queensland Audit Office relating to the 2023 financial year, included in the Other category, were $0.270m (2022: $0.265m). There are no non-audit services included in this amount.

Insurance premiums

Certain losses including property, general liability, professional indemnity, and health litigation costs are insured with the Queensland Government Insurance Fund (QGIF). The total insurance premium paid to QGIF was $12.313m (2022: $11.236m). The maximum excess amount payable is $20,000 for each claim event. Upon notification by QGIF of the acceptance of a claim, revenue will be recognised for the agreed settlement amount and disclosed in Other revenue. Other insurances relate to the Sunshine Coast Health Institute (SCHI) Joint Venture, SCUH Public Private Partnership and motor vehicles.

Special payments

Special payments relate to ex-gratia expenditure that is not contractually or legally obligated to be made to other parties.

In compliance with the *Financial and Performance Management Standard 2019*, SCHHS maintains a register setting out details of all special payments greater than $5,000. During the year, no payments were made in excess of $5,000 (2022: no payments in excess of $5,000).

Notes to the Financial Statements
For the year ended 30 June 2023

Section C: Notes about our Financial Position

C1 Cash and cash equivalents

	2023	2022
	$'000	$'000
Cash at bank and on hand	**2,979**	29,056
Cash on deposit	**14,613**	10,486
Total	**17,592**	39,542

SCHHS's bank accounts are grouped within the Whole-of-Government set-off arrangement with Queensland Treasury Corporation (QTC). As a result, SCHHS does not earn interest on surplus funds and is not charged interest or fees for accessing its approved cash debit facility.

Cash on deposit, which is held on-call, relates to invested monies which are not grouped within the Whole-of-Government set-off arrangement and are able to be invested and earn interest. Cash on deposit with QTC earned interest at an annual effective rate of 4.23% (2022: 0.77%).

Restricted cash

SCHHS receives cash contributions primarily from private practice clinicians and external entities for the provision of education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, bequests, donations and legacies for stipulated purposes. At 30 June 2023, an amount of $15.036m (2022: $10.490m) in General Trust is set aside for specified purposes defined by the contribution. The majority of the balance in the General Trust is held as cash on deposit.

C2 Trade and other receivables

	2023	2022
	$'000	$'000
Trade receivables	**24,252**	24,568
Less: Allowance for credit losses	**(998)**	(785)
	23,254	23,783
GST receivable	**3,385**	2,344
GST payable	**(1,478)**	(1,421)
	1,907	923
Accrued revenue	**17,040**	10,834
Contract assets - funding for public health services	**5,256**	471
Total	**47,457**	36,011

Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade receivables are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase/contract price). Settlement of these amounts is required within 30 days from invoice date unless otherwise agreed with the debtor.

Patient accommodation billing for private patients makes up the majority of trade receivables.

Accrued revenue relates to funding for public health services owing to SCHHS that does not arise from contracts with customers.

C2 Trade and other receivables (continued)

Allowance for credit losses

The allowance for credit losses for trade receivables reflects lifetime expected credit losses and incorporates forward-looking information where applicable.

Where SCHHS has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the carrying amount of those assets.

SCHHS uses a provision matrix to measure the expected credit losses on trade receivables. Loss rates are calculated separately for groupings of customers with similar loss patterns and the calculations reflect historical observed default rates during the last 5 years for each group. Where applicable, the historical default rates are then adjusted by reasonable and supportable forward-looking information.

Set out below is the credit risk exposure on SCHHS's trade receivables.

	2023			2022		
	Trade receivables	**Loss rate**	**Allowance for credit losses**	Trade receivables	Loss rate	Allowance for credit losses
	$'000	**%**	**$'000**	$'000	%	$'000
Aging						
Current	**10,050**	**1%**	**(132)**	14,843	1%	(182)
1 - 30 days overdue	**4,530**	**2%**	**(107)**	3,996	3%	(125)
31 - 60 days overdue	**2,769**	**4%**	**(99)**	2,050	7%	(138)
61 - 90 days overdue	**2,605**	**7%**	**(172)**	1,544	7%	(110)
More than 90 days overdue	**4,298**	**11%**	**(488)**	2,135	11%	(230)
Total	**24,252**		**(998)**	24,568		(785)

Movements in the loss allowance for trade receivables are as follows:

	2023	2022
	$'000	$'000
Opening balance	**785**	703
Additional provisions recognised in operating result	**1,647**	2,662
Receivables written off during the year as uncollectable	**(1,434)**	(2,580)
Closing balance	**998**	785

Notes to the Financial Statements
For the year ended 30 June 2023

C3 Property, plant and equipment

	2023 $'000	2022 $'000
Land - at fair value	**105,592**	84,863
Buildings - at fair value	**2,843,179**	2,427,749
Less: Accumulated depreciation	**(876,570)**	(675,679)
	1,966,609	1,752,070
Plant and equipment - at cost	**235,176**	238,096
Less: Accumulated depreciation	**(142,664)**	(139,135)
	92,512	98,961
Capital works in progress - at cost	**80,384**	40,062
Total	**2,245,097**	1,975,956

Reconciliation of carrying amount

	Land Level 2 $'000	Buildings Level 2 $'000	Buildings Level 3 $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
Carrying amount at 1 July 2021	83,123	693	1,661,621	105,549	34,052	1,885,038
Additions	-	-	74	12,230	36,717	49,021
Disposals	-	-	-	(170)	-	(170)
Revaluation increments	1,740	70	179,615	-	-	181,425
Transfers in / Donations	-		-	1,513	-	1,513
Derecognition / Transfers out	-	-	-	-	(63)	(63)
Transfers between classes	-	-	28,639	2,005	(30,644)	-
Depreciation expense	-	(83)	(118,559)	(22,166)	-	(140,808)
Carrying amount at 30 June 2022	84,863	680	1,751,390	98,961	40,062	1,975,956
Carrying amount at 1 July 2022	**84,863**	**680**	**1,751,390**	**98,961**	**40,062**	**1,975,956**
Additions	**-**	**-**	**103**	**18,122**	**51,806**	**70,031**
Disposals	**-**	**-**	**-**	**(392)**	**-**	**(392)**
Revaluation increments	**20,729**	**90**	**322,490**	**-**	**-**	**343,309**
Revaluation decrements	**-**	**-**	**-**	**-**	**-**	**-**
Transfers in / Donations	**-**	**-**	**-**	**207**	**-**	**207**
Derecognitions / Transfers out	**-**	**-**	**-**	**(272)**	**(191)**	**(463)**
Transfers between classes	**-**	**-**	**8,711**	**2,582**	**(11,293)**	**-**
Depreciation expense	**-**	**(59)**	**(116,796)**	**(26,696)**	**-**	**(143,551)**
Carrying amount at 30 June 2023	**105,592**	**711**	**1,965,898**	**92,512**	**80,384**	**2,245,097**

Recognition

Items of property, plant and equipment with a cost equal to more than the following thresholds, and with a useful life of more than one year, are recognised at acquisition. Items below these thresholds are expensed on acquisition.

Class	Threshold
Land	$1
Buildings (including land improvements)	$10,000
Plant and equipment	$5,000

C3 Property, plant and equipment (continued)

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for SCHHS. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Componentisation of complex assets

Complex assets comprise of separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset. Components whose value exceeds 10% of the complex asset's total cost are separately identified as significant value components. Components valued at less than 10% of the complex asset's total cost are separately recorded only where a material difference in depreciation expense would occur.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) is capitalised when it is probable that future economic benefits from the significant component will flow to SCHHS in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets, and estimated useful lives of components, are disclosed below.

SCHHS's complex assets are its hospital building assets.

Acquisition

Property, plant and equipment are initially recorded at consideration plus any other costs directly incurred in ensuring the asset is ready for use.

Assets under construction (Capital works in progress) are initially recorded at cost until they are ready for use. The construction of major health infrastructure assets relating to SCHHS is funded by the Department and managed by SCHHS. These assets are assessed at fair value upon practical completion by an independent valuer. They are then transferred from the Department to SCHHS via an equity adjustment.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis to allocate the net cost or revalued amount of each asset progressively over its estimated useful life. It is assumed that all assets have a residual value of zero. This is based on the general practice that SCHHS uses assets until there is no longer any economic benefit to be derived.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset. Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the assets to which they relate and are depreciated accordingly.

Useful lives of assets are reviewed annually and where necessary are adjusted to better reflect the pattern of future economic benefits. Depreciation is not charged against land which has an indefinite life or assets under construction (capital works in progress) until they are ready for their intended use.

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

Class	Depreciation rates used	Useful lives
Buildings (including land improvements)	1.0% - 4.3%	23 - 100 years
Plant and equipment	4.4% - 33.3%	3 - 23 years

C3 Property, plant and equipment (continued)

Key judgement

Management estimates the useful lives and residual values of buildings and plant and equipment based on the expected period of time over which economic benefits from the use of the asset will be derived. Management reviews useful life assumptions on an annual basis having considered variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions. All depreciable assets have a nil residual value.

Impairment

A review is conducted annually to identify indicators of impairment in accordance with AASB 136 *Impairment of Assets.* If an indicator of impairment exists, SCHHS determines the asset's recoverable amount (the higher of value in use or fair value less costs of disposal). Any amount by which the asset's carrying amount exceeds the recoverable amount is considered an impairment loss and is accounted for as follows:

- for assets measured at cost, an impairment loss is recognised immediately in the Statement of Comprehensive Income.
- for assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in The Statement of Comprehensive Income as a revaluation decrement.

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

For assets measured at cost, impairment losses are reversed through the Statement of Comprehensive Income. No impairment losses were recognised for the 2022-23 financial year.

Asset revaluation

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

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

SCHHS engage external valuers to determine fair value through comprehensive and indexed revaluations. Comprehensive revaluations are undertaken at least once every five years on a rolling program. However, if a particular asset class experiences significant volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Where there is a significant change in fair value of an asset from one period to another, an analysis is undertaken by management with the external valuer. This analysis includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Where indices are used, these are either publicly available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been comprehensively valued by the valuer, and analysing the trend of changes in values over time. Management also performs an assessment of the reasonableness of the indices applied.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, for assets valued using a cost valuation approach, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. On revaluation, for assets valued using a market approach, accumulated depreciation is eliminated against the gross amount of the asset prior to restating for valuation.

C3 Property, plant and equipment (continued)

Land

The State Valuation Service (SVS) performs a comprehensive valuation of land parcels under a rolling 5-year valuation program using a market approach. Where not comprehensively valued, land values are adjusted for an annual index for market movements greater than 5 percent.

Key inputs into the valuations include publicly available data on sales of similar land in nearby localities in the 24 months prior to the date of revaluation. Adjustments are made to the sales data to take into account the location, size, street/road frontage and access, and any significant restrictions for each individual parcel of land.

For 2022-23, the effective date of valuation is 30 June 2023. Two land parcels were comprehensively valued at this date, with remaining land parcels being indexed at an average rate of 24.4 percent. The net revaluation increase was $20.729m.

Buildings

Buildings are categorised between Level 2 and Level 3 fair value hierarchies. Level 2 buildings are non-specialised buildings that do not contain significant, unobservable price inputs. These buildings include the Gympie and District Women's Health Centre and several residencies at various locations. Level 3 buildings are specialised buildings that contain significant, unobservable price inputs.

Under a rolling 5-year valuation program, Gray Robinson & Cottrell Pty Ltd (GRC) performs a comprehensive valuation of buildings on a current replacement cost basis. In addition, GRC provide the annual indexation for market movement to assess the fair value of buildings not comprehensively valued. If the market movement is greater than 5 percent, building values are adjusted for the annual indexation.

Key inputs into the valuation on replacement cost basis includes internal records of the original cost of the specialised fit out and more contemporary design/construction costs published for various standard components of buildings. Significant judgement is also used to assess the remaining service potential of the buildings given local environmental conditions and the records of the current condition of the building.

For 2022-23, the effective date of valuation is 30 June 2023. Buildings subject to comprehensive valuation in the year included those at the Gympie Hospital, Glenbrook Residential Aged Care and Maroochydore Community Health sites. All other buildings were indexed using a rate of 17.0 percent. The index is made up of two key components namely the Building Price Index of 12.5 percent and an additional adjustment factor of 4.5 percent for continuing behavioural (structural) shifts in Head Contracting Pricing for preliminary items, site supervision, offsite overheads and relevant margins. The net revaluation increase was $322.580m.

At 30 June 2023, valuation uncertainty exists in relation to building assets due to possible exposure to significant and volatile movements in fair value in the construction market.

Revaluation movement

The revaluation movement for land and buildings is at Note C9.2 Asset revaluation surplus.

C4 Intangibles

	2023	2022
	$'000	$'000
Developed software	**17,032**	17,032
Developed software - Accumulated amortisation	**(15,967)**	(15,439)
	1,065	1,593
Purchased software	**238**	238
Purchased software - Accumulated amortisation	**(234)**	(174)
	4	64
Total	**1,069**	1,657

C4 Intangibles (continued)

Reconciliation of carrying amounts

	Developed software: At Cost $'000	Purchased software: At Cost $'000	Software work in progress $'000	Total $'000
Carrying amount at 30 June 2021	2,121	124	502	2,747
Derecognitions	-	-	(502)	(502)
Amortisation	(528)	(60)	-	(588)
Carrying amount at 30 June 2022	1,593	64	-	1,657
Amortisation	(528)	(60)	-	(588)
Carrying amount at 30 June 2023	**1,065**	**4**	**-**	**1,069**

Recognition

Intangible assets are measured at their historical cost as there is no active market for these assets. Intangible assets with a cost or other value equal to or greater than $100,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset is amortised over its estimated useful life.

Class	Amortisation Rates Used	Useful lives
Software	20% - 50%	2 - 5 years

All intangible assets are assessed for indicators of impairment on an annual basis in accordance with AASB 136 *Impairment of Assets*.

C5 Trade payables

	2023 $'000	2022 $'000
Trade payables	**103,286**	92,090
Funding for public health services repayable	**24,558**	50,210
Health service employee expenses payable to the Department	**32,686**	9,006
Other payables	**9,824**	10,029
Total	**170,354**	161,335

Payables are recognised for amounts to be paid in the future for goods and services received. Payables are measured at the agreed purchase or contract price, gross of applicable trade and other discounts. The amounts owing are unsecured and generally settled within the creditors' normal payment terms.

Refer Note C8 Public Private Partnerships (PPPs) for details of Trade payables relating to PPP arrangements.

C6 Interest bearing liability

	2023	2022
	$'000	$'000
Current		
Interest bearing liability - PPP arrangement	**11,636**	10,736
Total	**11,636**	10,736
Non-current		
Interest bearing liability - PPP arrangement	**471,125**	482,762
Total	**471,125**	482,762
Total	**482,761**	493,498

Refer to Note C8 Public Private Partnerships (PPPs) for details of the PPP arrangement at SCUH to which this interest-bearing liability relates.

C7 Contract liabilities

	2023	2022
	$'000	$'000
Current		
SCUH car park revenue	**3,738**	3,738
Funding for public health services	**531**	1,137
Grants funding	**435**	1,131
Other	**713**	713
Total	**5,417**	6,719
Non-current		
SCUH car park revenue	**64,957**	68,695
Grants funding	**3,447**	2,689
Other	**1,171**	1,878
Total	**69,575**	73,262
Total	**74,992**	79,981

Sunshine Coast University Hospital (SCUH) car park revenue

The majority of contract liabilities relates to two car parks constructed by Exemplar Health in return for a licence to operate the car parks over 25 years. Refer Note C8 Public Private Partnerships (PPPs) for details of the arrangement. The associated revenue will be unwound over the 25-year term of the agreement.

C8 Public Private Partnerships (PPPs)

SCHHS has contractual arrangements for the construction and operation of public health facilities. These arrangements are located on land recognised as assets of SCHHS. The contractual arrangements that were operating during 2023 and 2022 are as follows:

Facility	Commencement Date	Termination Date	Counterparty and Operator
Noosa Hospital	1 July 2020	30 June 2030	Noosa Privatised Hospital Pty Limited
Sunshine Coast University Hospital	16 November 2016	15 November 2041	Exemplar Health
Sunshine Coast University Hospital Car Parks	16 November 2016	15 November 2041	Exemplar Health

SCHHS does not have any current agreements which are service concession arrangements within the scope of AASB 1059 *Service Concession Arrangements: Grantors*.

C8.1 Public Private Partnerships (PPPs) outside AASB 1059

Some PPPs are not service concession arrangements within the scope of AASB 1059. Other accounting standards and policies apply to these arrangements and are described for each arrangement below.

	Note	**2023** **$'000**	2022 $'000
Assets			
Land and Buildings	C3		
SCUH		**1,472,456**	1,197,960
SCUH Car Parks		**148,388**	132,128
Noosa Hospital		**26,193**	34,203
		1,647,037	1,364,291
Liabilities			
Trade payables	C5		
Noosa Hospital accrual for service provision		**3,790**	5,212
Interest bearing liability	C6		
PPP arrangement for SCUH		**482,761**	493,498
Contract liabilities	C7		
Deferred SCUH car park revenue		**68,695**	72,433
		555,246	571,143

Sunshine Coast University Hospital (SCUH) (Year 7 of 25)

In 2012 the State, represented by the Department, entered into a PPP with Exemplar Health (EH) to finance, design, build and operate SCUH. During 2016-17 the Department novated all rights and obligations to SCHHS as the State representative and legal counterparty to the PPP arrangement. The 25 year operating phase of the PPP commenced on the 16th of November 2016, this being the date of commercial acceptance. For an agreed fee EH provides specialist building and amenity services to SCUH. As part of the arrangement, EH manages all SCUH building and plant infrastructure including refurbishment and renewal, repairs and maintenance and replacement of certain equipment. EH is obligated to ensure all infrastructure and assets (including car parks) are kept in a fit for use condition throughout the operating term.

This arrangement is not a service concession arrangement under AASB 1059 because the specialist building, and amenity services provided by EH are not assessed as contributing significantly to the public services provided by SCUH. SCHHS operates the facility, employs or contracts the vast majority of clinical and administrative staff, and manages all health care provided at SCUH.

For accounting purposes, SCUH is recognised as a componentised asset as part of property, plant and equipment, with all components carried at fair value. At the end of the 25-year term, the assets will remain under the control of SCHHS. Correspondingly, an interest-bearing liability representing the fair value of the payable to EH for the construction of SCUH as at the date of commercial acceptance is included in Note C6 Interest bearing liability and is carried at fair value.

C8 Public Private Partnerships (PPPs) (continued)

C8.1 Public Private Partnerships (PPPs) outside AASB 1059 (continued)

Sunshine Coast University Hospital (SCUH) (Year 7 of 25) (continued)

Service payments are recognised as supplies and services expenses each period when incurred, and interest payments recognised each period when incurred. The amounts are disclosed in Note C8.2 Operating statement impact below. The licence to occupy SCUH incorporates the commitment of EH to occupy and operate, or sublease, dedicated commercial areas to provide defined retail services at SCUH.

SCHHS is entitled to receive a minimum entitlement which is disclosed in Note C8.2 Operating statement impact. This is considered to be an operating lease and is included in the disclosed balance of lessor revenue commitments at Note D4 Commitments.

SCUH car parks (Year 7 of 25)

As part of the SCUH PPP, EH constructed two car parks on the SCUH site. The State has granted EH a licence to undertake car parking operations for the duration of the 25 year operating term which entitles EH to generate revenue from the operations themselves.

This arrangement is not a service concession arrangement under AASB 1059 because the services provided by EH are not assessed as contributing significantly to the public services provided by SCUH. As part of the PPP, SCHHS may be contractually obligated to reimburse EH if a number of independent contractual tests are not met. One such test relates to ensuring SCHHS employs a minimum number of staff physically based at SCUH from 1 July 2017 onwards. As at 30 June 2023, SCHHS has exceeded the minimum staff threshold.

As part of the agreement staff and public car parking rates are capped and subject to Consumer Price Index.

SCHHS has deferred revenue from the carpark licence to operate the carpark granted to EH. Refer to Note C7 Contract liabilities. The revenue will be unwound over the 25-year term of the agreement. This is considered to be an operating lease and future revenue to be recognised from the agreement is included in Lessor revenue commitments disclosed in Note D4 Commitments.

Noosa Hospital (Year 3 of 10)

Under this arrangement, SCHHS funds the Operator for the provision of combined services which includes public patient services and ambulatory services.

This arrangement is not a service concession arrangement under AASB 1059 because the Operator employs the clinical and administrative staff, and manages all health care provided at Noosa Hospital, including separate operation as a private hospital.

The Operator is required to provide certain minimum licensed services and make available certain minimum public patient service categories and minimum outpatient service categories. Public patients will be allocated sufficient beds and outpatients allocated outpatient sessions in the private hospital to meet the projected demand for each contract year. The provision of public patient services and outpatient services is managed according to demand throughout each contract year. The Operator is not permitted to charge any fees to public patients other than those normally charged for a service in a public hospital.

C8 Public Private Partnerships (PPPs) (continued)

C8.2 Operating statement impact

	Note	SCUH	SCUH car parks	Noosa Hospital	Total
2022-23		**$'000**	**$'000**	**$'000**	**$'000**
Revenue					
Rental income	B1.4	**-**	**3,738**	**3,485**	**7,223**
Expenses					
Supplies and services	B2.2	**(33,786)**	**-**	**(18,696)**	**(52,482)**
Depreciation	C3	**(75,226)**	**(5,468)**	**(3,516)**	**(84,210)**
Interest expense		**(33,597)**	**-**	**-**	**(33,597)**
Net impact on operating result		**(142,609)**	**(1,730)**	**(18,727)**	**(163,066)**
2021-22					
Revenue					
Rental income	B1.4	24	3,738	3,248	7,010
Expenses					
Supplies and services	B2.2	(28,086)	-	(21,948)	(50,034)
Depreciation	C3	(94,433)	(3,160)	(4,499)	(102,092)
Interest expense		(21,574)	-	-	(21,574)
Net impact on operating result		(144,069)	578	(23,199)	(166,690)

C8 Public Private Partnerships (PPPs) (continued)

C8.3 Estimated future cash flows

The estimated future cash flows on an undiscounted basis for the SCHHS PPPs are as follows.

As at June 30 2023	SCUH $'000	Noosa Hospital $'000	Total $'000
Cash inflows			
No later than 1 year	**-**	**3,485**	**3,485**
Later than 1 year but not later than 5 years	**-**	**13,940**	**13,940**
Later than 5 years but not later than 10 years	**-**	**6,970**	**6,970**
Later than 10 years	**-**	**-**	**-**
	-	**24,395**	**24,395**
Cash outflows			
No later than 1 year	**(82,784)**	**(22,600)**	**(105,384)**
Later than 1 year but not later than 5 years	**(353,889)**	**(90,400)**	**(444,289)**
Later than 5 years but not later than 10 years	**(483,704)**	**(45,200)**	**(528,904)**
Later than 10 years	**(822,940)**	**-**	**(822,940)**
	(1,743,317)	**(158,200)**	**(1,901,517)**
As at June 30 2022			
Cash inflows			
No later than 1 year	10,806	3,248	14,054
Later than 1 year but not later than 5 years	39,718	12,992	52,710
Later than 5 years but not later than 10 years	39,268	9,744	49,012
Later than 10 years	27,663	-	27,663
	117,455	25,984	143,439
Cash outflows			
No later than 1 year	(77,069)	(22,600)	(99,669)
Later than 1 year but not later than 5 years	(339,363)	(90,400)	(429,763)
Later than 5 years but not later than 10 years	(455,799)	(67,800)	(523,599)
Later than 10 years	(953,413)	-	(953,413)
	(1,825,644)	(180,800)	(2,006,444)

There are no future cash flows relating to the SCUH car parks.

Estimated future cash inflows from the SCUH PPP interest bearing liability arise when the actual interest rate is lower than the base case interest rate, outlined in the Project Deed with Exemplar Health. Refer to C8.1 for more information on the SCUH PPP arrangement. As at 30 June 2023, there are estimated future cash outflows relating to the interest bearing liability due to the interest rate being higher than base case interest rate.

C9 Equity

C9.1 Contributed equity

	2023 $'000	2022 $'000
Balance at 1 July	**836,818**	921,294
Transactions with owners in their capacity as owners:		
Cash injection from the Department for capital works and acquisitions	**70,854**	58,381
Reclassify equity received to revenue	**(1,913)**	(2,595)
Non cash injection of other capital assets	**1,052**	1,512
Non cash withdrawal for depreciation and amortisation	**(144,461)**	(141,774)
Balance at 30 June	**762,350**	836,818

C9 Equity (continued)

C9.1 Contributed equity (continued)

Contributed equity represents equity provided by the State of Queensland to SCHHS. Non-reciprocal transfers of assets and liabilities between wholly owned Queensland State Public Sector entities are adjusted to contributed equity in accordance with AASB 1004 *Contributions* and AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

SCHHS receives funding from the Department to cover depreciation and amortisation costs. However, as depreciation and amortisation are non-cash expenditure items, the Minister for Health, Mental Health and Ambulance Services has approved a withdrawal of equity by the State for the same amount, resulting in non-cash revenue and non-cash equity withdrawal.

C9.2 Asset revaluation surplus

Movements in the asset revaluation surplus during the current year are set out below:

	Land $'000	Building $'000	Total $'000
Balance at 1 July 2021	23,694	327,408	351,102
Revaluation increment for the year	1,740	179,685	181,425
Balance at 30 June 2022	25,434	507,093	532,527
Revaluation increment for the year	20,729	322,580	343,309
Balance at 30 June 2023	**46,163**	**829,673**	**875,836**

Notes to the Financial Statements
For the year ended 30 June 2023

Section D: Notes about risks and other accounting uncertainties

D1 Fair value measurement

Fair value definition

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 the price is directly derived from observable inputs or estimated using another valuation technique.

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

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by SCHHS include, but are not limited to, subjective adjustments made to observable data to take account of the specialised nature of health service buildings, including historical and current construction contracts (and/or estimates of such costs), and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit 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.

Fair value measurement hierarchy

Only land and building assets are measured at fair value and are set out in the tables at Note C3 which also includes further disclosure regarding the key judgements underpinning fair value measurement.

SCHHS does not recognise any financial assets or financial liabilities at fair value.

Land and building assets are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

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

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

There were no transfer of assets between fair value hierarchy levels during the period.

D2 Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when SCHHS becomes party to the contractual provisions of the financial instrument. SCHHS holds financial instruments in the form of cash, receivables, payables and interest bearing liabilities (borrowings).

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at amortised cost
- Trade and other receivables – held at amortised cost
- Trade payables – held at amortised cost
- Interest bearing liability – held at amortised cost

D2 Financial instruments (continued)

SCHHS does not enter into derivative and other financial instrument transactions for speculative purposes nor for hedging.

The effective interest rate on the interest-bearing liability as at 30 June 2023 is 7.1% (2022: 4.6%). No interest has been capitalised during the current period.

Categorisation of financial instruments

SCHHS has the following categories of financial assets and financial liabilities.

	2023	2022
	$'000	$'000
Financial assets		
Cash and cash equivalents	**17,592**	39,542
Trade and other receivables	**47,457**	36,011
Total	**65,049**	75,553
Financial liabilities		
Trade payables	**170,354**	161,335
Interest bearing liability	**482,761**	493,498
Total	**653,115**	654,833

Financial risk management

SCHHS has exposure to a variety of financial risks arising from financial instruments - credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Queensland Government and SCHHS policies. The policies provide principles for overall risk management and aim to minimise potential adverse effects of risk events on the financial performance of SCHHS.

Credit risk

Credit risk is the potential for financial loss arising from SCHHS's debtors defaulting on their obligations. Credit risk is measured by conducting an ageing analysis for cash inflows at risk. The maximum exposure to credit risk at balance date is the carrying value of receivable balances adjusted for impairment. Credit risk is considered minimal for SCHHS.

Liquidity risk

Liquidity risk refers to the situation when SCHHS may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk is measured through monitoring of cash flows by active management of accrual accounts. An approved debt facility of $16 million under Whole-of-Government banking arrangements to manage any short-term cash shortfalls has been established. $Nil funds had been withdrawn against this debt facility as at 30 June 2023 (2022: $nil). During the 2022-23 year the overdraft facility was utilised in the normal course of business.

The following table sets out the liquidity risk of financial liabilities held by SCHHS. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. Per the funding arrangements as per Note A8 Economic dependency, the Department will provide SCHHS with sufficient cash resources to meet its financial obligations.

	2023	**Contractual maturity**			2022	Contractual maturity		
	Total	**<1 Yr**	**1-5 Yrs**	**>5Yrs**	Total	<1 Yr	1-5 Yrs	>5Yrs
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Trade payables	**170,354**	**170,354**	**-**	**-**	161,335	161,335	-	-
Lease liabilities	**963**	**215**	**714**	**34**	1,177	395	617	165
Interest bearing liability	**482,761**	**11,636**	**57,148**	**413,977**	493,498	10,736	52,730	430,032
Total	**654,078**	**182,205**	**57,862**	**414,011**	656,010	172,466	53,347	430,197

D2 Financial instruments (continued)

Market risk - Interest rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Market risk comprises interest rate risk.

SCHHS has interest rate exposure on the cash on deposits with Queensland Treasury Corporation. Changes in interest rates have a minimal effect on the operating result of SCHHS.

In relation to the interest-bearing liability, interest rate change impacts the floating rate component of this liability however any change is fully offset by an adjustment in funding for public health services. As a consequence, there is no impact on operating surplus or equity as a result of interest rate changes, with all other variables held constant.

Notes to the Financial Statements
For the year ended 30 June 2023

D3 Contingencies

Contingent liabilities - litigation in progress

As at 30 June 2023 SCHHS has 13 litigation cases filed in the courts (2022: 6 cases).

Litigation is underwritten by the QGIF and SCHHS's liability in this area is limited to an excess per insurance event.

All SCHHS indemnified claims are managed by QGIF. As at 30 June 2023, there were 70 (35 at 30 June 2022) claims being managed by QGIF, some of which may never be litigated or result in claim payments. The maximum exposure to SCHHS under this policy is up to $20,000 for each insurable event.

D4 Commitments

Commitments at reporting date (exclusive of GST) are as follows:

	2023	2022
	$'000	$'000
Capital expenditure commitments		
Committed at reporting date but not recognised as liabilities, payable:		
within one year	**13,218**	47,189
one year to five years	**16,845**	11,996
Total	**30,063**	59,185
Lessor revenue commitments		
Committed at reporting date but not recognised as assets, receivable:		
within one year	**8,270**	7,804
one to two years	**8,271**	7,805
two to three years	**8,271**	7,805
three to four years	**8,257**	7,806
four to five years	**8,250**	7,793
more than five years	**70,839**	76,829
Total	**112,158**	115,842

Lessor revenue commitments

SCHHS is the beneficiary of rental income arising from Noosa Hospital, and the lease of commercial retail space and commercial car parks at SCUH. The lease receipts from Noosa Hospital and the SCUH commercial retail space comprise of fixed components which include inflation. The SCUH commercial car park lease receipts are fixed. The revenue from the commercial car parks will be unwound over the 25-year term of the agreement. Refer to Note C7 Contract liabilities.

D5 Events after the reporting period

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

Notes to the Financial Statements
For the year ended 30 June 2023

Section E: Notes on our performance compared to budget

This section contains explanations of major variances between SCHHS's actual 2022-23 financial results and the Queensland Government State Budget 2022-23. Note, the budget figures have been recast to reflect the annual financial statement classifications. Explanations are provided for the following variances that are larger than 5 percent of the budgeted figure:

- Funding for public health services (Statement of Comprehensive Income); and
- Employee expenses (Statement of Comprehensive Income).

For all other line items in the Statement of Comprehensive Income and the Statement of Financial Position, explanations are provided for variances larger than 10 percent and $2 million of the budgeted figure.

E1 Original budget to actual comparison – Statement of Comprehensive Income

	Variance Notes	Budget 2023 $'000	Actual 2023 $'000	Variance 2023 $'000	Variance %
Income					
Funding for public health services	E1.1	1,324,930	1,446,420	121,490	9%
User charges and fees	E1.2	90,253	122,315	32,062	36%
Grants and other contributions		22,113	23,214	1,101	5%
Other revenue	E1.3	16,790	19,193	2,403	14%
Total revenue		1,454,086	1,611,142	157,056	11%
Gains on disposal of assets		15	207	192	1280%
Total income from continuing operations		1,454,101	1,611,349	157,248	11%
Expenses					
Employee expenses	E1.4	(159,704)	(168,942)	(9,238)	6%
Health service employee expenses	E1.5	(776,108)	(892,574)	(116,466)	15%
Supplies and services	E1.6	(328,617)	(363,634)	(35,017)	11%
Depreciation and amortisation	E1.7	(129,957)	(144,461)	(14,504)	11%
Impairment losses		(2,071)	(1,647)	424	(20%)
Interest expense	E1.8	(39,594)	(33,605)	5,989	(15%)
Other expenses	E1.9	(18,050)	(21,275)	(3,225)	18%
Total expenses		(1,454,101)	(1,626,138)	(172,037)	12%
Operating result for the year		-	(14,789)	(14,789)	-%
Other comprehensive income					
Items that will not be reclassified subsequently to operating result					
Increase in the asset revaluation surplus	E1.10	65,667	343,309	277,642	423%
Other comprehensive income for the year		65,667	343,309	277,642	423%
		65,667	**328,520**	**262,853**	**400%**

To be consistent with the Financial Statements, original budgeted figures are reclassified at the line-item level where necessary.

Notes to the Financial Statements
For the year ended 30 June 2023

E2 Original budget to actual comparison – Statement of Financial Position

	Variance Notes	Budget 2023 $'000	Actual 2023 $'000	Variance 2023 $'000	Variance %
Assets					
Current assets					
Cash and cash equivalents	E2.1	3,306	17,592	14,286	432%
Trade and other receivables	E2.2	26,140	47,457	21,317	82%
Inventories		6,043	7,770	1,727	29%
Other current assets		3,589	4,434	845	24%
Total current assets		39,078	77,253	38,175	98%
Non-current assets					
Property, plant and equipment	E2.3	1,837,208	2,245,097	407,889	22%
Right-of-use assets		347	725	378	109%
Intangibles		2,248	1,069	(1,179)	(52%)
Total non-current assets		1,839,803	2,246,891	407,088	22%
Total assets		1,878,881	2,324,144	445,263	24%
Liabilities					
Current liabilities					
Trade payables	E2.4	129,345	170,354	41,009	32%
Lease liabilities		156	215	59	38%
Interest bearing liability		11,636	11,636	-	-%
Accrued employee benefits	E2.5	5,645	15,213	9,568	169%
Contract liabilities		7,215	5,417	(1,798)	(25%)
Total current liabilities		153,997	202,835	48,838	32%
Non-current liabilities					
Interest bearing liability		471,125	471,125	-	-%
Contract liabilities		67,482	69,575	2,093	3%
Lease liabilities		789	748	(41)	(5%)
Total non-current liabilities		539,396	541,448	2,052	0%
Total liabilities		693,393	744,283	50,890	7%
Net assets		**1,185,488**	**1,579,861**	**394,373**	**33%**
Equity					
Contributed equity		752,094	762,350	10,256	1%
Asset revaluation surplus	E2.3	480,404	875,836	395,432	82%
Accumulated deficit		(47,010)	(58,325)	(11,315)	24%
Total equity		**1,185,488**	**1,579,861**	**394,373**	**33%**

Notes to the Financial Statements
For the year ended 30 June 2023

E3 Original budget to actual comparison – Statement of Cash Flows

	Variance Notes	Budget 2023 $'000	Actual 2023 $'000	Variance 2023 $'000	Variance %
Cash flows from operating activities					
Funding for public health services	E1.1	1,194,974	1,263,717	68,743	6%
User charges and fees	E1.2	87,604	121,517	33,913	39%
Grants and other contributions		11,741	12,392	651	6%
Interest received		107	448	341	319%
GST collected from customers		6,414	6,624	210	3%
GST input tax credits		28,691	33,173	4,482	16%
Other revenue	E1.3	12,945	14,964	2,019	16%
Employee and Health service employee expenses	E1.4, E1.5	(932,655)	(1,025,213)	(92,558)	10%
Supplies and services	E1.6	(312,851)	(344,153)	(31,302)	10%
GST paid to suppliers		(28,691)	(34,214)	(5,523)	19%
GST remitted		(6,413)	(6,567)	(154)	2%
Interest expense	E1.8	(39,812)	(33,823)	5,989	(15%)
Other expenses	E1.9	(17,793)	(20,883)	(3,090)	17%
Net cash from/(used by) operating activities		4,261	(12,018)	(16,279)	(382%)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		15	207	192	1280%
Payments for property, plant and equipment	E3.1	(3,508)	(70,042)	(66,534)	1897%
Payments for intangibles	E3.2	(2,517)	-	2,517	(100%)
Net cash / (used by) investing activities		(6,010)	(69,835)	(63,825)	1062%
Cash flows from financing activities					
Proceeds from equity injections	E3.1	9,882	70,854	60,972	617%
Borrowing redemptions		(10,737)	(10,737)	-	-%
Principal payments of lease liabilities		(49)	(214)	(165)	337%
Net cash from / (used by) financing activities		(904)	59,903	60,807	(6726%)
Net (decrease) in cash held		(2,653)	(21,950)	(19,297)	727%
Cash and cash equivalents at the beginning of the financial year		5,959	39,542	33,583	564%
		3,306	**17,592**	**14,286**	**432%**

Notes to the Financial Statements
For the year ended 30 June 2023

E4 Explanation of material variances

Statement of Comprehensive Income

E1.1 Funding for public health services

The variance to budget mainly relates to additional funding provided through amendments to the Service Agreement with the Department of Health (the Department). This included funding for the additional costs associated with new enterprise bargaining agreements during the year.

E1.2 User charges and fees

The increase in user charges and fees is principally due to revenue received for purchases of pharmaceuticals subsidised by the Commonwealth Government under the Pharmaceutical Benefits Scheme ($12.5m), recoveries of non-capital expenditure ($10.0m), hospital fees and sale of goods and service ($8.5m).

E1.3 Other revenue

The increase in other revenue is predominantly due to higher interest earned on deposit with Queensland Treasury Corporation and greater recoveries for the year.

E1.4 Employee expenses

The additional employee expenses are associated with higher than expected costs of service delivery and wage increases from the new enterprise bargaining agreements during the year. Additional revenue was provided by the Department to fund the cost of new enterprise bargaining agreements.

E1.5 Health service employee expenses

The additional health service employee expenses are associated with higher than expected costs of service delivery and wage increases from the new enterprise bargaining agreements during the year. Additional revenue was provided by the Department to fund the cost of new enterprise bargaining agreements.

E1.6 Supplies and services

The variance is primarily due to general Consumer Price Index (CPI) increases in supplies and services. Additional expenditure was incurred on clinical supplies, pharmaceuticals, information and communications technology, building and asset services, pathology services, medical contractors and prosthetics.

E1.7 Depreciation and amortisation

The increase in depreciation and amortisation is associated with the prior year building revaluation increment, additional transfers from work-in-progress to buildings for the Nambour Hospital redevelopment and the purchase of plant and equipment during the year.

E1.8 Interest expense

The lower than anticipated interest expense is due to the base rate of the Sunshine Coast University Hospital Private Public Partnership Project Deed being higher than the Reserve Bank of Australia official cash rate for part of the year.

E1.9 Other expenses

The increase in other expenses is predominantly due to higher insurance premiums, car parking and facility management costs at Sunshine Coast University Hospital, and from losses on disposal of assets.

E1.10 Increase in the asset revaluation surplus

At the time the budget was set revaluation movements could not be reliably determined. The revaluation of SCHHS's land and building assets resulted in a higher than anticipated increase to the asset revaluation surplus.

E4 Explanations of material variances (continued)

Statement of Financial Position

E2.1 Cash and cash equivalents

The variance to budget is predominantly due to additional funding received from the Department and the timing of payroll and creditor payments.

E2.2 Trade and other receivables

The increase mainly relates to receivables from the Department at year end, additional employee expenses associated with new enterprise bargaining agreements, various initiatives, and non-capital expenditure.

E2.3 Property, plant and equipment and Asset revaluation surplus

The variance to budget relates to the revaluation of land and building assets. At the time the budget was set revaluation movements could not be reliably determined.

E2.4 Trade payables

The increase is largely due to the accrual for Health service employee salary increases relating to the new enterprise bargaining agreements. At the time the budget was set the impact of these agreements could not be determined.

E2.5 Accrued employee benefits

The increase is largely due to the accrual for employee salary increases associated with new enterprise bargaining agreements. At the time the budget was set the impact of these agreements could not be determined.

Statement of Cash Flows

E3.1 Payments for property, plant and equipment and Proceeds from equity injections

The Payments for property, plant and equipment budget recognises only cash outflows for projects funded by SCHHS. SCHHS pays for all capital purchases and is reimbursed from the Department monthly in arrears for projects they fund on behalf of SCHHS including the Nambour Hospital redevelopment program and projects associated with Sunshine Coast University and Gympie Hospitals.

E3.2 Payments for intangibles

Costs associated with information and communications technology projects were expensed during the year and resulted in a reclassification of equity received to income.

Notes to the Financial Statements
For the year ended 30 June 2023

Section F: What we look after on behalf of third parties

F1 Agency and patient fiduciary transactions and balances

(a) Granted private practice

SCHHS acts as a billing agency for medical practitioners who use SCHHS facilities for the purpose of seeing patients under their Grant of Private Practice agreements.

Granted private practice permits Senior Medical Officers (SMOs) and non-contractor Visiting Medical Officers (VMOs) employed in the public health system to treat individuals who elect to be treated as private patients. Granted private practice provides the option for SMOs and VMOs to either assign all of their private practice revenue to the HHS (assignment arrangement) and in return receive an allowance, or for SMOs and VMOs to share in the revenue generated from billing patients and to pay service fees to SCHHS (retention arrangement) to cover the use of the facilities and administrative support provided to the medical officer.

All monies received for granted private practice are deposited into a separate bank account that is administered by SCHHS on behalf of the granted medical officers. These accounts are not reported in SCHHS's Statement of Financial Position.

All assignment option receipts, retention option services fees and service retention fees are included as revenue in the statement of comprehensive income of SCHHS on an accrual basis. The funds are then subsequently transferred from the granted private practice bank accounts into SCHHS's operating and General Trust bank account (for the service retention fee portion).

	2023	2022
	$'000	$'000
Granted Private Practice Revenues and Expenses		
Revenue		
Billing revenue - assigned arrangement	**10,463**	8,821
Billing revenue - retention arrangement	**11,921**	9,907
Interest revenue	**40**	7
Expenses		
Payments to SCHHS relating to the assignment arrangement and interest	**(10,504)**	(8,828)
Payments to retention doctors	**(4,639)**	(2,537)
Payments to SCHHS for recoverable costs relating to the retention arrangement	**(5,186)**	(5,695)
Payments to SCHHS's Study, education and research trust account fund	**(2,095)**	(1,675)
	-	-
Closing balance of bank account not yet disbursed	**2,423**	2,371

(b) Patient fiduciary

SCHHS acts in a custodial capacity in relation to patient fiduciary accounts. These transactions and balances are not recognised in the financial statements.

	2023	2022
	$'000	$'000
Patient Trust receipts and payments		
Opening balance	**91**	121
Amounts receipted on behalf of patients	**2,056**	1,163
Amounts paid to or on behalf of patients	**(2,057)**	(1,193)
Closing balance	**90**	91

(c) Refundable accommodation deposits

SCHHS is required to manage payments from aged care residents for refundable accommodation deposits. These funds are treated in a similar manner to patient fiduciary funds. These transactions and balances are not recognised in the financial statements.

Notes to the Financial Statements
For the year ended 30 June 2023

Section G: Other information

G1 Key management personnel and remuneration expenses

G1.1 Key management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of SCHHS during the 2021-22 and 2022-23 financial year.

(a) Minister for Health, Mental Health and Ambulance Services

The Minister for Health, Mental Health and Ambulance Services is identified as part of SCHHS's key management personnel, consistent with AASB 124 *Related Party Disclosures*.

(b) The Board

The following Board members were considered key management personnel of SCHHS during the 2021-22 and 2022-23 financial year:

Name	Contract classification / appointment authority	Initial appointment date / tenure
Sabrina Walsh	Chair – *Hospital and Health Boards Act 2011 Section 25 (1)*	Board member from 18/05/2020, Chair from 11/06/2021
Brian Anker	Deputy Chair – *Hospital and Health Boards Act 2011 Section 25 (1)*	Board member from 18/05/2013 to 21/10/2021 and 01/04/2022 to 09/11/2022. Deputy Board Chair from 22/10/2021 to 31/03/2022 and from 10/11/2022.
Emeritus Professor Birgit Lohmann	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	18/05/2019
Debra Blumel	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	18/05/2019
Bruce Cowley	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	18/05/2021
Rod Cameron	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	11/06/2021
Terry Bell	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	18/05/2020
Dr David Rowlands OAM	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	01/04/2022
Dr Abbe Anderson	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	01/04/2022 to 25/09/2022
Anita Phillips	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	18/05/2017 to 31/03/2022
Dr Edward Weaver	Board Member – *Hospital and Health Boards Act 2011 Section 23 (1)*	18/05/2020 to 31/03/2022

Sabrina Walsh temporarily stepped down as Board Chair on 23 July 2023, and Brian Anker became the Acting Board Chair.

Notes to the Financial Statements
For the year ended 30 June 2023

G1 Key management personnel and remuneration expenses (continued)

G1.1 Key management personnel (continued)

(c) Executives

The following Executive were considered key management personnel of SCHHS during the 2021-22 and 2022-23 financial year:

Position	Name	Contract classification / appointment authority	Appointment date	Separation date	Acting / interim arrangements [6]
Health Service Chief Executive	Dr Peter Gillies	S24S70 *Hospital and Health Boards Act 2011 Section 33*	04/10/2021	-	-
	Dr Mark Waters		-	-	07/06/2021 - 08/10/2021
	Adjunct Professor Naomi Dwyer		11/12/2017	02/07/2021	-
Chief Operating Officer	Joanne Shaw	HES3-4 *Hospital and Health Boards Act 2011 Section 74*	06/12/2021	-	-
	Lisa Newport		-	-	06/08/2021 - 31/12/2021
	Karlyn Chettleburgh		06/08/2018	05/08/2021	
Chief Finance Officer	Karen Dean	HES3-1 *Hospital and Health Boards Act 2011 Section 74*	14/06/2022	-	10/01/2022 - 13/06/2022
	Andrew McDonald		-	-	27/08/2020 - 09/01/2022
Chief Information and Infrastructure Officer [1]	Andrew Leggate	HES2-1 *Hospital and Health Boards Act 2011 Section 74*	-	-	11/10/2021 - 11/04/2022
	Angela Bardini		-	-	15/07/2019 - 09/10/2021
Senior Director Capital Assets and Infrastructure [1]	Andrew Leggate	DSO1 *Hospital and Health Boards Act 2011 Section 74*	12/04/2022	-	-
Executive Director Workforce [2]	Silven Simmons	HES2-5 *Hospital and Health Boards Act 2011 Section 74*	01/07/2022	-	10/01/2022 - 30/06/2022
	Colin Anderson		25/03/2020	31/12/2021	-
Executive Director Medical Services [3]	Dr Marlene Pearce	MMOI1 *Hospital and Health Boards Act 2011 Section 74*	07/03/2022	-	-
	Dr Susan Nightingale		04/02/2021	13/02/2022	-
Senior Director Digital Health and Technology [1]	Jake Penrose	DSO1-1 *Hospital and Health Boards Act 2011 Section 74*	12/04/2022	-	-
Executive Director Nursing and Midwifery	Lisa Newport	NRG13-2 *Queensland Health Nurses and Midwives Award - State 2015*	02/01/2023	-	01/01/2022 - 01/01/2023
	Suzanne Metcalf		13/02/2017	05/09/2022	-
Executive Director Allied Health	Dr Gemma Turato	HP8 *Health Practitioners and Dental Officers (Queensland Health) Award – State 2015*	01/09/2017	-	-
Executive Director Legal and Governance [4]	Julian Tommei	HES2-1 *Hospital and Health Boards Act 2011 Section 74*	31/01/2022	-	-
	Kristy Frost		08/03/2021	31/01/2022	-

G1 Key management personnel and remuneration expenses (continued)

G1.1 Key management personnel (continued)

(c) Executives (continued)

Position	Name	Contract classification / appointment authority	Appointment date	Separation date	Acting / interim arrangements [6]
Service Director Aboriginal and Torres Strait Islander Health [5]	Sharon Barry	AO8 *Hospital and Health Service General Employees (Queensland Health) Award – State 2015*	10/01/2022	06/07/2023	-
Senior Director Aboriginal and Torres Strait Islander Health [5]	Sharon Barry	DSO1 *Hospital and Health Boards Act 2011 Section 74*	07/07/2023	-	08/05/2023 - 06/07/2023

[1] During the 2021-22 financial year the position of Chief Information and Infrastructure Officer was abolished, and two new positions were created, namely Senior Director Capital Assets and Infrastructure and Senior Director Digital Health and Technology.

[2] During the 2022-23 financial year the position of Executive Director People and Culture was changed to Executive Director Workforce.

[3] During the 2021-22 financial year the position of Executive Director Clinical Governance, Education and Research was changed to Executive Director Medical Services.

[4] During the 2021-22 financial year the position of Executive Director Legal, Commercial and Governance was retitled to Executive Director Legal and Governance.

[5] During the 2021-22 financial year the position of Service Director Aboriginal and Torres Strait Islander Health was added to the executive leadership team. The position was retitled to Senior Director Aboriginal and Torres Strait Islander Health in 2022-23.

[6] During the financial year, Executive positions may be occupied by a person acting in the role while the substantive occupant is on leave; or may be an interim appointment while the position is vacant. The table only includes acting / interim arrangements for a period of more than five consecutive weeks.

G1.2 Remuneration expense

Key management personnel remuneration – Minister

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

Key management personnel remuneration – Board

The remuneration of members of the Board is approved by Governor-in-Council as part of the terms of appointment. Each member is entitled to receive a fee, with the exception of appointed public service employees unless otherwise approved by the Government. Members may also be eligible for post-employment benefits

Key management personnel remuneration – Executive

In accordance with section 67 of the *Hospital and Health Boards Act 2011*, the Director-General of the Department determines the remuneration for SCHHS's key executive management employees. The remuneration and other terms of employment are specified in employment contracts or in the relevant Enterprise Agreements and Awards.

Notes to the Financial Statements
For the year ended 30 June 2023

G1 Key management personnel and remuneration expenses (continued)

G1.2 Remuneration expense (continued)

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

- Short term employee expenses which includes salary, allowances, salary sacrifice component and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position. Performance bonuses are not paid under the contracts in place.
- Short term non-monetary benefits consisting of provision of vehicle and other non-monetary benefits including FBT exemptions on benefits.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Long term employee expenses include amounts expensed in respect of long service leave.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

For Executive positions, all expenses incurred by SCHHS that are attributable to that position are included for the respective reporting period, regardless of the number of personnel filling the position in either substantive or acting capacity.

(a) Board

Position Title	**Short term monetary benefits**		**Post employment benefits**		**Total**	
Position Holder	**2023**	2022	**2023**	2022	**2023**	2022
			$'000			
Board Chair						
Sabrina Walsh	**90**	90	**10**	9	**100**	99
Board Member						
Brian Anker	**51**	50	**5**	5	**56**	55
Emeritus Professor Birgit Lohmann	**51**	51	**5**	5	**56**	56
Debra Blumel	**52**	52	**5**	5	**57**	57
Bruce Cowley	**49**	49	**5**	5	**54**	54
Rod Cameron	**52**	54	**5**	5	**57**	59
Terry Bell	**51**	48	**5**	5	**56**	53
Dr David Rowlands OAM	**51**	12	**5**	1	**56**	13
Dr Abbe Anderson	**13**	11	**1**	1	**14**	12
Anita Phillips	**-**	36	**-**	3	**-**	39
Dr Edward Weaver	**-**	37	**-**	4	**-**	41
Total	**460**	490	**46**	48	**506**	538

During the year, there were nil out-of-pocket expenses for Board members (2022: nil).

Notes to the Financial Statements
For the year ended 30 June 2023

G1 Key management personnel and remuneration expenses (continued)

G1.2 Remuneration expense (continued)

(b) Executives

Position Title	Short term benefits				Post employment benefits		Long term benefits		Termination benefits		Total	
	Monetary		Non-monetary									
Position Holder	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
						$'000						
Health Service Chief Executive												
Dr Peter Gillies	**552**	421	**13**	13	**53**	38	**13**	10	**-**	-	**631**	482
Dr Mark Waters	**-**	132	**-**	-	**-**	13	**-**	3	**-**	-	**-**	148
Adjunct Professor Naomi Dwyer	**-**	(31)	**-**	2	**-**	(5)	**-**	(1)	**-**	267	**-**	232
Chief Operating Officer												
Joanne Shaw	**241**	162	**-**	-	**25**	15	**6**	3	**-**	-	**272**	180
Lisa Newport	**-**	101	**-**	-	**-**	8	**-**	2	**-**	-	**-**	111
Karlyn Chettleburgh	**-**	14	**-**	-	**-**	-	**-**	-	**-**	8	**-**	22
Chief Finance Officer												
Karen Dean	**244**	117	**-**	-	**24**	9	**6**	3	**-**	-	**274**	129
Andrew McDonald	**-**	111	**-**	-	**-**	9	**-**	2	**-**	-	**-**	122
Chief Information and Infrastructure Officer [1]												
Andrew Leggate	**-**	120	**-**	-	**-**	9	**-**	3	**-**	-	**-**	132
Angela Bardini	**-**	53	**-**	-	**-**	4	**-**	1	**-**	54	**-**	112
Senior Director Capital Assets and Infrastructure [1]												
Andrew Leggate	**174**	31	-	-	**20**	5	**4**	1	-	-	**198**	37
Executive Director Workforce [2]												
Silven Simmons	**239**	110	-	-	**24**	11	**6**	3	-	-	**269**	124
Colin Anderson	**-**	105	-	-	**-**	10	**-**	2	-	-	**-**	117
Executive Director Medical Services [3]												
Dr Marlene Pearce	**358**	114	-	-	**28**	9	**8**	3	-	-	**394**	126
Dr Susan Nightingale	**-**	296	-	-	**-**	24	**-**	7	-	-	**-**	327
Senior Director Digital Health and Technology [1]												
Jake Penrose	**169**	38	-	-	**19**	4	**4**	1	-	-	**192**	43
Executive Director Nursing and Midwifery												
Lisa Newport	**334**	106	**-**	-	**28**	9	**7**	3	**-**	-	**369**	118
Suzanne Metcalf	**60**	263	**-**	-	**8**	25	**2**	6	**465**	-	**535**	294
Executive Director Allied Health												
Dr Gemma Turato	**210**	212	**-**	-	**24**	23	**5**	5	**-**	-	**239**	240
Executive Director Legal and Governance [4]												
Julian Tommei	**214**	92	**-**	-	**18**	8	**5**	2	**-**	-	**237**	102
Kristy Frost	**-**	100	**-**	-	**-**	9	**-**	2	**-**	-	**-**	111
Senior Director Aboriginal and Torres Strait Islander Health [5]												
Sharon Barry	**144**	74	**-**	-	**16**	9	**3**	2	**-**	-	**163**	85
Total	**2,939**	**2,741**	**13**	**15**	**287**	**246**	**69**	**63**	**465**	**329**	**3,773**	**3,394**

[1] During the 2021-22 financial year the position of Chief Information and Infrastructure Officer was abolished, and two new positions were created, namely Senior Director Capital Assets and Infrastructure and Senior Director Digital Health and Technology.

[2] During the 2022-23 financial year the position of Executive Director People and Culture was changed to Executive Director Workforce.

[3] During the 2021-22 financial year the position of Executive Director Clinical Governance, Education and Research was changed to Executive Director Medical Services.

[4] During the 2021-22 financial year the position of Executive Director Legal, Commercial and Governance was retitled to Executive Director Legal and Governance.

[5] During the 2021-22 financial year the position of Service Director Aboriginal and Torres Strait Islander Health was added to the executive leadership team. The position was retitled to Senior Director Aboriginal and Torres Strait Islander Health in 2022-23.

G1 Key management personnel and remuneration expenses (continued)

G1.2 Remuneration expense (continued)

(b) Executives (continued)

(6) During the financial year, Executive positions may be occupied by a person acting in the role while the substantive occupant is on leave; or may be an interim appointment while the position is vacant. The table only includes acting / interim arrangements for a period of more than five consecutive weeks.

Notes to the Financial Statements
For the year ended 30 June 2023

G2 Related party transactions

Related parties of SCHHS include:

- the Minister
- each KMP of the State (all Ministers responsible for Whole-of-Government)
- all non-ministerial KMP
- any close family members of the above three groups
- any entity controlled or jointly controlled by a person from any of the above four groups.

Transactions with Queensland Government controlled entities

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

The following table summarises significant transactions with Queensland Government controlled entities:

Entity	Note	Revenue $'000	Expenses $'000	Assets $'000	Liabilities $'000
		For the year ending 30 June 2023		As at 30 June 2023	
Department of Health	(a)	1,469,476	959,362	22,081	122,394
Queensland Treasury Corporation	(b)	442	19	14,613	-
Workcover Queensland	(c)	1,177	10,099	-	-
		For the year ending 30 June 2022		As at 30 June 2022	
Department of Health	(a)	1,323,888	908,471	10,119	118,620
Queensland Treasury Corporation	(b)	59	15	10,486	-
Workcover Queensland	(c)	992	7,585	-	-

(a) Department of Health

SCHHS receives funding from the Department in accordance with a Service Agreement. Refer to Note B1.1 Funding for public health services.

In addition to the provision of corporate services support (refer to Note B2.2 Supplies and services) the Department manages, on behalf of SCHHS, a range of services including procurement, ambulance services, communication and information technology, payroll, pathology, drug supplies, medical equipment repairs and maintenance and linen supply.

SCHHS also received assets from the Department transferred via equity under an enduring designation from the Minister for Health, Mental Health and Ambulance Services. Refer to Note C9.1 Contributed equity.

(b) Queensland Treasury Corporation

SCHHS holds cash investments with Queensland Treasury Corporation in relation to trust monies (refer Note F1 Agency and patient fiduciary transactions and balances (b) Patient fiduciary) and a commonwealth grant for replacement medical equipment.

(c) WorkCover Queensland

SCHHS takes out an annual policy with WorkCover Queensland for worker's compensation insurance.

Transactions with other related parties

The Sunshine Coast Health Institute (SCHI) is a recognised related party to SCHHS. Refer to Note G3.

G3 Joint operations

SCHHS is a partner together with TAFE East Coast Queensland, the University of the Sunshine Coast and Griffith University in the operation of SCHI. The SCHI operates as an unincorporated joint operation under a Joint Venture Agreement (JVA), based at SCUH.

The primary aims of the SCHI is to advance the education of trainee medical officers, nurses, midwives and other health care professionals, whilst providing outstanding patient care and extending research knowledge.

SCHHS has a 28.9% (2022: 28.9%) interest in the SCHI. Each joint operator has rights and obligations to the assets, liabilities, revenue and expenses of the SCHI according to their interest in the joint operation. Under the JVA, the joint operators contribute to the running costs of the SCHI at set percentage allocations, which are a reflection of the relative space and resource utilisation of each joint operator under the Agreement.

All joint operators have equal decision-making rights, irrespective of the underlying interests. The assets of the SCHI include specialist equipment to facilitate medical research and teaching, in addition to the building fit out within the shared joint operation areas.

The financial impacts of the SCHI, as they relate to SCHHS, are included within the main statements of SCHHS. Summary information about SCHI is as follows:

	SCHI 2023 $'000	**SCHHS share (28.9%) 2023 $'000**	SCHI 2022 $'000	SCHHS share (28.9%) 2022 $'000
Total income	**4,322**	**1,249**	3,750	1,084
Total expenses	**(5,690)**	**(1,644)**	(5,304)	(1,533)
Total comprehensive result	**(1,368)**	**(395)**	(1,554)	(449)
Current assets	**1,707**	**493**	1,154	334
Non-current assets	**12,713**	**3,674**	13,793	3,986
Total assets	**14,420**	**4,167**	14,947	4,320
Current liabilities	**1,658**	**479**	1,118	323
Total liabilities	**1,658**	**479**	1,118	323
Net assets	**12,762**	**3,688**	13,829	3,997

G4 Taxation

The only federal taxes that SCHHS is assessed against are Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). All FBT and GST reporting to the Commonwealth is managed centrally by the Department with payments/receipts made on behalf of SCHHS reimbursed to/from the Department on a monthly basis. GST credits receivable from, and GST payable to the Australian Tax Office (ATO), are recognised on this basis.

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

G5 Climate risk

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting SCHHS.

SCHHS continues to monitor the emergence of material climate-related risks that may impact the financial statements, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

Management Certificate
For the year ended 30 June 2023

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

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

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

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

Brian Anker *MAICD*
Acting Board Chair
Sunshine Coast Hospital and Health Board

Dated 29/08/2023

Dr Peter Gillies *FRACMA MBA MBChB GAICD*
Health Service Chief Executive
Sunshine Coast Hospital and Health Service

Dated 29/08/2023

Karen Dean *FCPA*
Chief Finance Officer
Sunshine Coast Hospital and Health Service

Dated 29/08/2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Sunshine Coast Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Hospital and Health Service.

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended

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

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

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Valuation of specialised buildings $1.97 billion

Refer note C3 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Buildings were material to Sunshine Coast Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method. Sunshine Coast Hospital and Health Service performs comprehensive revaluations of its buildings at least every 5 years under a rolling program, with desktop valuations based on appropriate indices used in intervening years. Indexation has been applied to the value of most buildings this year, with a small number subject to specific appraisals. The main building assets at the Sunshine Coast University Hospital site were last subject to revaluation by specific appraisal as at 30 June 2021. The current replacement cost method comprises: • gross replacement cost, less • accumulated depreciation. Sunshine Coast Hospital and Health Service derived the gross replacement cost of its buildings at the balance date using unit prices that required significant judgements for: • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: – estimating the current cost for a modern substitute (including locality factors and on costs), expressed as a rate per unit (e.g. $/square metre) – identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. Using indexation required: • significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation • reviewing previous assumptions and judgements used in the last comprehensive revaluation to ensure ongoing validity of assumptions and judgements used. The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components. The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.	My procedures included, but were not limited to: In a previous year when a comprehensive revaluation was conducted: • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: o modern substitute (including locality factors and oncosts) o adjustment for excess quality or obsolescence. In the current year when indexation was applied: • assessing the competence, capability and objectivity of valuation specialists engaged to advise on suitable indices • assessing the adequacy of management's review of the valuation process and result • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: o reviewing management's annual assessment of useful lives o at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets o testing that no building asset still in use has reached or exceeded its useful life o enquiring of management about their plans for assets that are nearing the end of their useful life o reviewing assets with an inconsistent relationship between condition and remaining useful life. • where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

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Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

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

Prescribed requirements scope

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

30 August 2023

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

Accessible	Accessible healthcare is characterised by the ability of people to obtain appropriate healthcare at the right place and right time, irrespective of income, cultural background or geography.
Accreditation	Accreditation is independent recognition that an organisation, service, program, or activity
Activity Based Funding (ABF)	A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by: • capturing consistent and detailed information on hospital sector activity and accurately measuring the costs of delivery; • creating an explicit relationship between funds allocated and services provided; • strengthening management's focus on outputs, outcomes, and quality; • encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness; and • providing mechanisms to reward good practice and support quality initiatives.
Acute	Having a short and relatively severe course.
Admission	Admission is when the hospital accepts responsibility for the patient's care and/or treatment. Admission follows a clinical decision that a patient requires same-day, overnight or multi-day care or treatment.
Allied health	Professional staff who meet mandatory qualifications and regulatory requirements in the following areas: audiology, clinical measurement sciences, dietetics and nutrition, exercise physiology, leisure therapy, medical imaging, music therapy, nuclear medicine technology, occupational therapy, orthoptics, pharmacy, physiotherapy, podiatry, prosthetics and orthotics, psychology, radiation therapy, sonography, speech pathology, and social work.
Ambulatory care	The care provided to hospital patients who are not admitted to the hospital, such as patients of emergency departments and outpatient clinics. Can also be used to refer to care provided to patients of community-based (non-hospital) healthcare services.
Best practice	The cooperative way in which organisations and their employees undertake business activities in all key processes and use benchmarking that can be expected to lead sustainable world-class positive outcomes.
Clinical governance	A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.
Clinical practice	Professional activity undertaken by health professionals to investigate patient symptoms and prevent and/or manage illness, together with associated professional activities for patient care.
DAMA	Discharge Against Medical Advice
Elective surgery categories	The category system ensures all patients who need surgery can be treated in order of priority. There are three urgency categories, where 1 is most urgent and 3 is least urgent. Category 1 – A condition that could worsen quickly to the point that it may become an emergency. The patient should have surgery within 30 days of being added to the waiting list. Category 2 – A condition causing some pain, dysfunction or disability, but is not likely to worsen quickly or become an emergency. The patient should have surgery within 90 days of being added to the waiting list. Category 3 – A condition causing minimal or no pain, dysfunction or disability, which is unlikely to worsen quickly and does not have the potential to become an emergency. The patient should have surgery within 365 days of being added to the waiting list.
Emergency department waiting time	Time elapsed for each patient from presentation to the emergency department to the start of services by the treating clinician. It is calculated by deducting the date and time the patient presents from the date and time of the service event.
FTA	Fail to attend
Full-time equivalent (FTE)	Refers to full-time equivalent staff currently working in a position.
GP	General Practitioner
GPLO	General Practitioner Liaison Officer
Health Equity Strategy	The Health Equity Strategy is the roadmap for how we will achieve health equity and eliminate institutional racism

HITH	Hospital in the Home
Hospital	Health care facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.
Hospital and Health Boards	The Hospital and Health Boards are made up of a mix of members with expert skills and knowledge relevant to managing a complex health care organisation. Hospital and Health Service Hospital and Health Service is a separate legal entity established by Queensland Government to deliver public hospital services.
ICT	Information Communication Technology
Immunisation	Process of inducing immunity to an infectious agency by administering a vaccine.
Incidence	Number of new cases of a condition occurring within a given population, over a certain period of time.
Indigenous Liaison Officer	An Aboriginal and/or Torres Strait Islander person who holds the specified qualification and works within a primary health care framework to improve health outcomes for Indigenous Australians.
Long Wait	A 'long wait' elective surgery patient is one who has waited longer than the clinically recommended time for their surgery, according to the clinical urgency category assigned. That is, more than 30 days for a category 1 patient, more than 90 days for a category 2 patient and more than 365 days for a category 3 patient.
Nurse Navigator	A registered nurse educated and authorised to function autonomously and collaboratively in an advanced and extended clinical role. The nurse practitioner role includes assessing and managing clients using nursing knowledge and skills and may include, but is not limited to, direct referral of clients to other health care professionals, prescribing medications, and ordering diagnostic investigations.
Occasions of Service (OoS)	Occasions of service include any examination, consultation, treatment, or other service provided to a non-admitted patient in each functional unit of a health service facility, on each occasion such a service is provided.
Outpatient	Non-admitted health service provided or accessed by an individual at a hospital or health service facility.
Outpatient service	Examination, consultation, treatment, or other service provided to non-admitted non-emergency patients in a speciality unit or under an organisational arrangement administered by a hospital.
Patient flow	Optimal patient flow means the patient's journey through the hospital system, be it planned or unplanned, happens in the safest, most streamlined and timely way to deliver good patient care
Performance indicator	A measure that provides an 'indication' of progress towards achieving the organisation's objectives and usually has targets that define the level of performance expected against the performance indicator.
PHN	Primary Health Network
PREMS	Patient reported experience and outcome measures.
Private Hospital	A private hospital or free-standing day hospital, and either a hospital owned by a for-profit company or a non-profit organisation and privately funded through payment for medical services by patients or insurers. Patients admitted to private hospitals are treated by a doctor of their choice.
Public hospital	Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
SCHHS	Sunshine Coast Hospital and Health Service
SCHI	Sunshine Coast Health Institute
SCUH	Sunshine Coast University Hospital
Statutory bodies	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees/councils.
Sustainable	A health system that provides infrastructure, such as workforce, facilities and equipment, and is innovative and responsive to emerging needs, for example, research and monitoring within available resources.
VACS	Virtual Acute Care Service
Weighted Activity Unit	A standard unit used to measure all patient care activity consistently. The more resource intensive an activity is the higher the weighted activity unit. This is multiplied by the standard unit cost to create the 'price' for the episode of care.

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	• A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	4
Accessibility	• Table of contents • Glossary	ARRs – section 9.1	5 94
	• Public availability	ARRs – section 9.2	2
	• Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 9.3	2
	• Copyright notice	*Copyright Act 1968* ARRs – section 9.4	2
	• Information Licensing	*QGEA – Information Licensing* ARRs – section 9.5	2
General information	• Introductory Information	ARRs – section 10	9
Non-financial performance	• Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	12
	• Agency objectives and performance indicators	ARRs – section 11.2	12, 30
	• Agency service areas and service standards	ARRs – section 11.3	39
Financial performance	• Summary of financial performance	ARRs – section 12.1	41
Governance – management and structure	• Organisational structure	ARRs – section 13.1	25
	• Executive management	ARRs – section 13.2	21
	• Government bodies (statutory bodies and other entities)	ARRs – section 13.3	14
	• Public Sector Ethics	*Public Sector Ethics Act 1994* ARRs – section 13.4	28
	• Human Rights	*Human Rights Act 2019* ARRs – section 13.5	29
	• Queensland public service values	ARRs – section 13.6	9
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	27
	• Audit committee	ARRs – section 14.2	19
	• Internal audit	ARRs – section 14.3	28
	• External scrutiny	ARRs – section 14.4	28
	• Information systems and recordkeeping	ARRs – section 14.5	28
	• Information Security attestation	ARRs – section 14.6	28
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	26
	• Early retirement, redundancy and retrenchment	*Directive No.04/18 Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	26

Summary of requirement		Basis for requirement	Annual report reference
Open Data	• Statement advising publication of information	ARRs – section 16	2
	• Consultancies	ARRs – section 31.1	http://data.qld.gov.au
	• Overseas travel	ARRs – section 31.2	http://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3	http://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	89
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	90

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

ANNUAL REPORT 2022–23

Sunshine Coast Hospital and Health Service

www.sunshinecoast.health.qld.gov.au