

2014-15

Health
Community
Governance
Respect
Safety
Transparency
Community



ABOUT THIS REPORT

The Tasmanian Health Organisations are required under section 53 of the *Tasmanian Health Organisations Act 2011* to produce an annual report in respect of their operations, financial reports and other particulars as required by section 53 of the Act. The reports contained within comprise the third annual reports for the Tasmanian Health Organisations North, North West and South.



Published by the Tasmanian Health Organisations Secretariat

© Copyright State of Tasmania, Tasmanian Health Organisations 2015

This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.

Published on www.ths.tas.gov.au

September 2015

ISBN 978-0-9924617-5-1

INTRODUCTION

CHAIR'S LETTER OF TRANSMITTAL

Dear Ministers

In accordance with the requirements of the *Tasmanian Health Organisations Act 2011*, it is my pleasure to present to you on behalf of the Governing Councils the third and final annual reports for the Tasmanian Health Organisations (THOs) - North, North West and South.



During the year my predecessor Graeme Houghton completed his term as the inaugural THO Chair in January 2015, and I acknowledge his significant contribution in preparing the organisations for the next step in the journey to one Tasmanian Health Service from 1 July 2015.

This year has been particularly challenging for the three THOs with each implementing strategies to meet budget and efficiency targets against a backdrop of increasing demands across all areas of service delivery. The Governing Councils, A/Chief Executive Officers, senior management and staff have all contributed to making the necessary changes and improvements and it is pleasing to note that the actions are starting to produce results.

The Department of Health and Human Services (DHHS) has provided invaluable support through their Performance Improvement Teams that have assisted the THOs in improving aspects of their service and business practices.

The Governing Councils met jointly on three occasions to discuss and collaborate on shared areas of interest. This provided an opportunity to collectively consider and respond to the Green Paper and White Paper Exposure Draft, and Tasmanian Role Delineation Framework on delivering Safe and Sustainable Clinical Services. The Governing Councils recognised the value of moving to a single THO and when the announcement was made that the THOs would merge into one Tasmanian Health Service (THS) it was well received.

Since the announcement of the THS the Governing Councils have continued their leadership of the THOs and supported the organisations in transition. This has imposed a significant workload on the executive and management teams across the organisations. During the last six months staff at all levels throughout the organisations have displayed commitment and dedication in the face of the impending changes and have collaborated with colleagues across the State to ensure a smooth transition to the THS on 1 July 2015.

I would like to extend my thanks to all staff for their willingness to embrace the changes and participate in building a better health system for all Tasmanians.

I would particularly like to thank the outgoing Governing Council members for their commitment to the challenges of pioneering a new way of governance and management of the Tasmanian health system.

They have established the foundation on which the incoming Governing Council of the new THS can build. My thanks also to the secretariat staff for their dedication and commitment over the last three years in supporting the governance transformation.

John Ramsay

Chair, Tasmanian Health Organisation
Governing Councils

TABLE OF CONTENTS

INTRODUCTION	3
Chair's Letter of Transmittal	3
CHAPTER I	5
Tasmanian Health Organisation — North - Annual Report 2014-15	5
CHAPTER 2	112
Tasmanian Health Organisation — North West - Annual Report 2014-15	113
CHAPTER 3	248
Tasmanian Health Organisation — South - Annual Report 2014-15	249
SHARED CONTENT	374
Legislation	374
Superannuation Declaration	375
Pricing Policies	375
Public Interest Disclosure	376
Our Performance - Other Indicators	376



CHAPTER I

TASMANIAN HEALTH ORGANISATION — NORTH

ANNUAL REPORT 2014-15

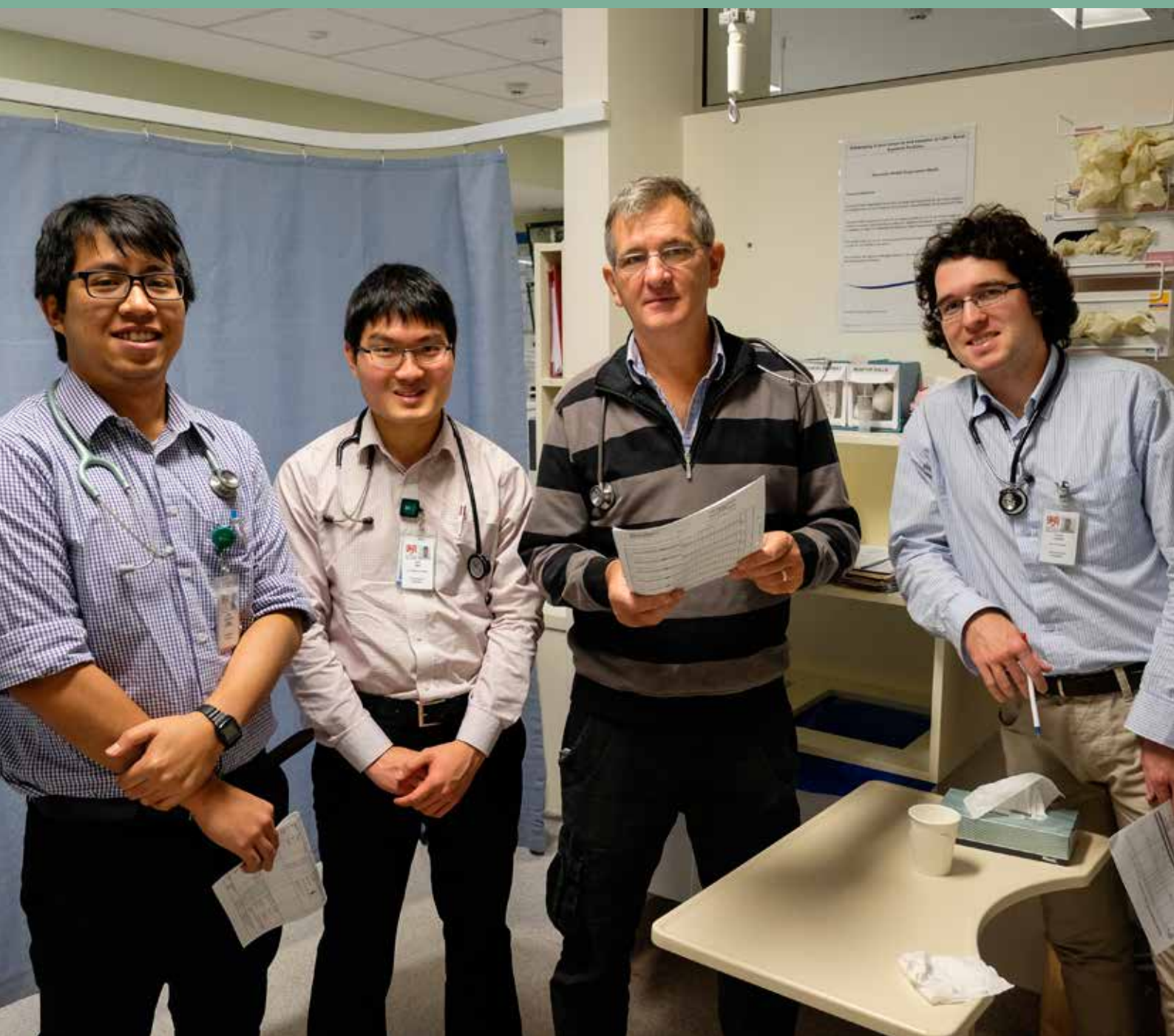


FACTS AND FIGURES

We deliver health services to approximately 142,000 Tasmanians	88,397 Community health occasions of service, including community nursing, home help, personal care and home maintenance	1,472 Aged Care assessments from 1,764 referrals
We have a life expectancy (from birth) of 78.7 male, 82.6 female compared with 79.9 male, 86.6 female years across Australia	Spending \$389.2m in 2014-15	343 Acute hospital beds. 76 Aged Care beds.
	We represent 28% of Tasmania's population	Receiving feedback through 523 compliments and 401 complaints (LGH only)
44,200 Emergency Department attendances (1.8% less than last year)		Supported by 571 volunteers
11.9% of our population identify themselves as daily smokers	45,983 Hospital separations (5.8% more than last year)	Employing 3,203 people (2,451 Full-time equivalent staff) 45% nurses, 7% medical practitioners and 8.7% allied health providers
2,839 admissions to rural hospitals	41,412.4 weighted hospital separations (4.9% more than last year)	16.8% of us are aged 65 years and over compared with 16% across Tasmania and 14% across Australia
Our average age is 41 years compared with 40 across Tasmania and 37 across Australia	13,668 Operations including 10,188 elective surgery procedures	
Across 19 sites, 1 acute hospital, 8 rural hospitals and 5 community health centres		485,134 outpatient attendances

TABLE OF CONTENTS

INTRODUCTION	9	PART 2 - SUPPLEMENTARY INFORMATION	34
Year in Review	9	Climate Change	34
GOVERNING COUNCIL	10	Risk Management	36
Governing Council Members	10	Capital Works and Asset Management	37
Governing Council Member Attendance Report	12	Consultancies, Contracts and Tenders	41
Governing Council Member Remuneration Report	13	Right to Information	45
Governing Council Sub Committee Reports	14	Human Resources Statistics	48
Safety and Quality Sub Committee	14	Work Health and Safety	52
Audit and Risk Sub Committee	15	Publications	54
PART 1 - OVERVIEW	16	Ministerial Directions and Performance Escalations	57
Organisational Chart	16	PART 3 - FINANCIAL STATEMENTS	59
Executive Management Team	17	Statement of Certification	60
Our Services	18	Financial Statements	61
Our Locations	19	Audit Report	109
Vision Mission and Values	20	GLOSSARY	III
Our Community and Volunteers	22		
Our Workforce	26		
Helps Hands Across the World	27		
Awards and Agreements	28		
Our Performance	29		



YEAR IN REVIEW

FROM THE ACTING CHIEF EXECUTIVE OFFICER

Picture courtesy of the Examiner



The 2014-15 financial year has been one of transition and change for Tasmanian Health Organisation – North (THO—North).

The change commenced in July 2014 when the Minister for Health announced that the three Tasmanian Health Organisations would merge to one Tasmanian Health Service (THS) on 1 July 2015. Consultative work with the various clinical areas within the organisation resulted in a number of submissions from THO—North to the Department's statewide consultative process.

In December 2014 the Chief Executive Officer Mr John Kirwan resigned from THO—North to take up a new position with the Royal Flying Doctors. John commenced with the Launceston General Hospital in March 2008, leading the organisation through its merger with Primary Health North to become the Northern Area Health Service, and subsequently, the transition to the THO—North in July 2012. I would like to thank John for his seven and a half years of service to the organisation and the northern community.

In April 2015 THO—North undertook its inaugural accreditation against the National Safety and Quality Health Service Standards. All THO—North hospital services, including Launceston General Hospital (LGH) and Mental Health inpatient services were accredited against the 10 National Standards. Surveyors from the Australian Council on Healthcare Standards assessed the LGH's performance against 256 criteria and the organisation was delighted when forty-one of those criteria were met with merit. In addition, Mental Health Services North also achieved accreditation under the National Mental Health Standards during a week long survey. The Primary Health North rural inpatient facilities had already achieved accreditation against the National Standards during their accreditation process in 2014.

I take this opportunity to express my thanks to the THO—North Governing Council who provided stewardship and governance for the THO—North during 2014-15, and for their support, guidance and advice provided to me since commencing as the Acting Chief Executive Officer in January 2015. This sentiment is extended to all past Governing Council members who were a part of the governance of the THO—North since its inception in July 2012.

Thank you also to the dedicated and hardworking staff across the THO—North for their exemplary service in providing assistance, care and support to the northern community. Their loyalty and commitment is a comfort to patients, clients and their families who come in touch with our services on a daily basis.

It is a privilege to be the Acting Chief Executive Officer of THO—North on 30 June 2015 as we join with our colleagues across Tasmania to become the Tasmanian Health Service.

Sonia Purse

Acting Chief Executive Officer

GOVERNING COUNCIL

The Governing Council of THO—North has been convened and operates in accordance with Divisions 1 and 2 and Schedule 3 of the *Tasmanian Health Organisation Act 2011*.

In addition to the Governing Council, the Audit and Risk Sub-Committee has been convened and operates in accordance with Division 3 and Schedule 5 of the *Tasmanian Health Organisation Act 2011*

GOVERNING COUNCIL MEMBERS



MR GRAEME HOUGHTON (CHAIR - 2012 to JANUARY 2015)

Mr Graeme Houghton continued in his role as Chair, Tasmanian Health Organisations until January 2015.

Graeme holds a BSc and Master of Health Administration, and is a Fellow of the Australian College of Health Service Management, and Fellow of the Australian Institute of Company Directors.

Previous appointments include Chief Executive Officer of Fairfield Hospital, Austin Hospital, the Repatriation General Hospital (Daw Park) and The Royal Victorian Eye and Ear Hospital. He also has experience in the private hospital sector and as Hospital Standards and Accreditation Advisor to the National Department of Health in Papua New Guinea.

Graeme is an accreditation surveyor for the Australian Council of Healthcare Standards, an Adjunct Associate Professor in the School of Public Health at La Trobe University and a member of the Boards of Management of Mayfield Education Centre and Guide Dogs Victoria.



MR JOHN RAMSAY (CHAIR - COMMENCING JANUARY 2015)

John Ramsay was a Department Secretary in Tasmania for 23 years. During his time as Secretary of the Tasmanian Department of Health and Human Services, 1999-2005, he was Deputy Chair and subsequently Chair of the Australian Health Ministers Advisory Council (AHMAC), and chaired the AHMAC Health Workforce Committees. He was also a member of the Australian Medical Workforce Advisory Committee, a member of the 2002 National Review of Nursing Education, and a member of the Australian Medical Council.

Since 2005, John has continued to work in health related areas in a consultancy capacity, including work for the AHMAC, the Australian Commission on Safety and Quality in Health Care and in environment and natural resources, working for the Tasmanian and Australian Governments.

He is a Fellow of the University of Tasmania and an Honorary Member of the Planning Institute of Australia. While not practising as a lawyer, John was admitted to practice in the Supreme Court of Tasmania in 1976.

John commenced his role as the Chair, Tasmanian Health Organisations on 17 January 2015.



PROFESSOR DENISE FASSETT

Denise Fasset is the Dean of the Faculty of Health Science at the University of Tasmania. She is a Registered Nurse with a PhD and was Head of Nursing and Midwifery from 2006 until 2011. Denise has a background in health regulation and she was Chair of the Nursing Board of Tasmania from 2006 until July 2010. She was appointed a member of the Nursing and Midwifery Board of Australia in 2009, a position she currently still holds. She was appointed Chair of the Advisory Committee for the Wicking Dementia, Research and Education Centre in 2009.



MR ROSS HART

Ross has undertaken extensive commercial law work with Government, Local Government and the private sector. Currently Ross is the head of the litigation team at Tasmanian legal firm Rae & Partners. Ross is a past President of the Council of the Law Society and a past member of both the Council of the Law Council of Australia and the Council of the Law Society of Tasmania. Ross was a founding member of the Northern Business Forum and a Director of the Northern Tasmanian Regional Development Board until 2005.



DR GAVIN MACKIE

Gavin is a Fellow of the Royal Australian and New Zealand College of Radiologists and Fellow of the Australasian Association of Nuclear Medicine Specialists and currently is employed at the Launceston General Hospital and BreastScreen Tasmania. Gavin holds an honorary clinical senior lecturer appointment with the University of Tasmania and is a member of the Workforce Committee of the RANZCR. Gavin was appointed as a member of the Governing Council of THO—North on 29 July 2014.



MR MARK SCANLON

Mark has over 30 years' experience in the finance sector having held directorships and senior executive positions in banks, funds management companies, building societies, friendly societies and finance companies. Mark is also Chairman of the Credit Ombudsman Service Limited. Mark is also the Chair of the Audit and Risk Sub-Committee for the THO—North Governing Council, Independent Chairman of the Launceston City Council Audit Committee and Fellow of the Institute of Company Directors.

GOVERNING COUNCIL MEMBER ATTENDANCE REPORT

THO—NORTH GOVERNING COUNCIL MEETINGS

Governing Council Member	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Graeme Houghton (Chair)	✓	✓	Leave of absence	✓	✓	✓	Not a member at the time of the meeting					
Lyn Cox (A/Chair)	Not a member at the time of the meeting		✓	Not a member at the time of the meeting								
John Ramsay (Chair)	Not a member at the time of the meeting						✓	✓	✓	✓	✓	✓
Mark Scanlon	✓	✓	✓	✓	✓	Leave of absence	✓	✓	Leave of absence	✓	✓	✓
Ross Hart	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof Denise Fassett	✓	Apology	✓	Leave of absence	✓	✓	✓	✓	✓	✓	✓	Apology
Gavin Mackie	Not a member at the time of the meeting	✓	Leave of absence	✓	✓	✓	✓	✓	✓	✓	✓	✓

AUDIT AND RISK SUB-COMMITTEE MEETINGS

Governing Council Member	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Mark Scanlon (Chair)	✓	✓	✓	✓	✓	Cancelled	✓	✓	✓	Cancelled	✓	✓
Ross Hart	✓	✓	✓	✓	Apology	Cancelled	✓	✓	✓	Cancelled	✓	✓
Graeme Houghton	✓	Apology	Apology	✓	✓	Cancelled	Apology	Not a member at the time of the meeting				
Lyn Cox	Not a member at the time of the meeting		✓	Not a member at the time of the meeting								
John Ramsay	Not a member at the time of the meeting							✓	Apology	Cancelled	✓	Apology

QUALITY, SAFETY AND CLINICAL RISK SUB-COMMITTEE MEETINGS

Governing Council Member	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Prof Denise Fassett (Chair)	✓	Apology	✓	Apology	✓	✓	✓	✓	✓	Cancelled	✓	✓
Gavin Mackie	Not a member at the time of the meeting	✓	✓	✓	✓	✓	✓	✓	✓	Cancelled	✓	✓
Graeme Houghton	✓	✓	Apology	✓	✓	✓	Not a member at the time of the meeting					
John Ramsay	Not a member at the time of the meeting						✓	✓	✓	Cancelled	✓	Apology

GOVERNING COUNCIL MEMBER REMUNERATION REPORT

Band	Number of Committee Members	Aggregate Directors' Fees	Committee Fees	Superannuation	Other	Total
> \$50,000	2	51,792	-	6,415	1,199	59,405
< \$50,000	4	99,089	24,425	11,834	1,640	136,988

GOVERNING COUNCIL SUB COMMITTEE REPORTS

SAFETY AND QUALITY SUB COMMITTEE REPORT

The THO—North Quality Safety and Clinical Risk Sub-Committee (QS&CRS) continued into 2014-15 as a sub-committee of the Governing Council, with a membership of: Professor Denise Fassett (Chair), Dr Gavin Mackie (member) and Mr Graeme Houghton (ex-officio). In January 2015, Mr John Ramsay, as the newly appointed Chair, THOs took on membership of the Sub Committee in an ex-officio capacity.

The QS&CRS met monthly with the CEO THO—North, Director Clinical Services, Executive Director of Nursing and Nursing Director Quality and Safety in attendance.

The QS&CRS work involved meeting with clinical department leads and key stakeholders to discuss THO—North quality, safety and clinical risk systems; new initiatives and any significant quality and safety issues facing the organisation. Mr Rod Chandler - Coroner, Magistrates Court of Tasmania, was invited to the May 2015 meeting to provide the members with information on the changes in the Coroner's Act, and feedback re the coronial process.

As part of the routine business, the QS&CRS received and reviewed regular quality and safety reports on serious clinical safety events, high level complaints, medico-legal, Coronial and Ministerial feedback, infection control audits, significant clinical risks and safety alerts. Through the CEO, the QS&CRS provided feedback to the Executive, and sought further information and assurances.

The committee was involved in consumer engagement activities including the THO—North Consumer Advisory Council (CAC), with Prof Fassett attending one of the CAC meetings.

Over the 12 months, the committee continued working towards its strategic safety and quality and governance objectives. One of the most significant challenges related to the preparation for and achievement of the LGH and Mental Health Services North (MHS-N) Accreditation under the National Safety and Quality Health Service Standards (NSQHSS), and the National Mental Health Standards. It is worth noting that the Australian Council on Healthcare Standards Surveyor team commended THO—North on the outstanding achievement of 41 actions 'Met with Merit' indicating that this was a reflection of the strong culture of safety, evaluation and improvement throughout the organisation.

The Committee was dissolved on 30 June 2015, in preparation for the incoming Tasmanian Health Service (THS) Governing Council, and all outstanding items were handed over to the THS Quality and Safety Sub-Committee.

Professor Denise Fassett

Chair

AUDIT AND RISK SUB COMMITTEE REPORT

The THO—North Audit and Risk Sub-Committee (A&RS) was established by the Governing Council in 2012 pursuant to Section 26 of the *Tasmanian Health Organisation Act 2011*. The A&RS undertakes a key role in assisting the Governing Council discharge its responsibilities for corporate governance and overseeing the organisation’s financial reporting processes and financial reports, risk management systems and internal control structures (financial and non-financial), internal audit activities, external audit and compliance with laws, regulations, ethical requirements, internal policies (including the code of conduct) and industry standards.

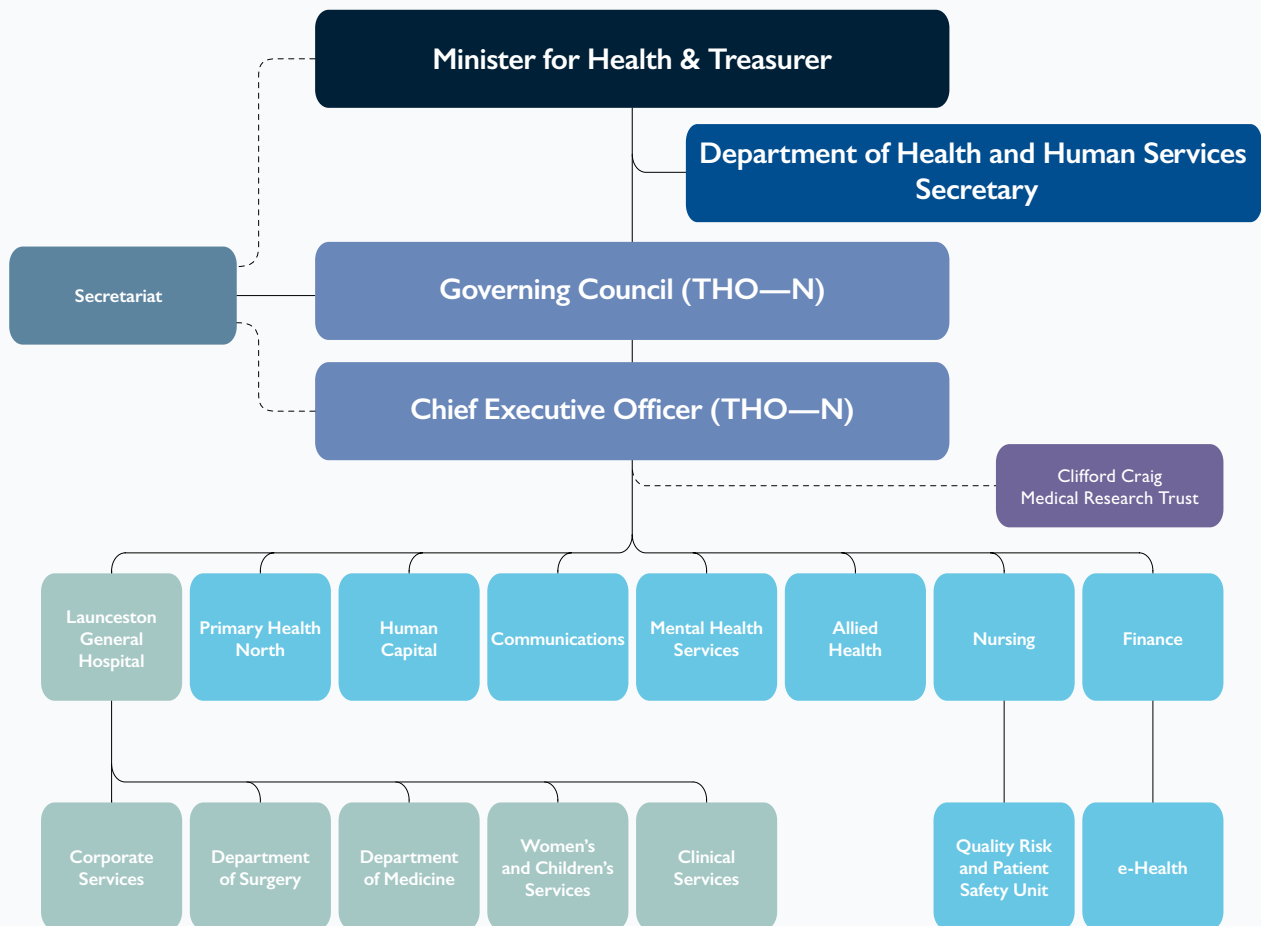
Meetings of the A&RS are held throughout the year with appropriate advice and recommendations being made to the Governing Council on matters relevant to A&RS Charter to facilitate well-informed, efficient and effective decision making by the Governing Council.

During the period under review the A&RS met with the external and internal auditors to consider audit reports and progress on addressing audit findings and recommendations, audit plans and project scopes. In addition, the A&RS has an important role in ensuring there is a sound risk management culture in the business. To monitor, appraise and influence the risk culture the A&RS received briefings from THO—North senior management to ensure the A&RS has a broad understanding of the organisations structure, business and risk management frameworks and practices. Furthermore, the A&RS conducted a number of field studies aimed at assessing the effectiveness of internal controls and operational risk management processes.

Mark Scanlon
Chair

PART I - OVERVIEW

ORGANISATIONAL CHART



EXECUTIVE MANAGEMENT TEAM

- ▶ **Sonia Purse** (*Acting CEO THO—North*)
- ▶ **Finance**
 - Donna Wilson (*Acting Director of Finance*)
- ▶ **Human Resources**
 - Rebecca Howe (*Director of Human Resources*)
- ▶ **Clinical Services**
 - Dr Peter Renshaw (*Director of Clinical Services*)
- ▶ **Nursing**
 - Helen Bryan (*Executive Director of Nursing*)
 - Jo Lawton (*Nursing Director - Quality Risk and Patient Safety Unit*)
- ▶ **Allied Health**
 - Cindy Hollings (*Director of Allied Health*)
- ▶ **Corporate Services**
 - Cameron Matthews (*Director of Corporate and Support Services*)
- ▶ **Primary Health North**
 - Susan Crave (*Acting Area Manager - Primary Health North*)
- ▶ **Mental Health Services**
 - Andrew Adam (*Acting Area Manager - Mental Health North*)
 - Dr Ulla Jonsson (*Acting Clinical Director - Mental Health North*)
- ▶ **Department of Medicine**
 - Dr Alasdair MacDonald (*Director of Medicine*)
 - Lee Wallace (*Nursing Director - Rehabilitation/Sub-Acute Care Services*)
 - Lorinda Upton-Greer (*Nursing Director - Acute Care Services*)
 - Robyn Liddington (*Nursing Director - Medicine Ambulatory Care*)
- ▶ **Department of Surgery**
 - Mr Brian Kirkby (*Director of Surgery*)
 - Cassandra Sampson (*Nursing Director of Surgery*)
- ▶ **Department of Women's and Children's Services**
 - Dr Chris Bailey (*Director of Women's and Children's Services*)
 - Janette Tonks (*Nursing Director of Women's and Children's Services*)

OUR SERVICES

The THO—North has responsibility for providing a wide range of health services. These services are provided in a range of inpatient, outpatient, community health, residential aged care and in-home settings. Services are provided to a core population of approximately 140,000 with a number of services available to a greater population of 250,000 people.

Health services delivered include health promotion activities, disease prevention strategies, primary health care, palliative care, mental health services, rehabilitation, sub-acute and acute care. The services provided are flexible enough to target specific needs at the different stages of a patient's health journey, in order to provide an integrated, holistic and patient-centred approach to health care delivery.

Main facilities include the Launceston General Hospital and 12 rural health service sites (i.e. district hospitals, community health centres, multi-purpose centres / services). The rural health service sites include eight 24/7 facilities.

The Launceston General Hospital is Tasmania's second largest hospital and the major referral centre for Northern Tasmania. The Hospital provides acute care, outpatient, community, aged care and sub-acute services. It provides emergency care, intensive care, maternity services and specialty medical and surgical services including the W.P. Holman Clinic which provides modern specialist integrated cancer services with an emphasis on radiation therapy, chemotherapy and clinical haematology.

Services provided at a community level include community allied health, community nursing (including specialised nursing), home care, palliative care, dementia services, specialised case management services, aids and appliances and health promotion programs. These services are provided from community health centres and rural facilities.

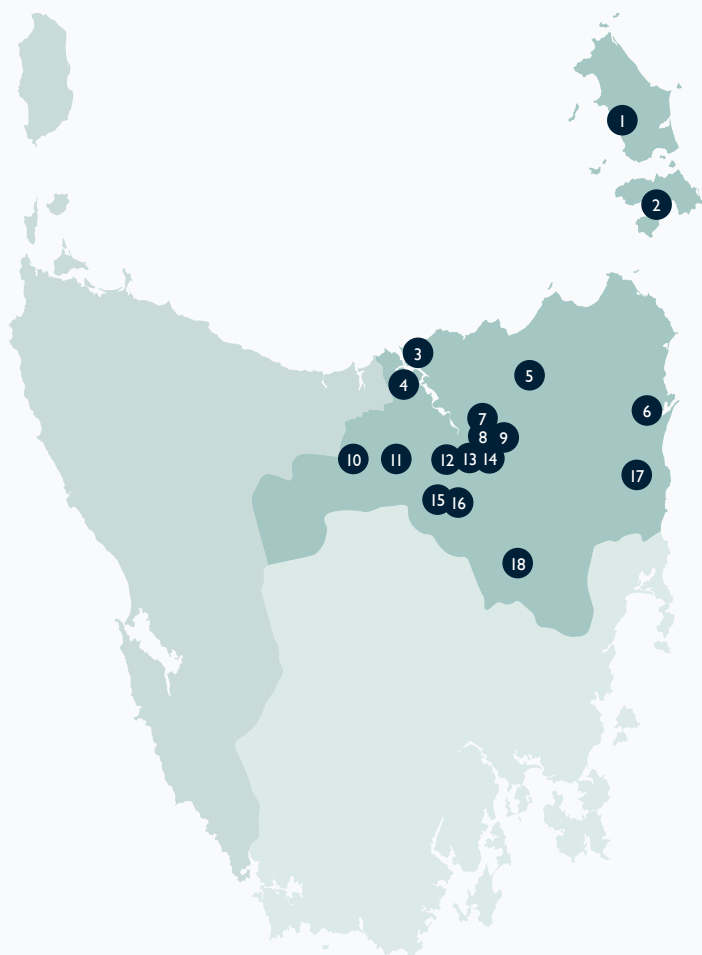
Sub-acute inpatient care is provided in rural hospitals (including multi-purpose services and multi-purpose centres). The rural hospitals also provide some emergency care as well as a wide range of community health services. Some rural facilities also provide residential aged care.

The Launceston General Hospital is an accredited teaching hospital for undergraduate and post graduate general and specialist medical training in the areas of surgery, medicine and women's and children's. The Hospital also participates with the teaching of undergraduate and post graduate nursing students and also the teaching of allied health occupations.

The Launceston General Hospital and Primary Health services are working on joint activities to maintain and improve the safety and quality of services. There are also a range of other resource sharing arrangements across service units.

Services provided by Mental Health Services North include the provision of inpatient, hospital based, and community based services including child and adolescent, older persons and adult community. These services are provided in partnership with community sector organisations.

OUR LOCATIONS



- 1 Flinders Island MPC
- 2 Cape Barren Island Nursing Centre
- 3 George Town DH
- 4 Beaconsfield MPS
- 5 North East Soldiers Memorial Hospital (Scottsdale)
- 6 St Helens DH
- 7 John L Grove Rehabilitation Unit
- 8 Mayne Street Day Centre
- 9 Ravenswood CHC
- 10 Deloraine DH
- 11 Westbury CHC
- 12 Public Palliative Care Beds at Calvary
- 13 LGH and Northern Integrated Care Service
- 14 Kings Meadows CHC
- 15 Toosey Inc. (Longford)
- 16 Longford CHC
- 17 St Marys CHC
- 18 Campbell Town MPS

VISION MISSION AND VALUES

OUR VISION

We will continually strive to provide efficient, effective and safe healthcare to meet the health needs of consumers, the community and key health industry stakeholders.



OUR MISSION AND PURPOSE

The mission of the Tasmanian Health Organisation — North is to work collaboratively to protect, maintain and promote the health and wellbeing of people living in Northern Tasmania. We will do this by:

- ▶ Delivering high quality acute, sub-acute, aged care and community health services;
- ▶ Actively engaging and involving our consumers and community in the delivery of health care;
- ▶ Continually working with our patients and clients in health promoting

OUR VALUES

Organisational values define the required standards which govern the behaviour of individuals within the organisation. Without such values, individuals will pursue behaviours that are in line with their own individual value systems, which may lead to behaviours that we don't wish to encourage.

As an organisation we place a high value on:

- ▶ patient and client centred care
- ▶ respect and open communication
- ▶ innovation and best practice
- ▶ collaboration
- ▶ education, training and research

OBJECTIVES

The key objectives of our organisation are to:

Deliver patient centered, safe and high quality services by:

- ▶ Promoting and maintaining a safety and quality culture within our organization to meet or exceed all national safety and quality standards
- ▶ Introducing systems and processes that enhance our capacity to partner with consumers and provide patient and client centered services
- ▶ Developing new models of care, service modes and business processes to improve patient outcomes and the patient journey

Use our resources wisely by:

- ▶ Aligning our business processes with existing resources
- ▶ Providing quality data and reports to our managers and supervisors in relation to performance and performance expectations
- ▶ Monitoring and analyzing performance targets and supporting managers and supervisors to address under-performance
- ▶ Continuing effective budget management strategies in a planned manner with a focus on effectively managing associated issues and risks
- ▶ Rolling out business planning and reporting process over the three year planning cycle across the organisation
- ▶ Introducing core elements of the Strategic e-Health Plan within available resources

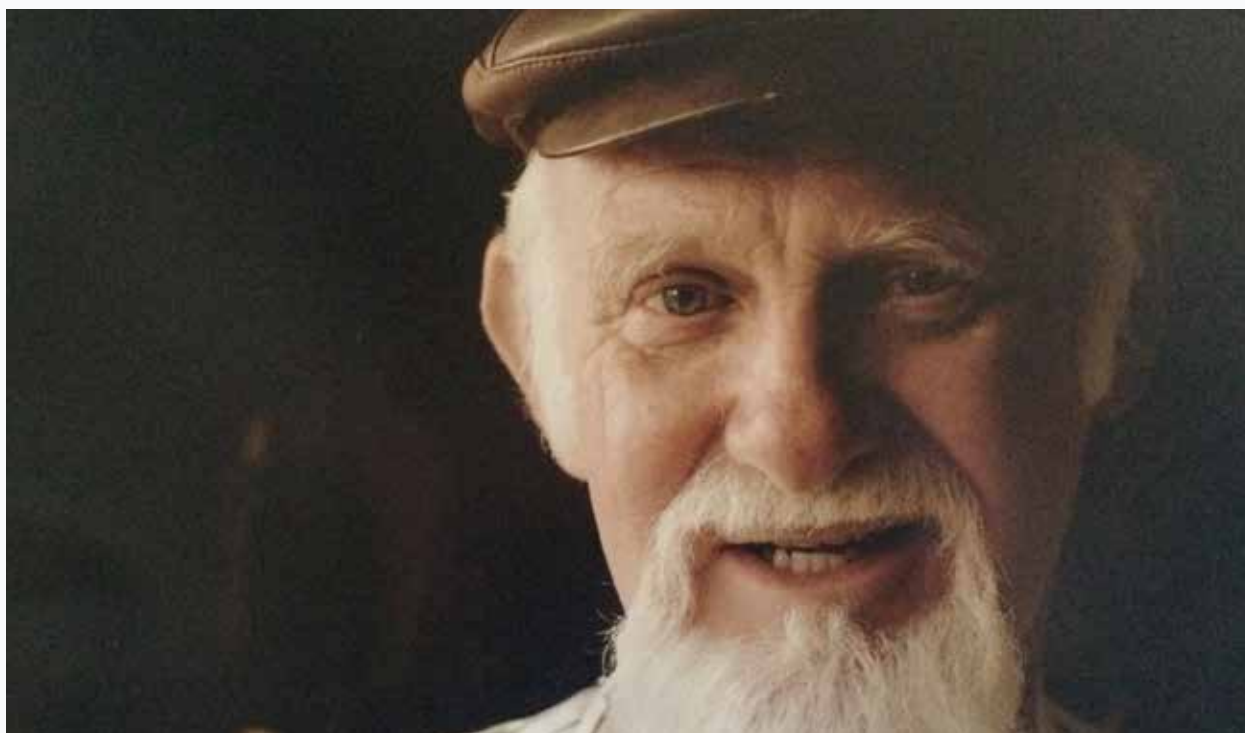
Prepare our workforce to meet current and future challenges:

- ▶ Make work health and safety a priority throughout our organisation
- ▶ Equip our staff to implement national safety and quality standards
- ▶ Provide relevant training and development opportunities for current staff, new graduates, international medical graduates and staff re-entering the workforce.



OUR COMMUNITY AND VOLUNTEERS

ARTIST DONATES LIFE'S WORK TO HOSPITAL



Artist - Brian Blanchard

A Launceston artist has made an extraordinary gift of his life's work to the Launceston General Hospital.

Brian Blanchard hopes his paintings will raise funds to help find a cure for Parkinson's disease, which has put an end to his painting career. More than 40 paintings are displayed throughout the LGH precinct, all are for sale with a percentage supporting medical research and art in health initiatives.

The 81-year-old was born in Lismore, NSW and had his first foray into art as a commercial illustrator. At 19 he enrolled at the Julian Aston School, at which Sir William Dobell and John Olsen had studied. He later became a student teacher there. In the 1960s he travelled to London to the City and Guilds Art School before returning to Sydney to the Julian Ashton School, where the late Brett Whitely was a contemporary.

In 1970s Blanchard travelled overseas again copying the work of the old masters in the National Gallery and Apsley House - two of these are hanging in the hospital's ARTrium gallery. In 1982, Blanchard, who was now married to former student Brenda de Voy, returned to Australia to again teach at the Ashton School, later establishing his own studio in Redfern.

It was on a trip to Tasmania in 1987 that the couple fell in love with the State and established a workshop in Launceston. It was here that Blanchard was at his most prolific producing hundreds of works. Ill health led to a move to supported care and the need to rationalise this huge collection. The LGH is a grateful recipient of his remarkable talent.

VOLUNTEERS AMONG HOSPITAL'S HUMBLE HEROES



The late Margaret Moore, former long-time president of the Central Auxiliary (at left) with Joan Loone, who in 2014 retired after 46 years as secretary of the Deloraine Hospital Auxiliary. They are pictured at the State Conference of Hospital Auxiliaries at the LGH, September 2014. (Picture courtesy The Examiner)

Some of the unsung heroes of the Tasmanian Health Organisation – North are its volunteers.

Each of the nine hospitals across the region are supported by auxiliaries who work tirelessly to raise funds to buy equipment and patient items while another seven groups help out in areas like W.P Holman Clinic, palliative care and the John L. Grove Unit.

All up these 16 auxiliaries boast a membership of 300; all of whom are passionate advocates for the care and comfort of others.

Since 2001 the Central Auxiliary of the Launceston General Hospital alone has raised \$2.8 million. Around 90 hardworking volunteers run the LGH kiosk seven-days-a-week.

The Auxiliary recently committed close to \$500,000 to buy items including bladder scanners, humidifiers, a defibrillator, wheelchairs, patient monitors and surgical equipment.

Also lending a hand are Launceston General Hospital volunteers who work across administration, wards and other clinical areas in a variety of roles. This group of 60 plus members contributes about 360 volunteer hours-a-week.

The THO—North, its Governing Council, Executive, staff and patients acknowledge the time, effort and financial support provided across the region by our volunteers, auxiliaries and donors during 2014-15.

The value of the respective contributions goes far beyond the financial benefits of the organisation and contributes to the community fabric of Northern Tasmania.

Auxiliaries supporting THO—North are:

- ▶ Beaconsfield Branch - District Health Service,
- ▶ Beaconsfield District Health Auxiliary,
- ▶ Beauty Point Auxiliary,
- ▶ Central Auxiliary of the Launceston General Hospital,
- ▶ Campbell Town - Ross Auxiliary,
- ▶ 4K Children's Ward Auxiliary,

- ▶ Deloraine Hospital Auxiliary,
- ▶ Flinders Island Auxiliary,
- ▶ George Town Auxiliary,
- ▶ Holman Clinic - Cancer Ward Auxiliary,
- ▶ Rehabilitation Auxiliary (3R currently in abeyance),
- ▶ St Marys Hospital Auxiliary,
- ▶ St Helens Hospital Auxiliary,
- ▶ Palliative Care North Auxiliary.

The Auxiliaries are represented on the State Executive of Auxiliaries through the Northern Council.



Clown Doctors Do-Little and Sox spread some good humour on the LGH children's ward with patient Caleb Baker (picture courtesy The Examiner).

JUST WHAT THE DOCTOR ORDERED

Every year, for the past four, an amazing wave of generosity has spread across Tasmania each June. It comes in the form of the Give Me Five (GM5) for Kids fundraising campaign aimed at helping sick children in our hospitals. With the support of Southern Cross Austereo hundreds of volunteers give their time to raise hundreds of thousands of dollars. The month of fundraising culminates with a live telethon on Southern Cross Television.

In Northern Tasmania alone the GM5 project has bought vital medical gear including neo-natal monitoring systems, paediatric ultrasounds, cots, birthing unit equipment and supported the Clown Doctors making extra "medical" rounds

at the Launceston General Hospital children's ward. All money raised helps give our youngest Northern Tasmanians the best start in life.

A new project also supporting children at the LGH is Capes 4 Kids; a national organisation which gifts, as the name suggests, capes to sick children. Thanks to the sewing skills of Launceston mother-daughter team Carlene Reid and Teresa Atkins a batch of 60 colourful capes were despatched to the LGH. With their "super" powers the capes are aimed at giving love, courage and support to kids in hospital.



Capes 4 Kids supporters Carlene Reid and Teresa Atkinson at the LGH with baby Kobe (picture courtesy The Examiner)



Matt and Cassie from the television renovation show House Rules with Southern Cross News presenter Jo Palmer and patient Shannon Cassidy during the Give Me Five for Kids telethon.



OUR WORKFORCE

The THO—North Human Resource Management Committee has completed a review of the HR policy/procedure framework and further work for 2015-16 has been identified to develop a broader suite of tools and templates to assist both managers and employees. Other initiatives included the review of the induction program with a view to both an on-line alternative and video linking with our Primary Health sites.

A large body of work was undertaken in the training reporting area with a focus on mandatory training. The rostering system, ProAct, now has the entire THO—North workforce loaded and mandatory training processes established with the majority of staff now recording their mandatory training within the system.

When the remaining employees have their mandatory training loaded onto the system it will mean that whole of Agency reporting will be able to be undertaken at any point in time. The inclusion of all staff on the ProAct system will also enable a whole of Agency approach to rostering, however, this will need to be undertaken as a separate process.

The Health and Wellbeing Committee continued work in liaison with Active Launceston. The LGH gymnasium was upgraded and there is work continuing in the health eating options area. Primary Health sites continued to have active committees addressing health and wellbeing initiatives.

HELPING HANDS ACROSS THE WORLD

Launceston General Hospital staff have a long tradition of helping others; sharing their skills and expertise across the globe. From a red zone Ebola clinic in West Africa to earthquake ravaged towns in Nepal and the Pacific Islands, clinicians are on the frontline of health care where it's needed.

The Royal Australian College of Surgeons has recently marked the 20th anniversary of its Pacific Islands Program and for a large portion of that time Tasmanian medical staff have been there. Since 1995 volunteers have cared for more than 83,000 patients with specialist consultation and non-surgical treatment and advice and 22,000 patients have received life-changing surgical procedures.

During the Australian summer of 2015, LGH Intensive Care Director Scott Parkes used his long service leave to travel to Freetown, Sierra Leone for his own life-changing experience. Responding to a public health emergency he worked in an Ebola clinic ministering to the sick.

At the time he said: "If we want to reduce the chances of Ebola coming to Australia, then we have to be part of the international effort to control the source." Strict infection control measures meant it took 20 minutes to dress for the infectious red zone. It was the same on departure after spending just 40 minutes in the

"zone" because of the heat - 30 plus degree heat with 80 per cent humidity.

Dr Parkes said working on an epidemic with such a serious death rate meant it was an emotional roller-coaster and when someone survived against the odds, it was "extraordinary".

Two LGH nurses also answered the call for help with a health crisis unfolding in Nepal after a devastating earthquake in April 2015. Emma Kinman and Jacqui Anderson spent a month helping out in the wake of the destruction which killed more than 9,000 people and injured around 23,000.

The above are just a few examples of where LGH worked on aid missions during 2014-15. It is by no means a complete list.



LGH ICU Director Scott Parkes (centre) in Sierra Leone.



Dr Scott Parkes (centre front) with local staff and "survivors" at an Ebola clinic in West Africa.

AWARDS AND AGREEMENTS

The awards and agreements that are established to cover the range of disciplines within the Agency are as follows:

► Allied Health Professionals

- Allied Health Professionals (Tasmanian Public Sector) Industrial Agreement 2010

► Ambulance Service Officers

- Ambulance Tasmania Agreement 2010
- Tasmanian Ambulance Service Agreement 2007
- Tasmanian Ambulance Service Award 2009
- Tasmanian Ambulance Service - Patient Extrication (Preservation of Entitlements) Agreement 2006

► Medical Practitioners

- Medical Practitioners (Public Sector) Award 2007
- Rural Medical Practitioners (Public Sector) Agreement 2009
- Salaried Medical Practitioners (Australian Medical Association Tasmania/DHHS) Agreement 2009

► Nurses

- Caseload Midwifery Industrial Agreement 2012
- Midwifery Group Practice at Mersey Community Hospital Agreement
- Nurses and Midwives Heads of Agreement 2010
- Nurses (Tasmanian Public Sector) Award 2005
- Nurses (Tasmanian Public Sector) Enterprise Agreement 2007
- Nurses (Tasmanian Public Sector) Enterprise Agreement - Variation 2008

► Radiation Therapists

- Radiation Therapists (Public Sector) Industrial Agreement 2009
- Radiation Therapists State Service Unions Agreement 2012

► Visiting Medical Practitioners

- Department of Health and Human Services Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2009

► Other Awards and Agreements Not Covered Above

- Department of Health and Human Services - Child and Family Services Support Workers' Agreement 2003
- Department of Health and Human Services - Northside Clinic Attendant Shift Arrangements Agreement 2010
- Department of Health and Human Services - Public and Environmental Health Service Staff On Call and Call Back Agreement 2000
- Department of Health and Human Services - Rostered Carers Agreement 2008
- Department of Health and Human Services - Roy Fagan Centre Shift Work Arrangement Agreement 2003
- Department of Health and Human Services Support Workers Agreement 2009
- Department of Health and Human Services - Wilfred Lopes Centre - Care Assistant Shift Arrangements 2006
- Health and Human Services (Tasmanian State Service) Award
- Miscellaneous Workers (Public Sector) Award
- Senior Executive Service
- Tasmanian State Service Award

OUR PERFORMANCE

On 24 November 2011, the *Tasmanian Health Organisations Act 2011* (the Act) was passed by Parliament, providing the mechanism to establish THOs in Tasmania. Sections 44 and 45 of the Act set out the provisions for Service Agreements, the key mechanism of accountability between the Minister for Health and THOs. Service Agreements facilitate financial viability and access to services and set safety and quality standards for services.

The Service Agreements include a schedule of contracted volumes of services to be provided by the THO—North and associated activity-based funding, a list of services for which block funding is provided, service quality standards, targets and measures and requirements for the THO—North to report on its performance. The THO—North is responsible for determining how it will deliver the requirements of the Service Agreement within the funding limit.

The Service Agreement is the key accountability agreement between the Minister for Health and the THO—North. It addresses the requirements of the Act in relation to the establishment of Service Agreements between the Minister for Health and the THO—North. The content and process for its preparation and agreement is consistent with the requirements outlined in sections 44 and 45 of the Act.

It consists of:

- ▶ **Part A** - provides an overview of the service profile of the THO—North.
- ▶ **Part B** - outlines the KPI's against which THO—North performance will be monitored and assessed
- ▶ **Part C** - outlines contracted service volumes and associated activity based funding and other contracted services for which block funding is provided

- ▶ **Part D** - Outlines the Minister's Direction to the THO—North regarding its relationship with the System Purchasing and Performance Group and the service manuals that have been or will be issued by the Group during 2014-15. The manuals became, or will become, operational as from their issue date and
- ▶ **Part E** - Provides detail on the National Partnership Agreement on Improving Health Services in Tasmania as it relates to this Agreement.
- ▶ **Part F** - Provides detail on the State Government Rebuilding Health Services Elective Surgery Program in Tasmania as it relates to this Agreement.

The Service Agreement for 2014-15 can be accessed at http://www.dhhs.tas.gov.au/tho/service_agreements

The Performance Framework provides a clear and transparent outline of how the performance of the THO—North against the requirements of the Agreement is assessed and reported upon, and outlines how responses to performance concerns are structured in accordance with the Act. It provides a single, integrated process for performance review and management against the requirements of this Agreement with the overarching objectives of improving service delivery, patient safety and quality.

There have been routine and regular performance review meetings between THO—North and DHHS during 2014-15 to regularly monitor the progress towards the KPI's in the 2014-15 Service Agreement.

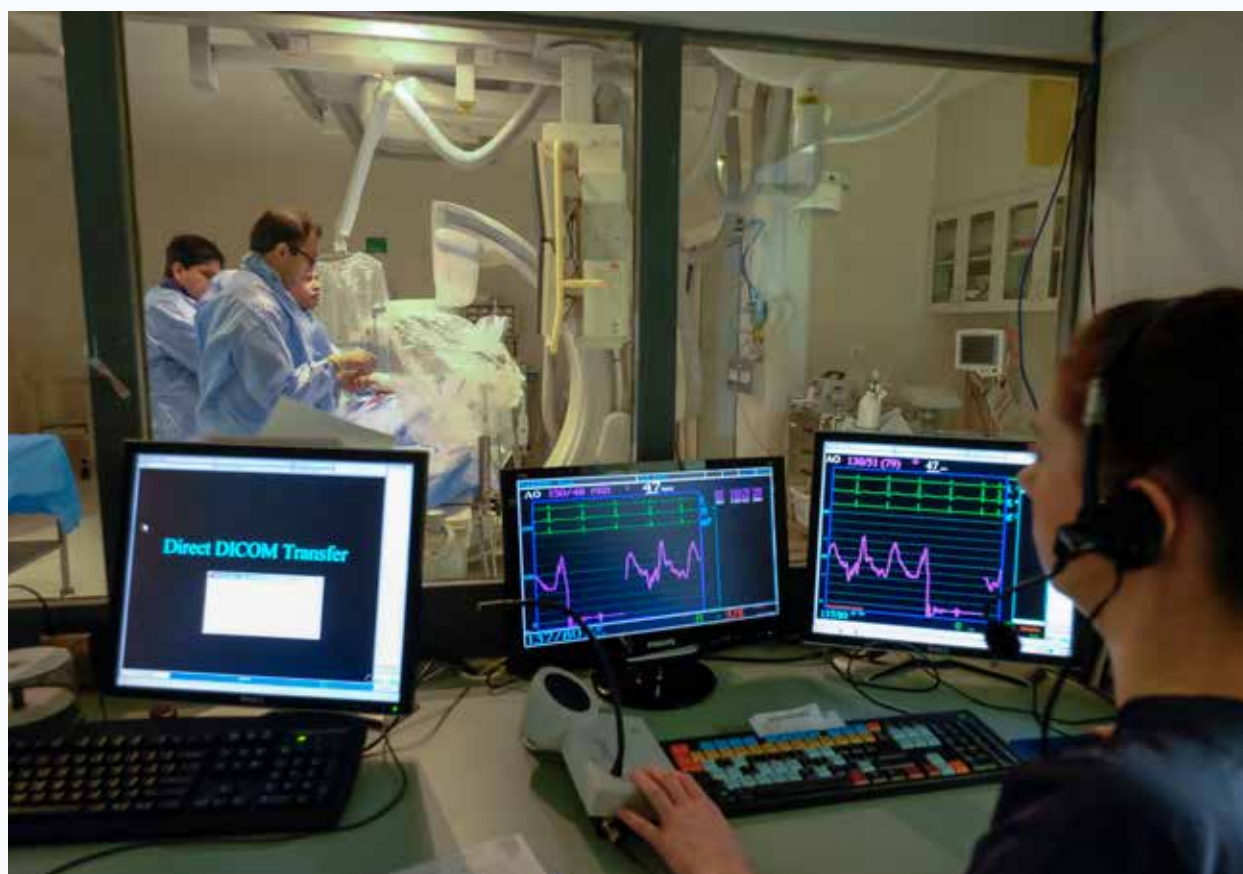
The following tables provide an overview of THO—North's performance against the Quality and Service Standards and the Activity targets.

Finance and Activity Based Management	Quarter 1 Jul to Sep	Quarter 2 Oct to Dec	Quarter 3 Jan to Mar	Quarter 4 Apr to Jun	Comments
KPI 1. Variation from budget - full year projected					
► Target	Balanced budget				
► Result	\$2.6 million budget deficit				THO—North finished the 2014-15 financial year with a deficit of \$2.6 million.
KPI 2. Cash liquidity					
► Target	THO Operating account has a favourable balance				
► Result	\$22.6 million favourable balance at 30 June 2015				THO—North's physical cash balance at year end was \$25.2 million, which was fully committed. THO—North did not encounter cash liquidity issues in 2014-15.
KPI 3. Acute admitted raw separations					
► Target (Cumulative)	8,596 - 9,128	17,099 - 18,157	25,672 - 27,260	35,307	
► Result	10,371	20,324	30,291	40,470	Target exceeded.
KPI 4. Acute admitted inlier weighted units					
► Target (Cumulative YTD)	7,386 - 7,842	14,692 - 15,600	22,058 - 23,422	30,336	
► Result	9,179	18,128	26,266	34,819	Target exceeded.
KPI 5. Admitted patient episode coding (clinical coding) including contracted care - timeliness					
► Target (quarterly)	100% coded within 42 days of separation each quarter				
► Result	81.3%	69.5%	83%	Result not yet available	Target not achieved in latest reporting period. Reported in arrears.
KPI 6. Admitted patient episode coding (clinical coding) including contracted care - accuracy					
► Target (quarterly)	100% corrected within 30 days of advice from SPP each quarter				
► Result	100%	100%	100%	100%	Target achieved in all 4 quarters.

Safety and Quality	Quarter 1 Jul to Sep	Quarter 2 Oct to Dec	Quarter 3 Jan to Mar	Quarter 4 Apr to Jun	Comments
KPI 1. Hand hygiene compliance (facility: Launceston General Hospital)					
► Target	70% each quarter				
► Result	71.4% Jun 14	73.9% Oct 14	75% Mar 15	76%	Target achieved.
KPI 2. Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate (facility: Launceston General Hospital) -cases per 10 000 patient days					
► Target	2.0 each quarter				
► Result	0.6	0.7	1.6	1.3	Target achieved.
Emergency Department	Quarter 1 Jul to Sep	Quarter 2 Oct to Dec	Quarter 3 Jan to Mar	Quarter 4 Apr to Jun	Comments
KPI 1. Percentage of Triage 1 emergency department presentations seen within the recommended time					
► Target (quarterly)	100% each quarter				
► Result	95.0%	100%	97.6%	100%	Target achieved in 2 of 4 quarters
KPI 2. Percentage of Triage 2 emergency department presentations seen within the recommended time					
► Target (quarterly)	80.0% each quarter				
► Result	82.5%	81.7%	82.7%	81.3%	Target achieved in all 4 quarters.
KPI 3. Percentage of all emergency department presentations seen within the recommended triage time					
► Target (quarterly)	80.0% each quarter				
► Result	65.1%	67.8%	67.7%	68.7%	Target not achieved in all 4 quarters
KPI 4. Percentage of emergency department did not wait presentations					
► Target (quarterly)	<= 5% each quarter				
► Result	4%	4.4%	4.3%	3.3%	Target achieved in all 4 quarters.
KPI 5. Time until most admitted patients (90%) departed emergency department					
► Target (quarterly)	25hrs	22hrs	19hrs	16hrs	
► Result	47hrs/33min	44hrs/9min	39hrs/16min	45hrs/5min	Target not achieved in all 4 quarters.
KPI 6. Ambulance offload delay					
► Target (quarterly)	85% within 15 minutes				
► Result	100%	100%	91.9%	90.7%	Target achieved in all 4 quarters.
KPI 7. Ambulance offload delay					
► Target (quarterly)	100% within 30 minutes				
► Result	100%	100%	94.6%	94.2%	Target not achieved in last 2 quarters.

Elective Surgery	Quarter 1 Jul to Sep	Quarter 2 Oct to Dec	Quarter 3 Jan to Mar	Quarter 4 Apr to Jun	Comments
KPI 1. Elective surgery quarterly admission targets					
► Target (cumulative YTD)	1,176 - 1,248	2,149 - 2,281	3,197 - 3,393	4,424	
► Result	1,160	2,322	3,468	4,642	Target exceeded.
KPI 2. Percentage of category 1 patients admitted within the recommended time					
► Target (quarterly)	76%	84%	90%	100%	
► Result	82.5%	86.1%	84.2%	75.1%	Target not achieved in the last 2 reporting periods
KPI 3. Number of over boundary, category 1 patients on the waiting list					
► Target (quarterly)	24	16	8	0	
► Result	15	10	20	28	Target not achieved in latest 2 reporting periods.
KPI 4. Number of over boundary, category 2 patients on the waiting list					
► Target (quarterly)	1,400	n/a	n/a	n/a	
► Result	1,510	1,369	1,348	1,195	
KPI 5. Number of over boundary, category 3 patients on the waiting list					
► Target (quarterly)	467	n/a	n/a	n/a	
► Quarterly Performance Level	538	566	613	553	
KPI 6. Number of patients on the waiting list waiting longer than 365 days					
► Target (quarterly)	1,043	n/a	n/a	n/a	
► Result	953	971	1,087	962	
Mental Health Service	Quarter 1 Jul to Sep	Quarter 2 Oct to Dec	Quarter 3 Jan to Mar	Quarter 4 Apr to Jun	Comments
KPI 1. 28 Day Re-admission rate					
► Target (quarterly)	<= 14.7% each quarter				
► Result	16.6%	16.9%	19.8%	24.8%	Target not achieved in all 4 reporting periods.
KPI 2. Acute 7 day post discharge community care					
► Target (quarterly)	75% each quarter				
► Result	68.5%	63.2%	62.3%	80.0%	Target achieved in last reporting period.
KPI 3. Seclusion Rates					
► Target (YTD)	<9.6 per 1,000 patient days				
► Result	3.4	6.8	15.6	11.1	Target not achieved in latest 2 reporting periods.

Primary Health	Quarter 1 Jul to Sep	Quarter 2 Oct to Dec	Quarter 3 Jan to Mar	Quarter 4 Apr to Jun	Comments
KPI 1. Aged Care Assessment Team (ACAT) - Priority Category one clients seen 'on time' in all settings					
▶ Target (YTD)	>85%				
▶ Result	N/A	100%	100%	100%	Target achieved.
KPI 2. Aged Care Assessment Team (ACAT) - Priority Category two clients seen 'on time' in all settings					
▶ Target (YTD)	>85%				
▶ Result	98.7%	99.2%	98.6%	98.1%	Target achieved.
KPI 3. Aged Care Assessment Team (ACAT) - Priority Category three clients seen 'on time' in all settings					
▶ Target (YTD)	>85%				
▶ Result	98.4%	98.8%	99.2%	99.1%	Target achieved.
Rebuilding Health Services - Stage 1					
▶ Target 349 procedures	319 procedures completed				Target achieved.
Rebuilding Health Services - Stage 2					
▶ Target: n/a	n/a	n/a	n/a	n/a	
NPA IHST					
▶ Target: 179 procedures by 30 June 2015	435 procedures completed				Target achieved.



PART 2 - SUPPLEMENTARY INFORMATION

CLIMATE CHANGE

COMMITMENT TO REDUCING GREENHOUSE GAS EMISSIONS

The Department of Health and Human Services remains committed to making a proportional contribution toward Tasmania's greenhouse gas emissions reduction goals.

GREENHOUSE GAS EMISSIONS

The following table sets out the Tasmanian Health Organisation – North's greenhouse gas emissions during financial year 2014-15 excluding those attributable to Tasmanian Health Organisations South and North West, the Department of Health and Human Services and social housing.

TASMANIAN HEALTH ORGANISATION – NORTH'S EMISSIONS



THO—North	Current Position 2014-15		Previous Position 2013-14	
	Volume	tCO _{2-e}	Volume	tCO _{2-e}
Electricity*	15.44 GWh	3,088	13.52 GWh	3,109
Natural Gas	132,416 GJ	6,780	143,764 GJ	7,379
Unleaded Petrol	129.56 kL	296	167 kL	398
Diesel Fuel	64.8 kL	173	79 kL	213
Air Travel	1.52M	240	1.3M km	202
Total		10,577		11,301

* The significant reduction in emissions for financial year 2013-14 as compared with the previous financial year can be mostly attributed to:

- ▶ the change in electricity consumption due to the transfer of the responsibility for a significant number of buildings from the Department to the Tasmanian Health Organisations; and
- ▶ the variation in greenhouse gas emissions factors required for emissions reporting as discussed under the table above.

The Department:

- ▶ Continues to dedicate resources toward the minimisation of electricity consumption as a priority emissions reduction action, as electricity consumption is the largest contributor towards its greenhouse gas emissions.
- ▶ Leverages available information systems to monitor and control energy consumption in its buildings, including through the installation of energy check meters. The information is being gathered to inform the identification of realistic and achievable energy efficiency targets that will drive required greenhouse gas emissions reductions and associated cost savings.
- ▶ Continues to require Ecologically Sustainable Design and energy efficient design requirements as a matter of course in all major capital works.
- ▶ Ensure that climate change impacts were included in the evaluation criteria for all major purchases of goods and services and was taken into consideration in the selection of goods and services for all minor purchases.
- ▶ Has completed a four year program of energy audits of significant buildings that has allowed identification of a suite of energy efficiency projects that if implemented would achieve significant emissions reductions and cost savings.
- ▶ Has established a Sustainable Energy Fund to assist with the progressive implementation of energy efficiency projects.
- ▶ Maintains its position that directing funds into energy efficiency projects will deliver greater emission reduction benefits than the purchase of “green power”, at least in the short to medium-term.

Under funding from the new Sustainable Energy Fund, the THO—North has implemented saving opportunities through general upgrades to HVAC systems located in the North East Soldiers memorial Hospital Scottsdale



RISK MANAGEMENT

Running an organisation involves risk - the chance of an event happening that will impact on objectives. Responsible business management means being aware of the risks that exist and working to eliminate or minimise their potential impact on the business.

The Department of Health and Human Services and Tasmanian Health Organisations risk management framework is based on Australian Standard 31000. We have commenced implementation of the framework through the development of a strategic risk register at the enterprise level with the organisations risk tolerance being considered as part of this exercise. The framework requires each operational unit to develop and manage its own risk management system.

Risk management is also being considered in business planning, to ensure that it becomes part of the way we do business.

INSURABLE RISK

The Department of Health and Human Services/Tasmanian Health Organisations have coverage for various classes of insurable risk through the Tasmanian Risk Management Fund (TRMF), administered by the Department of Treasury and Finance.

During 2014-15, the Tasmanian Health Organisation — North made the following contributions to the Fund and lodged the following claims:

Risk by Class	Excess Period/\$ (excl GST)	Contribution \$ (excl GST)	Number of Claims	Incurred Cost of Claims \$ (excl GST)
Personal Injury				
Workers' Compensation and Personal Accident (including 2012-13 salary adjustment)	1 week 50	1 717 753	146	3 055 878
Asbestos Levy		68 710		
Property				
General Property	14 000	479 491	0	0
Motor Vehicles - Fleet Vehicles	500/1 000	41 700	42	170 503
Motor Vehicles - Miscellaneous	500	16 457	5	53 431
Liability				
General Liability	10 000	48 130	2	6 000
Medical Liability	50 000	3 191 057	9	3 860 121
Miscellaneous				
Government Contingency		2 820		
Travel	Various	2 120		
Stamp Duty on Travel		229		
Total				7 145 933

CAPITAL WORKS AND ASSET MANAGEMENT

ASSET MANAGEMENT

Ownership of Crown assets resides with the Department of Health and Human Services, while the Tasmanian Health Organisations and other Statewide areas retain responsibility for the operational management of their assets. Responsibility for the overall management of these Crown assets resides with Asset Management Services (AMS).

AMS provides support to the Department and Tasmanian Health Organisations for the key elements of planning, procurement and sustainability, which seek to achieve value for money by enabling the management of the Department of Health and Human Services asset portfolio to:

- ▶ match service delivery needs to asset options
- ▶ provide flexible asset options to respond to technological and business change
- ▶ comply with statutory and legislative requirements
- ▶ meet the needs of the client in terms of location and amenity
- ▶ optimise the use of the asset while minimising the asset related risks and
- ▶ provide a safe and efficient environment for staff and clients.

The Department of Health and Human Services continues to improve rigour on investment analysis of potential capital works projects using the Department of Treasury and Finance's Structured Infrastructure Investment Review Process (SIIRP). As at 30 June 2015, AMS were coordinating 24 proposals for inclusion in future capital works programs, in addition to 6 projects that were at the final stage of SIIRP and waiting on Treasury funding.

Ongoing changes in the legislative and regulatory building environment continue to emphasise the need for AMS to act either as an informed client or an internal consultant when interfacing with the building industry to manage probity and risk.

AMS also continues a rolling program of Building Condition Assessments across the asset portfolio to identify asset related risks for inclusion in the Department's Essential Maintenance Program. AMS also represents the Department as a member of the Australasian Health Infrastructure Alliance to provide consistency and promote best practice in hospital design across Australasia and undertaking research and benchmarking into energy efficient measures.

ACQUISITIONS

During 2014-15, a residential house was acquired at 6 James Street, Whitemark, Flinders Island for Tasmanian Health Organisation – North.

DISPOSALS

Properties that are surplus to requirements are disposed, with proceeds of sale being reinvested into the Department of Health and Human Services' and Tasmanian Health Organisation's real estate asset portfolios.

During 2014-15:

- ▶ Tasmanian Health Organisation — North's former residential house at 36 French Street, Launceston was forwarded to the Department of Treasury and Finance for sale.
- ▶ 83 Frankland Street in Launceston was sold for \$385 000 providing \$330 430 in net proceeds for reinvestment into Tasmanian Health Organisation — North's asset portfolio.

ASSET PLANNING INCLUDING MAJOR CAPITAL WORKS

The 2012-2017 Strategic Asset Management Plan (SAMP) focuses on providing direction and a common approach to the measurement of performance within the asset portfolio.

The current 2012-2017 SAMP responds to the delivery of highly complex and diverse services. In this context, its role is to articulate the coordinating framework and concepts such as adaptability that underpin strategic asset planning across the Department of Health and Human Services. Its specific objectives are to:

- ▶ ensure alignment between asset management and Government strategic planning initiatives
- ▶ ensure that funds which could be directed to the delivery of health and human services are not wasted on avoidable maintenance, unnecessary acquisition or inefficient operation of assets

- ▶ ensure that assets are acquired, operated and maintained in a manner which minimises risk and maximises public confidence in the delivery of services
- ▶ ensure prioritisation of the acquisition and disposal of assets
- ▶ develop and maintain direct links between service delivery and asset support in a manner that ensures integration of tiers of service and is responsive to local need
- ▶ create responsive, adaptable and sustainable assets that will continue to effectively support services as they evolve and grow into the future.

A number of SAMPs are required to be prepared, while the statewide Department of Health and Human Services and Housing Services SAMPs have been endorsed, the Ambulance Tasmania, Children and Family Services, Disability Services, Asset Management Services and all the Tasmanian Health Organisation SAMPs are proceeding.



The Hon Michael Ferguson MP, Minister for Health, Director of Nursing John Loudon, and the then THO—North CEO John Kirwan with former Primary Health North staff Sophie Legge and Phil Morris at the opening of the Flinders Island Multi Purpose Centre.

COMPLETED MAJOR CAPITAL WORKS PROGRAM 2014-15

TABLE 1 - COMPLETED MAJOR CAPITAL WORKS 2014-15
 (projects are defined as completed once all of the project funds are expended in the finance system)

Completed Major Capital Works in 2014-15	Total Cost \$'000
Flinders Island Multi Purpose Centre	6 002
National Health and Hospitals Network - Capital - Emergency Department - Launceston General Hospital	3 100
National Health and Hospitals Network - Capital - Sub Acute - John L Grove Refurbishment	4 924
National Health and Hospitals Network - Capital - Elective Surgery - Launceston General Hospital	5 423

ONGOING MAJOR CAPITAL WORKS PROGRAM 2014-15

TABLE 2 - ONGOING MAJOR CAPITAL WORKS 2014-15

Ongoing Major Capital Works in 2014-15	2014-15 Expenditure \$'000	Estimated total cost \$'000	Estimated cost to complete \$'000	Estimated completion year
Department of Health and Human Services (excluding Housing Capital Program)				
Flinders Island Accommodation	158	400	203	2015
Launceston General Hospital - Allied Health Clinics	131	3 162	3 000	2016
Launceston General Hospital - Acute Medical and Surgical Unit	4 291	44 826	1 855	2015 ¹
Launceston General Hospital - Specialist Clinics, Pharmacy and Clinical Trial Research Area	3 943	4 140	140	2015
Launceston Integrated Care Centre	411	22 500	1 228	2016
Ravenswood Community Health Centre	1 954	2 623	581	2016
THO—North Backup Power Supply	535	600	50	2015

¹ Extended due to delays in construction with procured sub contractors. Whilst the original funding allocation was fully expended during 2014-15, the remaining works are being funded from other internal sources.



The redeveloped Ravenswood Community Health Centre.

During 2014-15, the Launceston General Hospital (LGH) continued to progress the largest building project undertaken in Northern Tasmania since the LGH was built.

The \$100 million Tasmanian and Australian Government funds have spanned over five years that has allowed a major upgrade to the hospital.

More than \$13 million has been spent this financial year to provide:

- ▶ Completion of the redevelopment of the Flinders Island Multi Purpose Centre
- ▶ Purchase of residential accommodation property on Flinders Island for the Director of Nursing.
- ▶ Back up power supply generators being provided to St Mary's District Hospital, Deloraine District Hospital, John L Grove Site, Launceston General Hospital and the Campbell Town Multi Purpose Centre.
- ▶ Expansion of operating theatres in the LGH to a total of nine.

The LGH major capital works program will draw to a close in 2015-16 with the:

- ▶ Completion of the redeveloped Specialist Clinics including Pharmacy and Clinical Trials Research Area.
- ▶ Refurbishment of the Allied Health Area.
- ▶ Completion of the Acute Medical and Surgical Units.

In addition to the above the redevelopment of the Ravenswood Community Health Centre will be completed.

MAINTENANCE

Through AMS, the ongoing management of statutory building compliance required under the *Building Act 2000* continues to ensure that this category of risk is regularly reviewed and required works promptly completed.

Nominally 20% of the asset portfolio has a Building Condition Assessment undertaken each year (excluding major acute care hospitals). A risk-based and prioritised Capital Investment Program - Essential Maintenance Program is derived from these Building Condition Assessments and from occupant requests to address deficiencies that are identified across the remainder of sites that are not assessed in that year.

TRANSPORT

At 30 June 2015, the Department of Health and Human Services operated 459 leased light vehicles comprising 37 executive and 422 operational vehicles. This is a decrease of 13 (2 executive and 11 operational) vehicles from the same period in the previous year.

The Tasmanian Health Organisation – North saved \$164 627.18 on vehicle lease costs during the 2014-15 financial year compared to the 2013-14 financial year.

Vehicle lease and other associated costs (excluding GST) for the 2014-15 financial year were \$1 203 043.61, compared to \$1 367 670.79 for the 2013-14 financial year.

CONSULTANCIES, CONTRACTS AND TENDERS

The Tasmanian Health Organisation — North (the Organisation) ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for business. It is the Organisation's policy to support Tasmanian businesses whenever they offer best value for money for the Government.

TABLE I - SUMMARY OF PARTICIPATION BY LOCAL BUSINESSES

Below is a summary of participation by local businesses for contracts, tenders and/or quotation processes with a value of \$50 000 or over.

Total number of contracts awarded	16
Total number of contracts awarded to Tasmanian businesses	5
Value of contracts awarded	\$11 937 409
Value of contracts awarded to Tasmanian businesses	\$6 430 208
Total number of tenders called and/or quotation processes run	11
Total number of bids and/or written quotations received	35
Total number of bids and/or written quotations received from Tasmanian businesses	10

Note: * In accordance with the requirements of the Treasurer's Instructions, the values in this table do not include the value of options to extend or GST.



TABLE 2 - CONTRACTS AWARDED

The following table provides detailed information on contracts awarded by the Organisation in the 2014-15 financial year with a value of \$50 000 or over. The Organisation did not award any consultancy contracts with a value of \$50 000 or over.

Name of Contractor	Location	Contract Description	Period of Contract	Total Value \$
Anittel Group Limited	Tas	Digital Medical Record System - Kodak Scanners	02/02/2015 - 16/03/2015	220 807
Calvary Health Care Tasmania Limited	Tas	Elective Surgery Program - Provision of Elective Surgery Procedures	01/10/2014 - 30/06/2015	500 000
Calvary Health Care Tasmania Limited	Tas	Provision of Public Palliative Care Inpatient Beds	01/11/2014 - 31/10/2017 Option to extend 01/11/2017 - 31/10/2023	3 153 600 6 300 000
Carl Zeiss Pty Ltd	NSW	LGH - Surgical Microscope Equipment	30/07/2014 - 10/09/2019	356 483
GE Healthcare Australia Pty Ltd	Vic	LGH - Ultrasound for Paediatrics	20/05/2015 - 19/05/2020	93 800
InfoMedix Pty Ltd	Vic	Digital Medical Record System and Maintenance Service Agreement	20/02/2015 - 14/03/2018	475 000
InterSystems Australia Pty Ltd	Vic	LGH - LabTrak Upgrade	29/06/2015 - 07/09/2015	162 918
Northern Nuclear Medicine Tasmania Pty Ltd	Tas	LGH - Nuclear Medicine Services	01/12/2014 - 30/11/2019 Option to extend 01/12/2019 - 30/11/2022	2 013 075 1 207 845
Olympus Australia Pty Ltd	Vic	LGH - Laparoscopic Camera Towers Equipment	18/08/2014 - 17/08/2015	637 967
Roche Diagnostics Australia Pty Ltd	NSW	LGH - Chemistry and Immunoassay Systems	25/08/2014 - 24/11/2019	1 906 244
Siemens Ltd	Vic	LGH - Coagulation Analyser	05/06/2015 - 04/06/2020	200 365
Toshiba (Australia) Pty Ltd	Vic	LGH - Replacement of Ultrasound Machines	19/11/2014 - 19/01/2019	323 000
TRUMPF Med (Aust) Pty Ltd	NSW	LGH - Surgical and Anaesthetic Pendants	22/04/2015 (one-off purchase)	119 870
TRUMPF Med (Aust) Pty Ltd	NSW	LGH - Light Pendant with Monitor Arm	22/04/2015 (one-off purchase)	76 554
Varian Medical Systems Australasia Pty Ltd	NSW	ARIA Oncology Information System - State-wide Maintenance Agreement	01/03/2015 - 28/02/2022	1 155 000
White & McAllister Pty Ltd	Tas	LGH - Replacement of Natural Gas Boilers	29/07/2014 - 30/04/2015	542 726

Note: ^In accordance with Treasurer's Instruction 1111, the period of a contract for reporting purposes includes the value, or estimated value, of any possible option to extend. Where applicable, the principal period of the contract is identified as well as any option to extend; this does not signify that the option has been or will be exercised by the Organisation. All values exclude GST.

TABLE 3 - DIRECT/LIMITED SUBMISSION SOURCING

Treasurer’s Instructions 1114 and 1217 provide heads of agencies with the discretion, where specified circumstances exist, to approve the direct sourcing or seeking of limited submissions from a supplier or suppliers without the need to seek quotations or call for tenders. For the purpose of these Instructions the Head of Agency for the Organisation is the Secretary of the Department of Health and Human Services.

The following table provides details of contracts awarded by the Organisation in 2014-15 as a result of a direct sourcing process approved in accordance with TI 1114. There were no contracts awarded under TI 1217.

Contractor Name	Contract Description	Reasons for Approval	Total Value \$
Calvary Health Care Tasmania Limited	Elective Surgery Program - Provision of Elective Surgery Procedures	The procurement is not impacted by a free trade agreement as set out in Instruction 1102 and exceptional circumstances exist that justify the use of a direct/limited submission sourcing process rather than a quotation or tender process as prescribed in Instructions 1106 and 1107.	500 000
InfoMedix Pty Ltd	Digital Medical Record System and Maintenance Service Agreement	Licencing and Installation - Additional deliveries of goods or services by the original supplier or authorised representative that are intended either as replacement parts, extensions or continuing services for existing equipment, software, services or installations, where a change of supplier would compel the agency to procure goods or services that do not meet requirements of interchangeability with existing equipment. Maintenance Support Services - The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for the protection of patents, copyrights, or other exclusive rights, or proprietary information.	475 000
InterSystems Australia Pty Ltd	LGH - LabTrak Upgrade	The goods or services can be supplied only by the supplier and no reasonable alternative or substitute goods or services exist for the protection of patents, copyrights, or other exclusive rights, or proprietary information.	162 918
Varian Medical Systems Australasia Pty Ltd	ARIA Oncology Information System - State-wide Maintenance Agreement	The goods or services can be supplied only by the supplier and no reasonable alternative or substitute goods or services exist for the protection of patents, copyrights, or other exclusive rights, or proprietary information.	1 155 000

Note: ^All values exclude GST.

TABLE 4 - DISAGGREGATION EXEMPTIONS

Under Treasurer's Instructions 1119(5) and 1225(5), a Head of Agency may approve an exemption from the requirement to disaggregate substantial contracts where the benefits of aggregation clearly outweigh the potential negative impact on local small to medium enterprises suppliers/the local economy. For the purpose of these Instructions the Head of Agency for the Organisation is the Secretary of the Department of Health and Human Services.

The following table provides details of contracts awarded by the Organisation in 2014-15 as a result of such an approval.

Contract Description	Total Value \$
LGH - Nuclear Medicine Services	3 220 920

Note: ^The values in this table include the aggregated value and the value, or estimated value, of any possible options to extend. The value excludes GST.



RIGHT TO INFORMATION

PUBLIC AUTHORITY DETAILS

The *Right to Information Act 2009* (Act) gives members of the public the right to obtain information contained in the records of the Government and public authorities. The Act provides a framework for the disclosure of information to the Tasmanian community to improve transparency in Government. Its objective is to improve democratic government in Tasmania by:

- ▶ Increasing the accountability of the executive (Government) to the people of Tasmania
- ▶ Increasing the ability of the people of Tasmania to participate in government decision making and
- ▶ Acknowledging that information collected by public authorities is collected for and on behalf of the people of Tasmania and is the property of the State.

Below are the statistics for applications made in relation to THO—North under the Act.

Section A: Number of Applications

1. Number of applications for assessed disclosure received.	13
2. Number of applications for assessed disclosure accepted.	13
3. Number of applications for assessed disclosure transferred or part transferred to another public authority.	2
4. Number of applications withdrawn by the applicant.	0
5. Number of applications for assessed disclosure determined.	9

Section B: Outcome of Applications

1. Number of determinations where the information applied for was provided in full.	4
2. Number of determinations where the information applied for was provided in part with the balanced refused or claimed as exempt.	4
3. Number of determinations where all the information applied for was refused or claimed as exempt	1
4. Number of applications where the information applied for was not in the possession of the public authority or Minister.	1
5. Number of applications where the information was not released as it was subject to an external party review under section 44.	0

Section C: Exemptions		
Number of times where the following sections were invoked as reasons for exempting information from disclosure		
s.25	Executive Council information.	0
s.26	Cabinet information.	0
s.27	Internal briefing information of a Minister.	3
s.28	Information not relating to official business.	0
s.29	Information affecting national or state security, defence or international relations.	0
s.30	Information relating to the enforcement of the law.	0
s.31	Legal professional privilege.	0
s.32	Information relating to closed meetings of council.	0
s.34	Information communicated by other jurisdictions.	0
s.35	Internal deliberative information.	1
s.36	Personal information of a person other than the applicant.	1
s.37	Information relating to the business affairs of a third party.	0
s.38	Information relating to the business affairs of a public authority.	0
s.39	Information obtained in confidence.	0
s.40	Information on procedures and criteria used in certain negotiations of public authority.	0
s.41	Information likely to affect the State economy.	0
s.42	Information likely to affect cultural, heritage and natural resources of the State.	0

Section D: Reasons for Refusal		
s.5, s.11, s.17	Refusal where information requested was not within the scope of the Act (s.5 - Not official business; s.11 - available at Archives Office and s.17 - Deferred).	1
s.9, s.12	Refusal where information is otherwise available or will become otherwise available in the next 12 months.	0
s.10, s.19	Refusal where resources of public authority unreasonably diverted.	1
s.20	Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation.	0

Section E: Time to Make Decisions		
1.	1 - 20 working days of the application being accepted.	3
2.	More than 20 working days of the application being accepted.	8
3.	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	1
4.	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b).	0
5.	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5).	0

Section F: Reviews

Internal Reviews

Number of internal reviews requested in this financial year.	1
Number of internal reviews determined in this financial year.	1
Number where the original decision was upheld in full.	1
Number where the original decision was upheld in part.	0
Number where the original decision was reversed in full.	0

External Reviews (reviews by the Ombudsman)

Number of external reviews requested in this financial year.	0
Number of external reviews determined in this financial year.	0
Number where the original decision was upheld in full.	0
Number where the original decision was upheld in part.	0
Number where the original decision was reversed in full.	0



HUMAN RESOURCES STATISTICS

* Please note due to organisational changes that Statewide Mental Health Services is now part of the Tasmanian Health Organisations.

Total Number of Full-Time Equivalent (FTE) Paid Employees			
As at end of financial year	2012-13	2013-14*	2014-15*
	2191.47	2412.33	2451.43

*Includes Mental Health and Statewide Services.

Total number of FTE paid employees by award			
As at end of financial year	2012-13	2013-14*	2014-15*
Allied Health Professional	187.74	230.98	230.18
Health and Human Services	808.24	859.75	885.98
Medical Practitioners	207.26	219.26	214.37
No Award	3.33	1.00	0.00
Nursing	934.29	1050.06	1074.01
Radiation Therapist	28.64	30.30	28.51
Senior Executive Service (SES)	4.00	3.00	1.00
Visiting Medical Officers**	17.96	17.98	17.38
Total	2191.47	2412.33	2451.43

*Includes Mental Health Services.

**Includes Rural Medical Practitioners.

Total number (head count) paid by employment category: fixed-term/permanent, full time/part time/casual			
As at end of financial year	2012-13	2013-14*	2014-15*
Permanent full-time	740	830	772
Permanent part-time	1383	1546	1593
Fixed-term full-time	233	226	254
Fixed-term part-time	236	231	307
Part 6**	6	7	4
Casual	254	283	273
Total	2852	3123	3203

*Includes Mental Health Services.

** Head of Agency, Holders of Prescribed Offices and Senior Executives and Equivalents.

Total number paid by salary bands (total earnings)*			
As at end of financial year	2012-13	2013-14**	2014-15**
0-19 000	2	1	0
19 001-23 000	0	0	0
23 001-27 000	0	0	0
27 001-31 000	3	0	0
31 001-35 000	0	0	0
35 001-40 000	2	1	3
40 001-45 000	376	346	177
45 001-50 000	216	266	394
50 001-55 000	263	310	309
55 001-60 000	357	403	291
60 001-65 000	198	185	309
65 001-70 000	130	100	159
70 001-75 000	493	537	387
75 001-80 000	312	320	476
80 001-85 000	38	104	112
85 001-90 000	145	184	105
90 001-95 000	107	80	115
95 001-100 000	16	63	102
100 000 plus	194	222	264
Total	2852	3123	3203

* based on FTE salary for award classification.

**Includes Mental Health Services.

Total number paid by gender			
As at end of financial year	2012-13	2013-14*	2014-15*
Female	2236	2450	2519
Male	616	673	684
Total	2852	3123	3203

*Includes Mental Health Services.

Total number paid by age profile			
As at end of financial year	2012-13	2013-14*	2014-15*
15-19 years	4	2	2
20-24 years	117	149	144
25-29 years	265	305	311
30-34 years	254	272	304
35-39 years	268	295	312
40-44 years	350	378	374
45-49 years	392	406	408
50-54 years	509	516	499
55-59 years	426	472	481
60+ years	267	328	368
Total	2852	3123	3203

*Includes Mental Health Services.

Number of employees paid by award as at 30 June 2015*	
As at end of financial year	Total
Allied Health Professionals	278
Health and Human Services Award	1144
Medical Practitioners	228
Nursing	1439
Radiation Therapist	30
Senior Executive Service	1
Visiting Medical Officers**	83
Total	3203

* Includes Mental Health Services.

** Includes Rural Medical Practitioners.

INDICATORS OF ORGANISATIONAL HEALTH

Average Personal Leave days per FTE*			
As at end of financial year	2012-13	2013-14**	2014-15**
Personal leave days per average paid FTE	11.5	11.2	12.41

* Includes sick, carers leave and family leave.

** Includes Mental Health Services.

Total paid overtime* hours per average FTE			
As at end of financial year	2012-13	2013-14**	2014-15**
Overtime/callback paid hours per average paid FTE	59.4	62.9	63.42

* Includes callback and overtime hours.

** Includes Mental Health Services.

Turnover Rate			
The turnover rate is the rate at which people were leaving THO—North as at 30 June 2015.			
As at end of financial year	2012-13	2013-14*	2014-15*
Turnover rate = total number of separations (FTEs) divided by the average paid FTE	9.3%	8.2%	10.3%

* Includes Mental Health Services.

Wastage Rate			
The wastage rate is similar to the turnover rate, but also takes into account the number of employees who joined THO—North as newstarts. If the result is negative this means that there are more people becoming employees than are exiting from THO—North.			
As at end of financial year	2012-13	2013-14*	2014-15*
Wastage rate = (separation FTE - Newstart FTE)/average paid FTE	-0.1%	-3.4%	0.76%

* Includes Mental Health Services.

LEAVE

Long Service Leave			
As at end of financial year	2012-13	2013-14*	2014-15*
Average number of days used per paid FTE**	3.1	3.1	3.0

* Includes Mental Health Services.

** Includes Maternity Long Service Leave.

Annual Leave			
As at end of financial year	2012-13	2013-14**	2014-15**
Average number of days used per paid FTE	21.6	20.4	19.4
Number of FTEs with entitlements equal to the 2 year limit	2.0	0	0
Number of FTEs in excess of 2 year limit	171.1	99.4	96.2

* Includes Mental Health Services.

WORK HEALTH AND SAFETY

Tasmanian Health Organisation — North is committed to a range of work health and safety strategies. The focus in the past year has been on rolling out Basics and Back Care Manual Handling education and the MAYBO Aggression Management education. There has been continued work in developing and increasing the safety culture within the Tasmanian Health Organisation- North and, supporting managers and employees within their workplace.

Strategic developments and achievements in 2014-15 include:

- ▶ Delivery of Basics in Back Care and site specific manual handling education to 2000+ employees;
- ▶ Introduction of air assisted patient transfer technology within the LGH and some Primary health sites.
- ▶ Rollout of MAYBO Aggression Management education to 900+ employees.
- ▶ Work Health and Safety leadership workshops for managers (131 managers attended).
- ▶ Election/re-election and training of Health and Safety Representatives (HSR's). As of 30 June 2015 THO—North has 50 elected and trained HSR's.

The THO—North received a total 160 workers' compensation claims during 2014-15, compared to 97 claims in the previous year. 75% of these workers' compensation claims resulted in less than 5 days off work.

The most common mechanisms of injury were through Muscular Stress (85 claims), Connecting with Objects (27 claims) and Slip/Trip/Falls (24 claims). The Lost Time Severity Rate (Days lost per million hours worked) for THO—North is 779.64 for 2014-15.

The actual dollar cost of all claim payments for 2014-15 was \$1.7 million.

SAFETY FIRST FOR THO—NORTH STAFF

THO—North staff scooped the pool at the 2014 Tasmanian WorkSafe awards.

Danny Fraser, Health and Safety Representative (HSR) for LGH Food Services won the award for Health and Safety Representative and Cheryl Hayes HSR for the North Easter Soldiers Memorial Hospital at Scottsdale was highly commended.

Danny has been a health and safety representative in the Food Service Department and an active member of the LGH and THO—North Safety Committee for seven years.

Cheryl Hayes has been a health and safety representative and member of the WHS committee at Scottsdale for more than 20 years.

"Thanks to Cheryl's open communication with staff members and diligent maintenance of, and commitment to, the hospital's WHS guidelines, all staff now practise a professional and positive WHS culture," the award citation said.



Alice Cordwell (right) from LGH food services with Evie Fraser and Eileen Neville accept an award on behalf of Danny Fraser.



The Hon. Peter Gutwein, MP, Treasurer (centre) with Cheryl Hayes and Chris Wootton (right) from the NESM Hospital at the WorkSafe awards presentation.

PUBLICATIONS

Author, Unit or Area	Year	Title	Publication
Ang, N, Thomson, M	2015	Amputations and necrotizing fasciitis: a case report	AMSRJ: American Medical Students Research Journal; 2015; 2(1):71-74
Atkins, K	2014	Ethics and law for Australian nurses (book)	Cambridge: Cambridge University Press
Brough, S, Pande, G	2015	Case report and operative management of gallbladder herniation	BMC Surgery; 2015; online June 11
Bunker, DLJ	2014	Delivery techniques in gene therapy: a brief overview	Journal of Physical Chemistry & Biophysics; 2014; 4(3):1-3
Bunker, DLJ	2014	Tendon to bone healing and its implications for surgery	Muscles, Ligaments and Tendons Journal; 2014; 4(3):343-350
Cannell, J, Moles, E	2014	A single case study using Jintronix software for stroke rehabilitation and Kinect motion tracking for physical rehabilitation using a pull to stand aid and standby table	International Journal of Stroke; 2014; 9(suppl 2):24
Chan, G	2014	Cobalt (chapter in a book)	In R. S. Hoffman et al (eds), Goldfrank's Toxicologic Emergencies (pp. 1202-1209), 2014; New York: McGraw Hill
Chang, MY, Ong, PY, Fanning, S	2014	Endoscopic ultrasound-guided fine needle aspiration (EUS-FNA): experience of a regional centre in Australia	Journal of Gastroenterology and Hepatology; 2014; 29(S2): 46-47
Daruwalla, J, Murray, D, Pande, G	2015	An unusual cause of bowel obstruction from a feeding jejunostomy	ANZ Journal of Surgery; 2015; online January 19
Fanning, S, Mitchell, B	2014	Right-sided adenoma detection with retroflexion versus forward-view colonoscopy	Gastrointestinal Endoscopy; 2014; online October 29
Flanagan, K	2014	Sexual dimorphism in biomedical research: a call to analyse by sex	Transactions of the Royal Society of Tropical Medicine & Hygiene; 2014; 108(7):385-87
Flanagan, K	2014	Humoral immunogenicity of ChAd63_MVA ME-TRAP vaccination in African infants and children	Malaria Journal; 2014; 13(suppl):16
Flanagan, K	2014	Identification of a human neonatal immune-metabolic network associated with bacterial infection.	Nature Communications; 2014; online August 14
Flanagan, K	2014	Translating the immunogenicity of prime-boost immunization with ChAd63 and MVA ME-TRAP from malaria naïve to malaria-endemic populations	Molecular Therapy; 2014; 22(11):1992-2003
Flanagan, K	2014	Targeting regulatory T cells to improve vaccine immunogenicity in early life	Frontiers in Microbiology; 2014; online September 11
Flanagan, K	2014	Protection versus pathology in aviremic and high viral load HIV-2 infection—the pivotal role of immune activation and T-cell kinetics	Clinical Infectious Diseases; 2014; 210(5):752-761
Flanagan, K	2014	Heterologous immunological effects of early BCG vaccination in low-birth weight infants in Guinea-Bissau: a randomized-controlled trial	Journal of Infectious Diseases; 2014; online September 9
Flanagan, K	2014	Heterologous and sex differential effects of administering vitamin A supplementation with vaccines: a literature review	Transactions of the Royal Society of Tropical Medicine & Hygiene; 2014; online December 3

Author, Unit or Area	Year	Title	Publication
George, B, Raj, R, Cooke, D, Mathew, M	2014	Effects of periodic review system on achievement of haematological and biochemical targets in a haemodialysis unit	Nephrology; 2014; 19(suppl 4):79
Goulding, E	2015	Life after death: posthumous sperm procurement	BJOG: An International Journal of Obstetrics and Gynaecology; 2015; 122(3):394
Green, M, Brain, T	2015	Mobile phones as a potential vehicle of infection in a hospital setting	Journal of Occupational and Environmental Hygiene; 2015; online June 17
Hannan, T	2014	Solving a health information management problem	The Health Advocate; 2014; 25(August):31-32
Hannan, T	2015	Saving health [Television series episode]	Insight, SBS One Television 24/02/2015
Khalafallah, A, Chuang, A, Kwok, C, Dennis, A, Seaton, D, Brain, T, Pavlov, T	2014	Treatment of iron deficiency anaemia of late pregnancy with a single intravenous iron polymaltose or ferric carboxymaltose versus oral iron sulphate: a prospective randomized controlled study (TIDAL)	Haematologica; 2014; 99(suppl 1):793
Khalafallah, A, Chilvers, CR, Thomas, M, Sexton, M, Vialle,	2014	Usefulness of non-invasive spectrophotometric haemoglobin estimation for detecting low haemoglobin levels when compared with a standard laboratory assay for preoperative assessment	British Journal of Anaesthesia; 2014; online December 13
Khalafallah, A, Chilvers, CR, Sexton, M, Vialle, M, Kirkby, B, Einoder, B, Brain, T	2015	Assessment of intravenous ferric carboxymaltose versus oral iron sulphate in the management of preoperative anaemia: a prospective randomized controlled trial	Abstract of oral presentation in 'late breaking scientific news session' at European Hematology Association 20th Congress, June 11-14, 2015, Vienna
Khalafallah, A, Khelgi, V, Al-Badri, R, Robinson, E, Yan, C, Tan, J, Khan, R, Nguyen, H, Kirkby, B	2015	Intravenous iron carboxymaltose versus standard care in the management of postoperative anaemia: a prospective randomized controlled trial	Abstract of poster presented at European Hematology Association 20th Congress, June 11-14, 2015, Vienna
Khalafallah, A, Yan, C, Mathew, R, Dennis, A, Falloon, P, Pavlov, T	2015	Treatment of iron deficiency anaemia of late pregnancy with a single intravenous iron polymaltose or ferric carboxymaltose versus oral iron sulphate: a prospective randomized controlled study (tidal)	Abstract of poster presented at European Hematology Association 20th Congress, June 11-14, 2015, Vienna
Kirkby, B	2014	Remove the migrated stent: sigmoid colon perforation from migrated biliary stent	ANZ Journal of Surgery; 2014; online July 31
Lim, D, Mitchell, B	2014	Long-term outcomes in inflammatory bowel disease patients treated with infliximab or adalimumab in an Australian regional centre	Journal of Gastroenterology and Hepatology; 2014; 29(S2): 111
Lim, K	2015	Lost without trace: oximetry signal dropout in preterm infants	Archives of Disease in Childhood Fetal and Neonatal edition; 2015; online June 8
Lim, WH, Pavlov, T, Dennis, A	2014	Analysis of emergency peripartum hysterectomy in Northern Tasmania	Australian Journal of Rural Health; 2014; 22(5):235-240
MacDonald, A	2015	Innovation and experiences of care integration in Australia and New Zealand	Future Hospital Journal June 2015 2(2):79-80
Markos, J	2015	An observational study of PM10 and hospital admissions for acute exacerbations of chronic respiratory disease in Tasmania, Australia 1992-2002	BMJ Open Respiratory Research; 2015; online January 7

Author, Unit or Area	Year	Title	Publication
Mercer, J	2-15	'Food for thought': innovation and improvement as the basis for delivering a multidisciplinary obesity healthcare intervention	International Conference on Health System Innovation, 18-20 March, Hobart
Merridew, G	2014	I.K. Brunel's Crimean War hospital	Anaesthesia and Intensive Care; 2014; 42(4 suppl): 13-19
Mohamed, M, Fernando, R	2014	Diagnostic and therapeutic quandaries in a patient with primary hepatic lymphoma and concurrent hepatitis C infection	Indian Journal of Hematology and Blood Transfusion; 2014; online 16 July
Mohamed, M, Bates, G, Richardson, D	2014	Recurrent life-threatening reactions to platelet transfusion in an aplastic anaemia patient with a paroxysmal nocturnal haemoglobinuria clone	Internal Medicine Journal; 2014; 44(9):925-927
Mohamed, M, Bates, G	2014	Recurrent life-threatening reactions to platelet transfusion in a patient with aplastic anaemia and PNH clone - a case report	Poster presentation at HAA-APSTH 2012 Co-joint scientific meeting 28-31 October 2012 at The Melbourne Convention Exhibition Centre
Mohamed, M	2014	Functional hyposplenism diagnosed by blood film examination	Blood; 2014; 124(12):1997
Mohamed, M, Tan, J	2014	A man with transient ischaemic attack and thrombocytopenia	BMJ; 2014; online October 30
Monahan, R	2015	Distal extension of the direct anterior approach to the hip poses risk to neurovascular structures: an anatomical study	The Journal of Bone & Joint Surgery American; 2015; 97(2):126-132
Mulholland, P	2014	Interprofessional learning and rural paramedic care	Rural and Remote Health; 2014; 14(3):2821
Newington, D	2014	Laparoscopic cholecystectomy in a patient with previous pneumonectomy: a case report and discussion of anaesthetic considerations	Case Reports in Anesthesiology; 2014; online November 9
Ooi, G, Lloyd, D	2014	Symptomatic congenital diaphragmatic hernia following right nephrectomy	ANZ Journal of Surgery; 2014; online October 12
Parkes, S	2015	Primary intra-abdominal hypertension and abdominal compartment syndrome: pathophysiology and treatment	Emergency Medicine Open Journal; 2015; 1(2):46-63
Patil, V, Parkes, S	2014	Removal of a malpositioned central venous catheter from a direct main pulmonary artery puncture with transthoracic temporary balloon occlusion	Journal of Vascular and Interventional Radiology; 2014; 25(12):2001-2013
Ranasinghe, WK	2015	Waiting for definitive care: An analysis of elapsed time from decision to surgery or transfer in a rural centre	Australian Journal of Rural Health; 2015; 23(3):155-60
Ranasinghe, WK	2015	Prostate cancer screening in Primary Health Care: the current state of affairs	Springerplus. Feb 13;4:78. doi: 10.1186/s40064-015-0819-8. eCollection 2015.
Ranasinghe, WK	2015	HIF1α expression under normoxia in prostate cancer-- which pathways to target?	Journal of Urology; 2015; 193(3):763-70
Ranasinghe, WK, Cetti, R	2015	Is pre-operative MSU or stone culture better at predicting post-PCNL sepsis?	BJU International; 2015; 115(sup 4):1-2
Ranasinghe, WK, Cetti, R	2015	Intravesical Bacillus Calmette-Guerin for non-muscle invasive urothelial carcinoma of the bladder - patterns of use, and impact on outcomes	BJU International; 2015; 115(sup 4):3

Author, Unit or Area	Year	Title	Publication
Ranasinghe, WK, Cetti, R	2015	Radiation exposure to the urologist during PCNL: is modified supine position superior to prone position?	BJU International; 2015; 115(sup 4):41
Ranasinghe, WK, Cetti, R	2015	Surgical outcomes of modified supine vs prone PCNL: a prospective cohort study	BJU International; 2015; 115(sup 4):44
Ranasinghe, WK, Cetti, R	2015	Comparison of long-term surgical outcomes between PVP (120 W)and TURP	BJU International; 2015; 115(sup 4):54
Ranasinghe, WK	2015	Renal cell and upper tract urothelial carcinomas: trends in survival in Victoria, Australia	BJU International; 2015; 115(sup 4):66-67
Ranasinghe, WK	2015	Imaging in the staging of low/intermediate risk prostate cancer: are we observing current guidelines?	BJU International; 2015; 115(sup 4):80
Ranasinghe, WK, Cetti, R	2015	The accuracy of visual detection of high-risk superficial bladder transitional cell carcinoma (TCC) after Bacillus-Calmette-Guerin(BCG) treatment	BJU International; 2015; 115(sup 4):86-87
Rooney, K	2014	Committing to patient-centred medical education	The Clinical Teacher; 2014; 11(7): 503-506
Rooney, K	2015	An imatinib-only window followed by imatinib and chemotherapy for Philadelphia chromosome-positive acute leukemia: long-term results of the CMLALLI trial	Leukemia & Lymphoma; 2015; 56(3):630-638
Sladden, M	2015	Sentinel lymph node biopsy for melanoma: an important risk-stratification too (letter to the editor)	Medical Journal of Australia; 2015; 202(2):iii-iii
Sladden, M	2015	No survival benefit for patients with melanoma undergoing sentinel lymph node biopsy: critical appraisal of the Multicenter Selective Lymphadenectomy Trial-I final report	British Journal of Dermatology; 2015; 172(3):566-571
Stoneman, A	2014	Quality improvement in practice: improving diabetes care and patient outcomes in Aboriginal Community Controlled Health Services	BMC Health Services Research; 2014; doi: 10.1186/1472-6963-14-481
Thomson, M	2015	Chin necrosis as a consequence of prone positioning in the intensive care unit	Case Reports in Medicine; 2015; online February 24
Wettenhall, J	2014	Significance of small bowel lipid deposits seen on capsule endoscopy	Journal of Gastroenterology and Hepatology; 2014; 29(S2): 34
Winson, E	2015	Evaluating trainee experience of surgical skills teaching	Journal of Surgical Simulation; 2015; 2:1-5
Zournazis, H	2014	The use of video conferencing to develop a community of practice for preceptors located in rural and non traditional placement settings: an evaluation study	Nurse Education in Practice; 2014; online November 18

MINISTERIAL DIRECTIONS AND PERFORMANCE ESCALATIONS

Level	Year	Title	Publication
Level I	Variation from budget - full year projected	October 2014	Financial Recovery Plan Implemented
Level I	Emergency Department - Time until most admitted patients (90%) departed emergency department	November 2014	Performance Improvement Plan Implemented

NOTES

PART 3 - FINANCIAL STATEMENTS TASMANIAN HEALTH ORGANISATION — NORTH

2014-15

TABLE OF CONTENTS

Statement of Certification	60
Statement of Comprehensive Income for the year ended 30 June 2015	61
Statement of Financial Position as at 30 June 2015	62
Statement of Cash Flows for the year ended 30 June 2015	63
Statement of Changes in Equity for the year ended 30 June 2015	64
Notes to and forming part of the Financial Statements for the year ended 30 June 2015	67
Audit Report	109

STATEMENT OF CERTIFICATION

The accompanying Financial Statements of Tasmanian Health Organisation — North are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2015 and the financial position as at 30 June 2015.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



John Ramsay
Chair of the Governing Council
12 August 2015



Sonia Purse
Acting Chief Executive Officer
12 August 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Grants	1.7(b), 8.1	368 705	327 145	332 809
Sales of goods and services	1.7(c), 8.2	41 380	44 980	46 243
Interest	1.7(d)	0	165	181
Contributions received	1.7(e), 8.3	0	0	16
Other revenue	1.7(f), 8.4	5 865	16 543	14 741
Total revenue and other income from transactions		415 950	388 833	393 990
Expenses from transactions				
Employee benefits	1.8(a), 9.1	260 620	269 712	256 823
Depreciation and amortisation	1.8(b), 9.2	14 487	13 627	13 070
Supplies and consumables	9.3	92 627	100 844	104 625
Grants and subsidies	1.8(c), 9.4	1 100	10 505	2 269
Other expenses	1.8(e), 9.5	3 076	5 653	5 093
Total expenses from transactions		371 910	400 341	381 880
Net result from transactions (net operating balance)	7	44 040	(11 508)	12 110
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	1.9(a)(c), 10.1	3	7	118
Net gain/(loss) on financial instruments and statutory receivables/payables	1.10(b), 10.2	0	39	210
Total other economic flows included in net result		3	46	328
Net result from continuing operations		44 043	(11 462)	12 438
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in property, plant and equipment revaluation surplus	14.1	13 915	9 985	(17)
Total other comprehensive income		13 915	9 985	(17)
Comprehensive result		57 958	(1 477)	12 421

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	1.10(a), 15.1	24 250	35 899	38 514
Receivables	1.10(b), 11.1	3 747	4 366	5 308
Other financial assets	1.10(c), 11.2	4 534	5 688	7 255
<i>Non-financial assets</i>				
Inventories	1.10(d), 11.3	3 063	2 789	2 792
Assets held for sale	1.10(e), 11.4	0	340	0
Property, plant and equipment	1.10(f), 11.5	422 220	387 464	375 837
Intangibles	1.10(g), 11.6	281	784	727
Other assets	1.10(h), 11.7	1 761	1 405	2 410
Total assets		459 856	438 735	432 843
Liabilities				
Payables	1.11(a), 12.1	7 360	18 722	12 770
Employee benefits	1.11(c), 12.2	57 529	63 538	62 089
Other liabilities	1.11(e), 12.3	3 369	3 863	3 544
Total liabilities		68 258	86 123	78 403
Net assets		391 598	352 612	354 440
Equity				
Contributed capital reserve	14.2	214 683	215 388	215 388
Reserves	14.1	81 245	77 298	67 313
Accumulated funds		95 670	59 926	71 739
Total equity		391 598	352 612	354 440

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Grants		310 584	313 345	312 768
Sales of goods and services		41 071	47 837	42 406
GST receipts		8 120	9 355	9 562
Interest received		0	165	181
Other cash receipts		5 830	16 543	14 741
Total cash inflows		365 605	387 245	379 658
Cash outflows				
Employee benefits		(260 847)	(268 472)	(250 187)
GST payments		(8 120)	(9 325)	(9 680)
Grants and transfer payments		(1 100)	(10 505)	(2 269)
Supplies and consumables		(92 445)	(93 578)	(101 762)
Other cash payments		(3 075)	(5 771)	(5 115)
Total cash outflows		(365 587)	(387 651)	(369 013)
Net cash from/(used by) operating activities	15.2	18	(406)	10 645
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		3	42	160
Total cash inflows		3	42	160
Cash outflows				
Payment for acquisition of non-financial assets		(8 771)	(2 253)	(7 970)
Total cash outflows		(8 771)	(2 253)	(7 970)
Net cash from/(used by) investing activities		(8 768)	(2 211)	(7 810)
Net increase/(decrease) in cash and cash equivalents held		(8 750)	(2 617)	2 835
Cash and deposits at the beginning of the reporting period		33 000	38 514	35 595
Cash transferred in due to restructure		0	0	84
Cash and deposits at the end of the reporting period	15.1	24 250	35 897	38 514

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2014		215 388	67 313	71 739	354 440
Net Result		0	0	(11 462)	(11 462)
Other Comprehensive Income		0	9 985	0	9 985
Total comprehensive result		0	9 985	(11 462)	(1 477)
Transfer sale proceeds to the Crown Lands Administration Fund (CLAF)		0	0	(351)	(351)
Balance as at 30 June 2015		215 388	77 298	59 926	352 612
	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2013		214 683	67 330	59 591	341 604
Net Result		0	0	12 438	12 438
Other Comprehensive Income		0	(17)	0	(17)
Total comprehensive result		0	(17)	12 438	12 421
Transfer sale proceeds to the Crown Lands Administration Fund (CLAF)		0	0	(290)	(290)
Transactions with owners in their capacity as owners:					
Administrative restructure - net assets received	1.6	705	0	0	705
Balance as at 30 June 2014		215 388	67 313	71 739	354 440

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

Withdrawal of equity relates to the Crown Lands Administration Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1	SIGNIFICANT ACCOUNTING POLICIES	67
1.1	Objectives and Funding	67
1.2	Basis of Accounting	67
1.3	Functional and Presentation Currency	68
1.4	Changes in Accounting Policies	68
1.5	Activities Undertaken Under a Trustee or Agency Relationship	70
1.6	Transactions by the Government as Owner - Restructuring of Administrative Arrangements	70
1.7	Income from Transactions	70
1.8	Expenses from Transactions	72
1.9	Other Economic Flows included in Net Result	73
1.10	Assets	74
1.11	Liabilities	76
1.12	Leases	77
1.13	Judgements and Assumptions	78
1.14	Foreign Currency	78
1.15	Comparative Figures	78
1.16	Budget Information	78
1.17	Rounding	78
1.18	Taxation	78
1.19	Goods and Services Tax	79
NOTE 2	THO OUTPUT SCHEDULES	79
2.1	Output Group Information	79
NOTE 3	EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS	80
NOTE 4	EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES	81
4.1	Statement of Comprehensive Income	81
4.2	Statement of Financial Position	82
4.3	Statement of Cash Flows	83
NOTE 5	EVENTS OCCURRING AFTER BALANCE DATE	84
NOTE 6	SIGNIFICANT ACCOUNTING JUDGEMENTS	85
NOTE 7	UNDERLYING NET OPERATING BALANCE	85
NOTE 8	INCOME FROM TRANSACTIONS	86
8.1	Grants	86
8.2	Sales of Goods and Services	87
8.3	Contributions Received	87
8.4	Other Revenue	87

NOTE 9	EXPENSES FROM TRANSACTIONS	88
9.1	Employee Benefits	88
9.2	Depreciation and Amortisation	91
9.3	Supplies and Consumables	91
9.4	Grants and Subsidies	92
9.5	Other Expenses	92
NOTE 10	OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT	92
10.1	Net Gain/(Loss) on Non-Financial Assets	92
10.2	Net Gain/(Loss) on Financial Instruments and Statutory Receivables/Payables	92
NOTE 11	ASSETS	93
11.1	Receivables	93
11.2	Other Financial Assets	93
11.3	Inventories	94
11.4	Assets Held for Sale	94
11.5	Property, Plant and Equipment	95
11.6	Intangibles	98
11.7	Other Assets	98
NOTE 12	LIABILITIES	99
12.1	Payables	99
12.2	Employee Benefits	99
12.3	Other Liabilities	99
NOTE 13	COMMITMENTS AND CONTINGENCIES	100
13.1	Schedule of Commitments	100
13.2	Contingent Assets and Liabilities	101
NOTE 14	RESERVES	102
14.1	Reserves	102
14.2	Contributed Capital Reserve	102
NOTE 15	CASH FLOW RECONCILIATION	103
15.1	Cash and Deposits	103
15.2	Reconciliation of Net Result to Net Cash from Operating Activities	103
NOTE 16	FINANCIAL INSTRUMENTS	104
16.1	Risk Exposures	104
16.2	Categories of Financial Assets and Liabilities	107
16.3	Reclassifications of Financial Assets	107
16.4	Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities	107
NOTE 17	TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT	108

NOTE I SIGNIFICANT ACCOUNTING POLICIES

I.1 OBJECTIVES AND FUNDING

Tasmanian Health Organisation — North (THO—North) was established under the *Tasmanian Health Organisation Act 2011* (the Act) as a result of the implementation of the National Health Reform. THO—North commenced operations on 1 July 2012 as a Statutory Authority with a Governing Council established under the Act.

Under the National Health Reform Agreement (NHRA), funding is provided to THO—North on the basis of activity through Activity Based Funding (ABF) wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). Also, under new administrative arrangements in place since 2013-14, funding due to THO—North under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure is paid as grants rather than by way of appropriation.

In addition, THO—North provides services to fee paying privately insured patients, or patients who will receive compensation for these expenses due to the circumstances surrounding their injury. The financial statements encompass all funds through which THO—North controls resources to carry on its functions.

As legislated, the principal purpose of THO—North is to:

- ▶ Promote and maintain the health of persons; and
 - ▶ Provide care and treatment to, and ease the suffering of, persons with health problems;
- as agreed in THO—North's Service Agreement and within the budget provided in the Service Agreement.

I.2 BASIS OF ACCOUNTING

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- ▶ Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- ▶ The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Chair of the Governing Council and Acting Chief Executive Officer on 12 August 2015.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. THO—North is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note I.4.

The Financial Statements have been prepared as a going concern. However, as at 30 June 2015, THO—North will be renamed to a new entity, to be known as the Tasmanian Health Service (THS). Refer to Note 5 for further details. The continued existence of THS, undertaking its current activities, is dependent on Government policy and continuing funding by the Department of Health and Human Services for THO—North's administration and activities.

I.3 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Australian dollars, which is THO—North's functional currency.

I.4 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

In the current year, THO—North has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

- ▶ AASB 1055 *Budgetary Reporting* - The objective of this Standard is to specify budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. Disclosures made in accordance with this Standard provide users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it. There is no financial impact. However, there is a disclosure impact and this has been complied with historically per note 4.
- ▶ 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Operative dates: Part A *Conceptual Framework* – 20 December 2013; Part B *Materiality* – 1 January 2014; Part C *Financial Instruments* – 1 January 2015] - The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:
 - (a) as a consequence of the issue of Accounting Framework AASB CF 2013-1 *Amendments to the Australian Conceptual Framework*, and editorial corrections, as set out in Part A of this Standard;
 - (b) to delete references to AASB 1031 *Materiality* in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard; and
 - (c) as a consequence of the issuance of IFRS 9 *Financial Instruments – Hedge Accounting* and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB in November 2013, as set out in Part C of this Standard.

There is no financial impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- ▶ AASB 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. This Standard applies to annual reporting periods beginning on or after 1 January

2017. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. THO—North has not fully assessed the financial impact.

- ▶ 2010-7, 2014-7 and 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9* – The objective of these Standards is to make amendments to various standards as a consequence of the issuance of AASB 9 *Financial Instruments* in December 2010. THO—North has determined that there will be no financial impact.
- ▶ 2014-4 *Amendments to Australian Accounting Standards* – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138] – The objective of this Standard is to make amendments to:
 - (a) AASB 116 *Property, Plant and Equipment*; and
 - (b) AASB 138 *Intangible Assets*;
 as a consequence of the issuance of International Financial Reporting Standard Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) by the International Accounting Standards Board in May 2014. THO—North has determined that there will be no financial impact.
- ▶ 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]* – The objective of this Standard is to make amendments to:
 - (a) AASB 9 *Financial Instruments* (December 2009); and
 - (b) AASB 9 *Financial Instruments* (December 2010);
 as a consequence of the issuance of AASB 9 *Financial Instruments* in December 2014. THO—North has determined that there will be no financial impact.
- ▶ 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]* – The objective of this Standard is to make amendments to various standards (as noted) as a consequence of the issuance of International Financial Reporting Standard Disclosure Initiative (Amendments to IAS 1) by the International Accounting Standards Board in December 2014, and to make an editorial correction. THO—North has determined that there will be no financial impact.
- ▶ 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* - The objective of this Standard is to effect the withdrawal of AASB 1031 *Materiality* and to delete references to AASB 1031 in the Australian Accounting Standards, as set out in paragraph 13 of this Standard.
- ▶ 2015-6 *Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-For-Profit Public Sector Entities* - The objective of this Standard is to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities. There will be no material financial impact but there are likely to be additional disclosures.

(c) Voluntary changes in accounting policy

THO—North has not adopted any new accounting policies during the financial year ended 30 June 2015.

I.5 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY RELATIONSHIP

Transactions relating to activities undertaken by THO—North in a trust or fiduciary (agency) capacity do not form part of THO—North's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered. Details of transactions and balances relating to a trustee or agency arrangement are provided at Note 17.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

I.6 TRANSACTIONS BY THE GOVERNMENT AS OWNER – RESTRUCTURING OF ADMINISTRATIVE ARRANGEMENTS

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

I.7 INCOME FROM TRANSACTIONS

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

(a) Revenue from Government

Under the National Health Reform Agreement (NHRA), funding is provided to THO—North on the basis of activity through Activity Based Funding (ABF) wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). Also, under new administrative arrangements in place since 2013-14, funding due to THO—North under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure is paid as grants rather than by way of appropriation.

(b) Grants

Grants payable by the Australian Government are recognised as revenue when THO—North gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

The construction and redevelopment of buildings is undertaken by the Department of Health and Human Services. When the buildings are commissioned they are transferred, together with the land, to THO—North.

(c) Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(d) Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

(e) Contributions received

Services received free of charge by THO—North, are recognised as income when a fair value can be reliably determined and at the time the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when THO—North obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to THO—North and the amount can be measured reliably. However, where the contribution received is from another government agency as a consequence of restructuring of administrative arrangements, they are recognised as contributions by owners directly within equity. In these circumstances, book values from the transferor agency have been used.

(f) Other revenue

Other revenue is primarily the recovery of costs incurred and is recognised when an increase in future economic benefits relating to an increase in an asset or a decrease of a liability has arisen that can be reliably measured.

(g) Activity Based Funding and Block Funding

Activity Based Funding (ABF) refers to a system for funding public hospital services provided to individual patients using national classifications, cost weights and nationally efficient prices developed by the Independent Hospital Pricing Authority.

Block Funding refers to funding provided to support:

- ▶ Public hospital functions other than in-patient services; and
- ▶ Public patient services provided by facilities that are not appropriately funded through ABF.

Under National Health Reform, ABF from the Australian Government and the Department of Health and Human Services is provided directly to THO—North via the Tasmanian state pool account (Reserve Bank of Australia account established in 2012-13), which is part of the National Health Funding Pool.

Block Funding is provided by the Australian Government through the state pool account, but is provided to THO—North via the State Managed Fund, which is an account established by the State for the purposes of health funding under the National Health Reform Agreement.

Block Funding provided to THO—North by the Department of Health and Human Services is made via the State Managed Fund.

When a resident of one state receives hospital treatment in another state, the resident state compensates the treating or provider state for the cost of that care via a cross border payment. Current year cross border payments are made on behalf of THO—North through the state pool account by the Department of Health and Human Services, with the associated revenue and expenditure being recognised in THO—North’s accounts.

I.8 EXPENSES FROM TRANSACTIONS

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated.

Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Plant and equipment	5-25 years
Medical equipment	4-20 years
Buildings	30-50 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset’s future economic benefits are expected to be consumed by THO—North.

Major amortisation periods are:

Software	4-10 years
----------	------------

(c) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- ▶ the services required to be performed by the grantee have been performed; or
- ▶ the grant eligibility criteria have been satisfied.

A liability is recorded when THO—North has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

(d) Contributions provided

Contributions provided free of charge by THO—North, to another entity, are recognised as an expense when fair value can be reliably determined. No contributions were provided free of charge during 2014-15.

(e) Other expenses

Other expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be reliably measured.

1.9 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

(a) Gain/(loss) on sale of non-financial assets

Gains or losses from the sale of non-financial assets are recognised when control of the assets has passed to the buyer.

(b) Impairment – Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the Statement of Comprehensive Income.

(c) Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. THO—North's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

Impairment losses are recognised in the Statement of Comprehensive Income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Other gains / (losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

I.10 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to THO—North and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

(c) Other financial assets

Other financial assets are recorded at fair value.

(d) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal consideration are valued at current replacement cost.

(e) Assets held for sale

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with THO—North's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

(f) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings, artwork assets and other long-lived assets are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or build occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to THO—North and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by THO—North is:

Plant and equipment	\$10 000.00
Land and buildings	\$10 000.00
Intangibles	\$50 000.00

Assets valued at less than \$10,000 (or \$50,000 for intangible assets) are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total). Note that this excludes artworks which are capitalised upon purchase for the purpose of correctly recording artwork held by THO—North.

(iv) Revaluations

THO—North's land and building assets were revalued by an independent Valuer as at 30 June 2015. A full revaluation of land at fair value, and buildings at replacement depreciated cost on net basis is undertaken every five years. In the intervening years the values are adjusted by an indice supplied by the Valuer. Land acquired and building commissioned in their first year are not revalued. They are revalued in subsequent years.

(g) Intangibles

An intangible asset is recognised where:

- ▶ it is probable that an expected future benefit attributable to the asset will flow to THO—North; and
- ▶ the cost of the asset can be reliably measured.

Intangible assets held by THO—North are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangible assets held by THO—North are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The asset capitalisation threshold for intangible assets adopted by THO—North is \$50,000.

(h) Other assets

Other assets are recorded at fair value and include prepayments.

1.11 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when THO—North becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Provisions

A provision arises if, as a result of a past event, THO—North has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

(c) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured at the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2015, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(d) Superannuation

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

THO—North does not recognise a liability for the accruing superannuation benefits of State Service employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

(e) Other liabilities

Other liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Other liabilities include revenue received in advance and on-costs associated with employee benefits. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefits expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefits are measured at the present value of the cost at 30 June 2015, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

1.12 LEASES

THO—North has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

THO—North is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

I.13 JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, THO—North is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Details of significant accounting judgements are included at Note 6.

I.14 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

I.15 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards at Note 1.4.

Where amounts have been reclassified within the Financial Statements, the comparative figures have been restated.

I.16 BUDGET INFORMATION

Budget information refers to original Budget estimates as reflected in the 2014-15 Budget Papers and is not subject to audit.

I.17 ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Amounts less than \$500 are rounded to zero.

I.18 TAXATION

THO—North is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

I.19 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

NOTE 2 THO OUTPUT SCHEDULES

2.1 OUTPUT GROUP INFORMATION

Budget information refers to original Budget estimates reflected in the 2014-15 Budget Papers which has not been subject to audit.

	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Expense by Output			
I.1 Admitted Services	189 836	196 973	190 780
I.2 Non-admitted Services	62 637	76 750	69 746
I.3 Emergency Department Services	42 158	45 044	41 263
I.4 Community and Aged Care Services	63 587	67 152	65 249
I.5 Statewide and Mental Health Services	13 692	14 422	14 842
Total	371 910	400 341	381 880

NOTE 3 EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funding		Australian Government Funding	
	2015 Actual \$'000	2014 Actual \$'000	2015 Actual \$'000	2014 Actual \$'000
National Partnership Payments				
Health Services	689	169	11 663	14 480
Commonwealth Own Purpose Expenditures				
Other	2 258	2 463	13 039	14 142
National Health Reform Funding Arrangements				
Activity Based Funding	113 971	84 560	70 502	102 885
Block Funding	83 927	77 190	18 491	18 348
Total	200 845	164 382	113 695	149 855

This schedule shows the cash expenditure acquitted against each of the Fund groups. The Grant revenue received for each of these is outlined in Note 8.1.

National Partnership Payments (NPPs) are provided for the purpose of the delivery of specified projects, facilitate reforms or reward jurisdictions that deliver nationally significant reforms.

Commonwealth Own Purpose Expenditure is funding paid directly from the Australian Government to the states and territories for the provision of services identified by the Australian Government.

NOTE 4 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

4.1 STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$1 million.

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance
Grants	(a)	368 705	327 145	(41 560)	(11.3%)
Other revenue	(b)	5 865	16 543	10 678	182.1%
Grants and subsidies	(c)	1 100	10 505	(9 405)	(855.0%)
Other expenses	(d)	3 076	5 653	(2 577)	(83.8%)

Notes to Statement of Comprehensive Income variances

- (a) The variance in grants revenue is primarily due to the Budget Paper including the completion of the LGH Levels 2, 4 and 5 capital redevelopment in the 2014-15 financial year, which would have been granted to THO-North upon completion. As at 30 June 2015, this project was still in progress. It is anticipated that the project will be completed and transferred in the 2015-16 financial year.
- (b) The favourable variance in this revenue category is due to two predominant items being the receipt of funding under the Training More Specialist Doctors in Tasmania package (\$3.8 million) and the receipt of research funding (\$1 million), which were not known at the time of release of the Budget Papers. In addition, donations (\$0.7 million) and other recoveries (\$2.6 million) further contributed to this variance as they cannot be reasonable budgeted due to the variability of receipts from year to year.
- (c) Grants and subsidies expenditure was greater than the Budget Paper due to the provision of funding to the Department of Health and Human Services to undertake specific capital infrastructure projects on behalf of THO-North. These projects included the redevelopment of the Specialist Clinics within the LGH, the refurbishment of the Flinders Island Davies Street units, installation of backup power supply to Deloraine Hospital, St Mary's Community Health Centre, Campbell Town Health and Community Service and the John L Grove Centre and a contribution to the capital redevelopment of Levels 2, 4 and 5 of the LGH.
- (d) The variance in other expenses is due to a portion of the Tasmanian Risk Management Fund budget being allocated to the supplies and consumables expenditure category within the Budget Papers, however is classified as other expenses for financial reporting purposes.

4.2 STATEMENT OF FINANCIAL POSITION

Statement of Financial Position variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate or 2014 year actual and \$1 million.

Budget estimates for the 2014-15 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2014-15. As a result, the actual variances from the original budget estimate will be impacted by the difference between estimated and actual opening balances for 2014-15. The following variance analysis therefore includes major movements between the 30 June 2014 and 30 June 2015 actual balances.

	Note	Budget \$'000	2015 Actual \$'000	2014 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	24 250	35 899	38 514	11 649	(2 615)
Other financial assets	(b)	4 534	5 688	7 255	1 154	(1 567)
Property, plant and equipment	(c)	422 220	387 464	375 837	(34 756)	11 627
Payables	(d)	7 360	18 722	12 770	(11 362)	(5 952)
Employee benefits	(e)	57 529	63 538	62 089	(6 009)	(1 449)

Notes to Statement of Financial Position Budget Variances

- (a) The variance between the Budget Paper and 2015 Actual position of \$11.6 million is primarily due to the cash carry-forward from the 2013-14 financial year which was not included in the Budget Papers, although it formed a part of THO-North's cash balance for the 2014-15 financial year.
- (b) The variance reported between the Budget Paper and the 2015 Actual position of \$1.1 million is primarily due to the Budget Paper not accurately reflecting the inter-department transactions resulting in amounts owing to/from other Department of Health and Human Services (DHHS) departments; inter-entity debtors are classified as an other asset within the Budget Paper as opposed to other financial asset in the financial report; and revenue accrued due to timing of receipts.
- (c) The variance between the Budget Paper and the 2015 Actual position of \$34.8 million is due to the timing of completion of various Capital Investment Program (CIP) and Special Capital Investment Fund (SCIF) assets and their subsequent transfer from DHHS to THO-North, with some projects being completed and transferred in the prior financial year and other projects not yet completed for transfer as at 30 June 2015.
- (d) The budget for payables was subsequently amended to \$12.7 million from \$7.36 million. The resulting variance to the Actual 2015 position is due to the interstate charging accrual. Once the 2013-14 and 2014-15 reconciliations for cross border activity between the various States have been finalised by the Commonwealth, it is expected that THO-North will incur a net cost of \$9.2 million against the original budget.
- (e) The Budget for employee benefits was subsequently adjusted to \$62.4 million. As a result of this amendment to the Budget, this is not a reportable variance as it is less than 10%.

Notes to Statement of Financial Position 2014 Actual Variances

- (a) The variance between the 2015 Actual and 2014 Actual position of \$2.6 million relates to a decrease in cash held due to operating activities.
- (b) The variance between the 2015 Actual and the 2014 Actual position of \$1.6 million is due primarily to COPES revenue being accrued in the 2014 financial year due to the timing of the receipt which was not an accrual in the 2015 financial year.
- (c) The variance between the 2015 Actual and the 2014 Actual of \$11.6 million is due to significant medical equipment purchases occurring in the 2014-15 financial year and also the transfer of completed projects to THO-North for capitalisation from DHHS.
- (d) The variance between the 2015 Actual and 2014 Actual position is due to an additional accrual of \$5.9 million in the 2014-15 financial year for interstate charging.
- (e) Not a reportable variance as it is less than 10%.

Statement of Cash Flows variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$1 million.

Notes to Statement of Cash Flows variances

- (a) The variance between the Budget Paper and the Actual position is resultant of higher than budgeted receipts relating to pharmacy and prostheses services.
- (b) The variance between the Budget Paper and the Actual position is as a result of THO-North receipting a higher amount of revenue and incurring more expenditure than budgeted, which results in a higher GST position.
- (c) Refer to note 4.1 (b).
- (d) Refer to note 4.3 (b).
- (e) Refer to note 4.1 (c).
- (f) Refer to note 4.1 (d).
- (g) The variance between the Budget Paper and the Actual position at THO-North is as a result of a number of capital projects not finalised prior to 30 June 2015 which were included in the Budget Paper.

NOTE 5 EVENTS OCCURRING AFTER BALANCE DATE

Commencement of the Tasmanian Health Service

On 1 July 2015, THO-North West and THO-South were amalgamated into THO-North which was subsequently renamed the Tasmanian Health Service (THS), expanding the current boundaries of THO-North statewide. As such, the assets and liabilities of THO-North West and THO-South were transferred to the THS which will form the opening balances.

In addition on 1 July 2015, the Cancer Screening and Support services, which had previously been part of the Department of Health and Human Services, were also transferred to the THS.

Statement of Comprehensive Income

As a result of the above, the THS has a combined figure of 7,825 Full Time Equivalent employees as at 30 June 2015, and \$1.2 billion in budget for the provision and delivery of statewide health services.

Statement of Financial Position - as at 30 June 2015

	THO-North \$'000	THO-North West \$'000	THO-South \$'000	Cancer Screening and Support \$'000	Total \$'000
Assets					
<i>Financial assets</i>					
Cash and deposits	35 899	13 483	35 070	36	84 488
Receivables	4 366	2 994	14 229	48	21 637
Other financial assets	5 688	4 515	9 036	0	19 239
<i>Non-financial assets</i>					
Inventories	2 789	1 735	4 228	0	8 752
Assets held for sale	340	94	0	0	434
Property, plant and equipment	387 464	102 115	442 664	642	932 885
Intangibles	784	0	0	0	784
Other assets	1 405	295	2 443	38	4 181
Total assets	438 735	125 231	507 670	764	1 072 400
Liabilities					
Payables	18 722	21 566	31 990	74	72 352
Interest bearing liabilities	0	0	5 000	0	5 000
Employee benefits	63 538	33 124	108 575	874	206 111
Other liabilities	3 863	979	7 306	0	12 148
Total liabilities	86 123	55 669	152 871	948	295 611
Net assets	352 612	69 562	354 799	(184)	776 789

NOTE 6 SIGNIFICANT ACCOUNTING JUDGEMENTS

Judgements made by THO-North that have significant effects on the Financial Statements are discussed below:

- ▶ I.8(b) Depreciation and amortisation;
- ▶ I.9(b), I.9(c) & II.1 Impairment;
- ▶ I.10(f) & II.5(a) Property, plant and equipment;
- ▶ I.11(b) & II.1 Provision for impairment;
- ▶ I.11(c) & 12.2 Employee benefits;
- ▶ 13.1 & 13.2 Commitments and contingencies; and
- ▶ 15 Key assumptions used in cash flow projections.

NOTE 7 UNDERLYING NET OPERATING BALANCE

Non-operational capital funding is the income from transactions relating to funding for capital projects. This funding is classified as income from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance.

For this reason, the net operating result is adjusted to remove the effects of funding for capital projects.

	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Net result from transactions (net operating balance)	44 040	(11 508)	12 110
<i>Less impact of Non-operational capital funding</i>			
Assets transferred	58 121	13 800	20 041
Total	58 121	13 800	20 041
Underlying Net operating balance	(14 081)	(25 308)	(7 931)

NOTE 8 INCOME FROM TRANSACTIONS

8.1 GRANTS

	2015 \$'000	2014 \$'000
Continuing Operations		
Grants from the Australian Government		
Commonwealth Recurrent Grants - Block Funding	18 491	18 348
Commonwealth Recurrent Grants - Activity Based Funding	70 502	102 885
COPEs Receipts	13 751	11 639
Other Commonwealth Grants	11 314	14 316
Total	114 058	147 188
Grants from the State Government		
State Grants - Block Funding	83 586	80 550
State Grants - Activity Based Funding	114 508	84 807
Total	198 094	165 357
Capital grants		
Assets transferred	13 800	20 041
Total	13 800	20 041
Capital maintenance grants		
Maintenance expenses transferred	(44)	44
Total	(44)	44
WIP expensed grants		
Expenses transferred	1 237	179
Total	1 237	179
Total revenue from Grants	327 145	332 809

WIP expensed grants is the grant associated with expenditure incurred in relation to capital projects.

8.2 SALES OF GOODS AND SERVICES

	2015 \$'000	2014 \$'000
Residential Rent Income	122	159
Commercial Rent Income	348	244
Pharmacy Non-Pharmaceutical Benefits Scheme	8 171	7 891
Prostheses	2 678	2 394
Inpatient, Outpatient Nursing Home Fees	22 415	23 185
Ambulance Fees	1	1
Pharmaceutical Benefits Scheme Co-payments	309	319
Pharmaceutical Benefits Scheme Revenue from Medicare	1 773	1 906
Private Patient Scheme	7 235	7 938
Other Client Revenue	425	315
Other user charges	1 503	1 891
Total	44 980	46 243

8.3 CONTRIBUTIONS RECEIVED

	2015 \$'000	2014 \$'000
Fair Value of assets assumed at no cost or for nominal consideration	0	16
Total	0	16

8.4 OTHER REVENUE

	2015 \$'000	2014 \$'000
Wages and Salaries Recoveries	6 479	3 557
Food Recoveries	3 954	3 779
Multipurpose Centre Recoveries	14	7
Workers Compensation Recoveries	751	473
Operating Recoveries	3 017	4 249
Donations	742	1 346
Industry Funds	1 586	1 330
Total	16 543	14 741

NOTE 9 EXPENSES FROM TRANSACTIONS

9.1 EMPLOYEE BENEFITS

(a) Employee expenses

	2015 \$'000	2014 \$'000
Wages and salaries including FBT	215 205	202 389
Annual leave	15 151	14 710
Long service leave	1 773	4 799
Sick leave	7 944	6 549
Other post-employment benefits	2 470	2 824
Other employee expenses - other staff allowances	114	89
Superannuation expenses - defined contribution and benefits schemes	27 055	25 463
Total	269 712	256 823

Superannuation expenses for defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.75 per cent (2014: 12.5 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to nominated superannuation funds at a rate of 9.5 per cent (2014: 9.25 per cent) of salary. In addition, Departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.25 per cent (2014: 3.25 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key Management Personnel

2015	Short-term benefits		Long-term benefits				Total \$'000
	Salary \$'000	Other Benefits \$'000	Super-annuation \$'000	Post-Employment Benefits \$'000	Termination Benefits \$'000	Other Benefits & Long-Service Leave \$'000	
Key Management Personnel							
Governing Council							
Graeme Houghton - Governing Council Chair (to 16/01/2015)	29	1	4	0	0	0	34
John Ramsay - Governing Council Chair (from 17/01/2015)	22	0	2	0	0	0	24
Professor Denise Fassett - Governing Council Member & Chair of Quality, Safety & Clinical Risk Sub-Committee	38	1	4	0	0	0	43
Ross Hart - Governing Council Member	34	0	3	0	0	0	37
Dr Gavin Mackie - Governing Council Member (from 2/07/2015)	13	0	1	0	0	0	14
Mark Scanlon - Governing Council Member & Chair of Audit & Risk Sub-Committee	39	1	4	0	0	0	44
Total Governing Council Remuneration	175	3	18	0	0	0	196
Executive Directors							
John Kirwan - Chief Executive Officer, THO-North (to 02/01/2015)	156	-50	15	0	52	0	173
Sonia Purse - Director of Finance (to 25/12/2014)	59	19	6	0	0	3	87
Rebecca Howe - Director of Human Resources	114	3	15	0	0	3	134
Dr Peter Renshaw - Director of Clinical Services	191	16	27	0	0	5	239
Helen Bryan - Executive Director of Nursing	162	3	16	0	0	1	182
Cindy Hollings - Director of Allied Health	118	5	12	0	0	3	138
Cameron Matthews - Director of Corporate and Support Services	113	6	14	0	0	3	137
Philip Morris - Area Manager - Primary Health North (to 01/08/2014)	15	-8	2	0	40	0	49
Susan Crave - Area Manager - Mental Health North (to 03/08/2014)	14	2	1	0	0	0	17

9.1 (b) Remuneration of Key Management Personnel (Continued)

2015	Short-term benefits		Long-term benefits				Total \$'000
	Salary \$'000	Other Benefits \$'000	Super- annuation \$'000	Post- Employment Benefits \$'000	Termination Benefits \$'000	Other Benefits & Long-Service Leave \$'000	
Executive Directors continued							
Dr Alasdair MacDonald - <i>Director of Medicine</i>	191	59	21	0	0	5	276
Mr Brian Kirkby - <i>Director of Surgery</i>	184	54	20	0	0	5	263
Dr Christopher Bailey - <i>Director of Women's and Children's Services</i>	192	38	28	0	0	-4	254
Acting Key Management Personnel							
Sonia Purse - <i>Acting Chief Executive Officer, THO-North (from 03/01/2015)</i>	133	14	13	0	0	0	160
Donna Wilson - <i>Acting Director of Finance, THO- North (from 05/01/2015)</i>	46	13	5	0	0	0	64
Susan Crave - <i>Acting Area Manager - Primary Health North (from 04/08/2014)</i>	102	20	10	0	0	3	135
Andrew Adam - <i>Acting Area Manager - Mental Health North (from 04/08/2015)</i>	96	12	13	0	0	3	123
James Bellinger - <i>Acting Director of Human Resources (15/12/2014 - 30/01/2015)</i>	11	3	1	0	0	0	15
Dr John Sparrow - <i>Acting Director of Clinical Services (25/08/2014 - 03/10/2014)</i>	33	0	3	0	0	0	36
Lee Wallace - <i>Acting Executive Director of Nursing (01/07/2014 - 08/09/2014)</i>	23	12	4	0	0	0	39
Total Executive Management Remuneration	1 953	222	226	0	92	30	2 522
Total Key Management Personnel Remuneration	2 128	225	244	0	92	30	2 719

Termination benefits comprise of the recreation leave balance as at the time of departure.

Please note that the salary details above for the Director of Surgery, Director of Medicine, Director of Women's and Childrens Services and Director of Clinical Services is inclusive of both managerial/administrative time and clinical time.

Remuneration does not include private practice payments, on-call, in lieu of call and other allowances where relevant.

9.2 DEPRECIATION AND AMORTISATION

(a) Depreciation

	2015 \$'000	2014 \$'000
Plant, equipment and vehicles	3 528	3 116
Buildings	9 988	9 863
Total	13 516	12 979

(b) Amortisation

	2015 \$'000	2014 \$'000
Intangibles	111	91
Total	111	91
Total depreciation and amortisation	13 627	13 070

9.3 SUPPLIES AND CONSUMABLES

	2015 \$'000	2014 \$'000
Consultants	69	177
Property Services	6 654	7 017
Maintenance	6 353	5 139
Communications	1 489	1 468
Information Technology	2 105	1 795
Travel and Transport	2 524	2 765
Medical, Surgical and Pharmacy Supplies	57 740	60 134
Advertising and Promotion	8	40
Patient and Client Services	6 697	5 957
Leasing Costs	783	882
Equipment and Furniture	2 269	3 051
Administration	2 142	1 920
Food Production Costs	3 691	3 604
Other Supplies and Consumables	546	3 650
Corporate Overhead Charge	7 571	6 854
Service Fees	104	70
Audit Fees	99	102
Total	100 844	104 625

Audit Fees includes expenditure related to the audit of these financial statements. The total audit fee for this financial year is \$87 980 (2014: \$87 980).

9.4 GRANTS AND SUBSIDIES

	2015 \$'000	2014 \$'000
Other Grants		
Grant - Other	10 505	2 269
Total	10 505	2 269

Grants - Other relates to grants from THO-North to DHHS for infrastructure projects.

9.5 OTHER EXPENSES

	2015 \$'000	2014 \$'000
Salary on-costs	1 602	1 763
Tasmanian Risk Management Fund premium	3 844	3 315
Other	207	15
Total	5 653	5 093

Tasmanian Risk Management Fund premium does not include workers compensation premium. The premium for workers compensation is included in the salary on-costs line item of this note.

NOTE 10 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

10.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Net gain/(loss) on disposal of physical assets	7	118
Total net gain/(loss) on non-financial assets	7	118

10.2 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

	2015 \$'000	2014 \$'000
Impairment of loans and receivables	39	210
Total	39	210

NOTE II ASSETS

II.1 RECEIVABLES

	2015 \$'000	2014 \$'000
Receivables	4 471	5 507
Less: Provision for impairment	(105)	(199)
Total	4 366	5 308
Sales of goods and services (inclusive of GST)	3 403	4 404
Tax assets	963	904
Total	4 366	5 308
Settled within 12 months	4 366	5 308
Total	4 366	5 308

Reconciliation of movement in provision for impairment of receivables	2015 \$'000	2014 \$'000
Carrying amount at 1 July	199	460
Amounts written off during the year	(55)	(51)
Increase/(decrease) in provision recognised in profit or loss	(39)	(210)
Carrying amount at 30 June	105	199

II.2 OTHER FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Accrued Revenue	3 911	5 501
Inter Entity Balance	1 777	1 754
Total	5 688	7 255
Settled within 12 Months	5 688	7 255
Total	5 688	7 255

11.3 INVENTORIES

	2015 \$'000	2014 \$'000
Pharmacy	1 566	1 561
Catering	100	97
Linen	397	397
General Supplies	726	737
Total	2 789	2 792
Consumed within 12 Months	2 789	2 792
Total	2 789	2 792

11.4 ASSETS HELD FOR SALE

(a) Carrying amount

	2015 \$'000	2014 \$'000
Buildings	340	0
Total	340	0
Settled within 12 Months	340	0
Settled in more than 12 Months	0	0
Total	340	0

(b) Fair value measurement of Assets held for sale (including fair value levels)

2015	Carrying value at 30 June \$'000	Fair value measurement at end of reporting period		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Buildings	340	0	340	0
Total	340	0	340	0

11.5 PROPERTY, PLANT AND EQUIPMENT

(a) Carrying amount

	2015 \$'000	2014 \$'000
Land		
Land at fair value	13 125	13 325
Total land	13 125	13 325
Buildings		
Buildings at net fair value	348 811	350 463
Less: Accumulated depreciation	(253)	(10 419)
Total buildings	348 558	340 044
Plant, equipment and vehicles		
At cost	33 256	26 535
Less: Accumulated depreciation	(10 002)	(6 519)
Total plant, equipment and vehicles	23 254	20 016
Work in progress		
Buildings	1 179	1 167
Plant, equipment and vehicles	1 348	1 285
Total work in progress	2 527	2 452
Total property, plant and equipment	387 464	375 837

THO-North's land and building assets were revalued independently by the Valuer-General of Tasmania as at 30 June 2015 using an adjustment indice of 1.0 (Land) and 1.03 (Building). This was based on market movement factors and building cost indices. This revaluation was in accordance with the Treasurer's Instruction 303 *Recognition and Measurement of Non-Current Assets* and the Australian Accounting Standard (AASB 116). Revaluations are shown on a net basis and will continue to do so until the next full revaluation is performed. This is due to occur on 1 July 2017.

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2015	Land Level 2	Buildings Level 3	Plant, equipment and vehicles	Works in progress	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	13 325	340 044	20 016	2 452	375 837
Additions - THO acquisition	0	0	0	2 262	2 262
Additions - DHHS capital grant	0	0	0	13 598	13 598
Disposals	(200)	(170)	(16)	0	(386)
Revaluation increments (decrements)	0	9 985	0	0	9 985
Assets held for sale	0	(340)	0	0	(340)
Transfers between classes	0	0	0	23	23
WIP transfers	0	9 027	6 781	(15 808)	0
Depreciation	0	(9 988)	(3 528)	0	(13 516)
Carrying value at 30 June	13 125	348 558	23 253	2 527	387 463

2014	Land Level 2	Buildings Level 3	Plant, equipment and vehicles	Works in progress	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	11 945	329 610	15 974	522	358 051
Additions – THO acquisition	0	23	5 377	2 179	7 579
Additions – DHHS capital grant	0	18 546	1 496	0	20 042
Disposals	0	0	(33)	0	(33)
Net additions through restructuring (refer Note 1.6)	1 179	1 635	26	0	2 840
Revaluation increments (decrements)	0	16	(39)	0	(23)
Assets held for sale	0	159	0	0	159
Transfers between classes	201	(82)	331	(249)	201
Depreciation	0	(9 863)	(3 116)	0	(12 979)
Carrying value at 30 June	13 325	340 044	20 016	2 452	375 837

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Valuation techniques used to measure fair value shall maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Agencies should make an assessment as to which fair value hierarchy level assets should be valued at, based on inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure the fair value to the extent that relevant observable inputs are not available.

(c) Level 3 significant valuation inputs and relationship to fair value

All THO-North Buildings are valued at Depreciated Replacement Cost. As such, they are categorised as Level 3 within the fair value hierarchy. The valuation method used for THO-North's land was a market approach and therefore, land is categorised as Level 2.

Description	Fair Value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Building	348 558	A – Construction costs B – Age and condition of asset C – Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have remained stable over the last 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

(d) Asset where current use is not the highest and best use

THO-North holds buildings. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the purpose for which that asset is currently being used/occupied. THO-North considers that the highest and best use for this asset is the purpose for which the building is currently occupied.

11.6 INTANGIBLES

Intangible assets with a finite useful life held by THO-North principally comprise computer software.

(a) Carrying amount

	2015 \$'000	2014 \$'000
Intangibles with a finite useful life		
Other non-current assets	872	872
Less: Accumulated amortisation	(279)	(168)
Total	593	704
Capital work in progress	191	23
Total Intangibles	784	727

(b) Reconciliation of movements

	2015 \$'000	2014 \$'000
Carrying amount at 1 July	727	385
Intangible Assets - Purchases	0	410
Intangible Assets - Capital Grants	191	0
Net transfers through restructuring	0	23
Transfers between classes	(23)	0
Amortisation - Intangible assets	(111)	(91)
Carrying amount at 30 June	784	727

11.7 OTHER ASSETS

(a) Carrying amount

	2015 \$'000	2014 \$'000
Prepayments	1 405	2 410
Total	1 405	2 410
Recovered within 12 months	1 082	2 055
Recovered in more than 12 months	323	355
	1 405	2 410

(b) Reconciliation of movements

	2015 \$'000	2014 \$'000
Carrying amount at 1 July	2 410	1 633
Additions	1 405	2 410
Utilised	(2 410)	(1 633)
Carrying amount at 30 June	1 405	2 410

NOTE 12 LIABILITIES

12.1 PAYABLES

	2015 \$'000	2014 \$'000
Creditors	5 394	5 235
Accrued Expenses	13 328	7 535
Total	18 722	12 770
Settled within 12 months	18 722	12 770
Total	18 722	12 770

12.2 EMPLOYEE BENEFITS

	2015 \$'000	2014 \$'000
Accrued salaries	7 642	8 399
Annual leave	23 233	21 051
Long service leave	30 236	30 515
Sabbatical leave	759	576
Other employee benefits	1 668	1 548
Total	63 538	62 089
Expected to settle wholly within 12 months	26 227	25 884
Expected to settle wholly after 12 months	37 311	36 205
Total	63 538	62 089

12.3 OTHER LIABILITIES

	2015 \$'000	2014 \$'000
Revenue received in advance		
Other revenue received in advance	448	221
Other Liabilities		
Employee benefits - on-costs	376	494
Other liabilities	3 039	2 829
Total	3 863	3 544
Settled within 12 months	3 610	3 209
Settled in more than 12 months	253	335
Total	3 863	3 544

NOTE 13 COMMITMENTS AND CONTINGENCIES

13.1 SCHEDULE OF COMMITMENTS

	2015 \$'000	2014 \$'000
By type		
<i>Capital Commitments</i>		
Property, Plant and Equipment	353	0
<i>Other Capital Commitments</i>	353	0
<i>Operating Lease Commitments</i>		
Motor Vehicles	1 250	1 212
Medical Equipment	430	653
Rent on Buildings	201	171
Office Equipment	1 011	1 471
<i>Total Lease Commitments</i>	2 892	3 507
<i>Other Commitments</i>		
Miscellaneous Goods and Services contracts	21 860	13 527
<i>Total Other Commitments</i>	21 860	13 527
Total	25 105	17 034
By Maturity		
<i>Capital Commitments</i>		
One year or less	353	0
From one to five years	0	0
More than five years	0	0
<i>Total Capital Commitments</i>	353	0
<i>Operating Lease Commitments</i>		
One year or less	1 358	1 711
From one to five years	1 481	1 796
More than five years	53	0
<i>Total Operating Lease Commitments</i>	2 892	3 507
<i>Other Commitments</i>		
One year or less	5 980	3 085
From one to five years	12 594	7 022
More than five years	3 286	3 420
<i>Total Other Commitments</i>	21 860	13 527
Total	25 105	17 034

The above commitments are the THO-North commitments as at 30 June 2015 and are not representative of the commitments of the THS upon amalgamation on 1 July 2015.

13.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2015 \$'000	2014 \$'000
Quantifiable contingent liabilities		
<i>Contingent claims</i>		
Other legal claims	763	1 800
Total quantifiable contingent liabilities	763	1 800
Quantifiable contingent assets		
Total quantifiable contingent assets	0	0

NOTE 14 RESERVES

14.1 RESERVES

2015	Land	Buildings	Artwork	Total \$'000
Asset revaluation reserve				
Balance at the beginning of financial year	499	66 773	41	67 313
Revaluation increments/(decrements)	0	9 985	0	9 985
Balance at the end of financial year	499	76 758	41	77 298
2014	Land	Buildings	Artwork	Total \$'000
Asset revaluation reserve				
Balance at the beginning of financial year	499	66 750	81	67 330
Revaluation increments/(decrements)	0	23	(40)	(17)
Balance at the end of financial year	499	66 773	41	67 313

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in Note 1.10 (f).

14.2 CONTRIBUTED CAPITAL RESERVE

	Note	2015 \$'000	2014 \$'000
Contributed capital reserve			
Balance at the beginning of financial year		215 388	214 683
Administrative restructure - net assets received	(a)	0	705
Balance at the end of financial year		215 388	215 388

Capital Contributed Reserve

(a) Changes to the Capital Contributed records capital contributed on the transfer of Statewide and Mental Health Services on 1 July 2013 when Mental Health North joined THO-North.

NOTE 15 CASH FLOW RECONCILIATION

15.1 CASH AND DEPOSITS

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, on behalf of THO-North, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2015 \$'000	2014 \$'000
Special Deposits and Trust Fund Balance		
T474 THO North Patient Trust and Hospital Bequest Account	10 723	9 941
T531 THO - North Operating Account	25 161	28 555
Total	35 884	38 496
Other cash held		
Other cash equivalents not included above	15	18
Total	15	18
Total cash and deposits	35 899	38 514

15.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2015 \$'000	2014 \$'000
Net result from transactions (net operating balance)	(11 508)	12 110
Depreciation and amortisation	13 627	13 070
Recognition of assets as a result of stocktake/donations	0	(16)
Capital grants income	(13 800)	(20 041)
Doubtful debts	39	210
Transfer of assets due to restructure	0	(2 242)
Decrease (increase) in Receivables	942	(1 901)
Decrease (increase) in Other assets	2 572	(3 516)
Decrease (increase) in Inventories	3	76
Increase (decrease) in Employee entitlements	1 449	8 702
Increase (decrease) in Payables	5 952	4 018
Increase (decrease) in Other liabilities	319	175
Net cash from/(used by) operating activities	(405)	10 645

NOTE 16 FINANCIAL INSTRUMENTS

16.1 RISK EXPOSURES

(a) Risk management policies

THO-North has exposure to the following risks from its use of financial instruments:

- ▶ credit risk;
- ▶ liquidity risk; and
- ▶ market risk.

The Governing Council and the CEO have responsibility for the establishment and oversight of THO-North's risk management framework. Risk management policies are established to identify and analyse risks faced by THO-North, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		
Loans and Receivables	Loans and Receivables are recognised at the nominal amounts due, less any provision for impairment. Collectability of debts is reviewed on a monthly basis. Provisions are made when the collection of the debt is judged to be less rather than more likely.	Receivables credit terms are generally 45 days.
Other financial assets	Other financial assets are recognised at the nominal amounts due, less any provision for impairment.	Other financial assets credit terms are generally 45 days.
Cash and deposits	Cash and deposits are recognised at face value.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

THO-North does not hold any security instrument for its cash and deposits, other financial assets and receivables. No credit terms on any departmental financial assets have been renegotiated.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents THO-North's maximum exposure to credit risk without taking into account any collateral or other security:

Analysis of financial assets at 30 June 2015 but not impaired				
	Not past due \$'000	Past due 30 – 120 days \$'000	Past due > 120 days \$'000	Total \$'000
Receivables	3 355	780	251	4 366
Other financial assets	5 688	0	0	5 688
Total	9 023	780	251	10 054

Analysis of financial assets at 30 June 2014 but not impaired				
	Not past due \$'000	Past due 30 – 120 days \$'000	Past due > 120 days \$'000	Total \$'000
Receivables	4 243	917	148	5 308
Other financial assets	7 255	0	0	7 255
Total	11 498	917	148	12 563

(c) Liquidity risk

Liquidity risk is the risk that THO-North will not be able to meet its financial obligations as they fall due. THO-North's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.	Settlement is usually made within 30 days.
Other financial liabilities	Other financial liabilities are recognised at amortised cost, which due to the short settlement period equates to face value, when the Department becomes obliged to make payments as a result of the purchase of assets or services. The Department regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 30 days.

The following tables detail the undiscounted cash flows payable by THO-North by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position.

2015								
	Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	18 722	0	0	0	0	0	0	18 722
Other financial liabilities	3 863	0	0	0	0	0	0	3 863
Total	22 585	0	0	0	0	0	0	22 585
2014								
	Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	12 770	0	0	0	0	0	0	12 770
Other financial liabilities	3 546	0	0	0	0	0	0	3 546
Total	16 316	0	0	0	0	0	0	16 316

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that THO-North is exposed to is interest rate risk.

THO-North currently has no financial liabilities at fixed interest rates.

16.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2015 \$'000	2014 \$'000
Financial assets		
Cash and cash equivalents	35 899	38 514
Loans and receivables	10 054	12 563
Total	45 953	51 077
Financial Liabilities		
Financial liabilities measured at amortised cost	22 585	16 314
Total	22 585	16 314

THO-North's maximum exposure to credit risk for its financial assets is \$45.9 million. It does not hold nor is a party to any credit derivatives and no changes have occurred to the fair value of its assets as a result of market risk or credit risk. While interest rates have changed during the financial year, the value of security held is significantly more than the value of the underlying asset and no loan advances are impaired. The value of receivables is not affected by changes in interest rates. THO-North actively manages its credit risk exposure for the collectability of its receivables and outstanding loans.

16.3 RECLASSIFICATIONS OF FINANCIAL ASSETS

No reclassification of Financial Assets occurred during 2014-15.

16.4 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying Amount 2015 \$'000	Net Fair Value 2015 \$'000	Carrying Amount 2014 \$'000	Net Fair Value 2014 \$'000
Financial assets				
Other financial assets				
Other	45 955	45 955	51 088	51 088
Total financial assets	45 955	45 955	51 088	51 088
Financial liabilities (Recognised)				
Other financial liabilities				
Other	22 587	22 587	16 316	16 316
Total Financial liabilities (Recognised)	22 587	22 587	16 316	16 316

NOTE 17 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT

Account/Activity	Opening balance \$'000	Net transactions during 2014-15 \$'000	Closing balance \$'000
T474 THO-North Patient Trust and Hospital Bequest Account	1 107	1 117	2 224



Independent Auditor's Report

To Members of the Tasmanian Parliament

Tasmanian Health Organisation – North

Financial Statements for the Year Ended 30 June 2015

Report on the Financial Statements

I have audited the accompanying financial statements of Tasmanian Health Organisation — North (the Organisation), which comprise the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Chair of the Governing Council and Acting Chief Executive Officer:

Auditor's Opinion

In my opinion the Organisation's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2015 and its financial performance, cash flows and changes in equity for the year then ended
- (b) are in accordance with the *Tasmanian Health Organisation Act 2011*, the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

The Responsibility for the Financial Statements

The Chair of the Governing Council and the Acting Chief Executive Officer are jointly responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, Section 34 of *Tasmanian Health Organisation Act 2011* and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Chair of the Governing Council and the Acting Chief Executive Officer's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chair of the Governing Council and the Acting Chief Executive Officer, as well as evaluating the overall presentation of the financial statements.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Organisation's financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. *The Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



H M Blake

Auditor-General

Hobart

15 September 2015

GLOSSARY

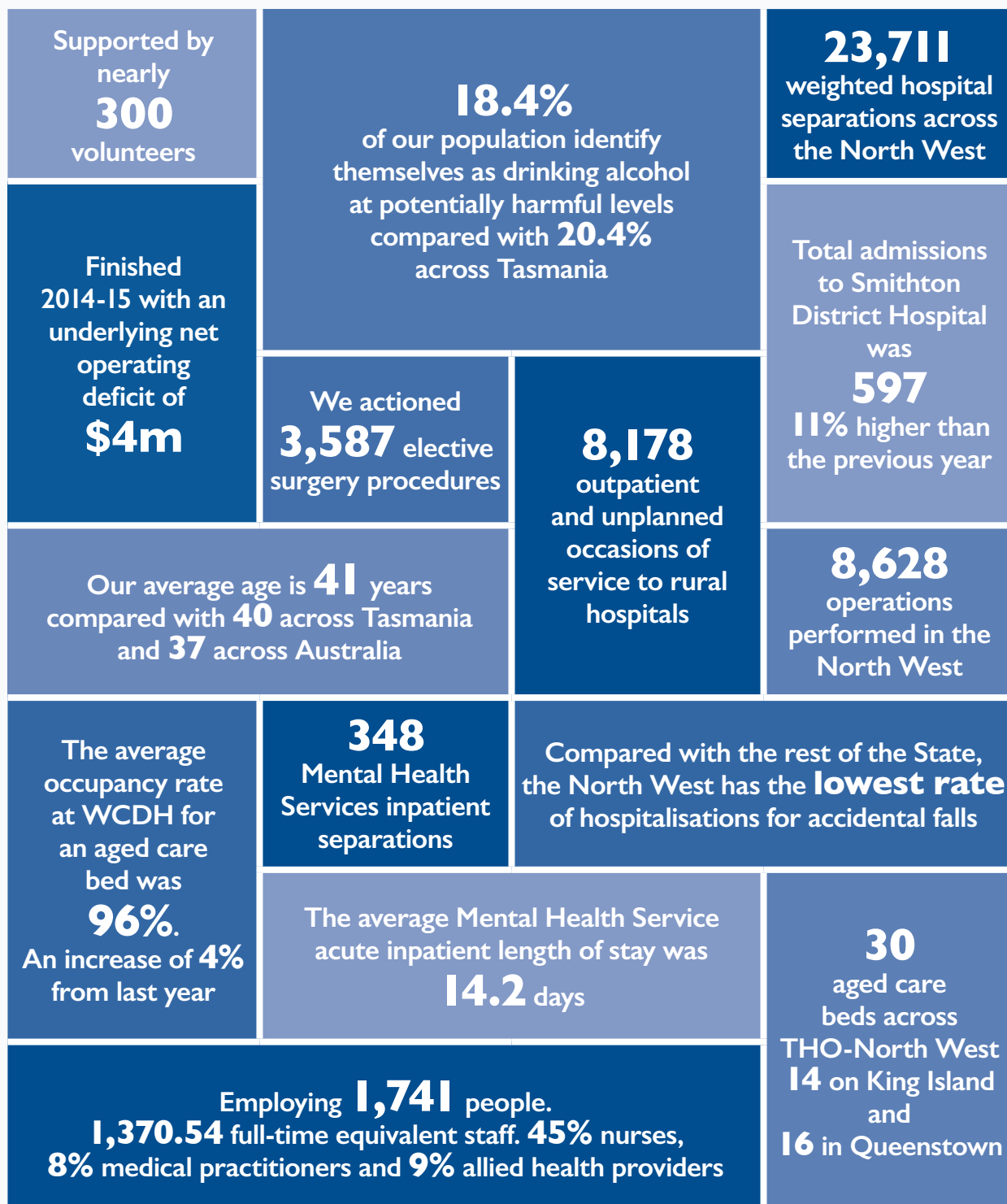
Acronym	Name in Full
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABF	Activity Based Funding
AMS	Asset Management Services
A&RS	Audit and Risk Sub-Committee
ATO	Australian Taxation Office
CAC	Consumer Advisory Council
CEO	Chief Executive Officer
CHC	Community Health Centre
COPE	Commonwealth Own Purpose Expenditure
CIP	Capital Improvements Program
DH	District Hospital
DHHS	Department of Health and Human Services
FBT	Fringe Benefits Tax
FTE	Full Time Equivalent
GGs	General Government Sector
GM5	Give Me Five For Kids
GST	Goods and Services Tax
HSR	Health and Safety Representative
HVAC	Heating, Ventilation and Air Conditioning
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICU	Intensive Care Unit
IFRS	International Financial Reporting Standards
IHPA	Independent Hospital Pricing Authority
KPI	Key Performance Indicator
LGH	Launceston General Hospital
MHS-N	Mental Health Services - North
MPC	Multipurpose Centre
MPS	Multipurpose Service
NEP	National Efficient Price
NHCDC	National Hospital Cost Data Collection
NHRA	National Health Reform Agreement
NPA-IHST	National Partnership Agreement on Improving Health Services in Tasmania
NPPs	National Partnership Payments
NSQHSS	National Safety and Quality Health Service Standards
PHN	Primary Health North
QS&CRS	Quality Safety and Clinical Risk Sub-Committee

Acronym	Name in Full
RTI	Right to Information
SAMP	Strategic Asset Management Plan
SCIF	Special Capital Investment Fund
SES	Senior Executive Services
SIIRP	Structured Infrastructure Investment Review Process
SME	Small Medium Enterprise
THO	Tasmanian Health Organisation
THO—North	Tasmanian Health Organisation — North
THO—North West	Tasmanian Health Organisation — North West
THO—South	Tasmanian Health Organisation — South
THS	Tasmanian Health Service
TI	Treasurer's Instruction
TIPCU	Tasmanian Infection Prevention and Control Unit
TRMF	Tasmanian Risk Management Fund
WHS	Work Health and Safety
YTD	Year to Date

CHAPTER 2
TASMANIAN HEALTH ORGANISATION — NORTH WEST
ANNUAL REPORT 2014-15



FACTS AND FIGURES



FACTS AND FIGURES

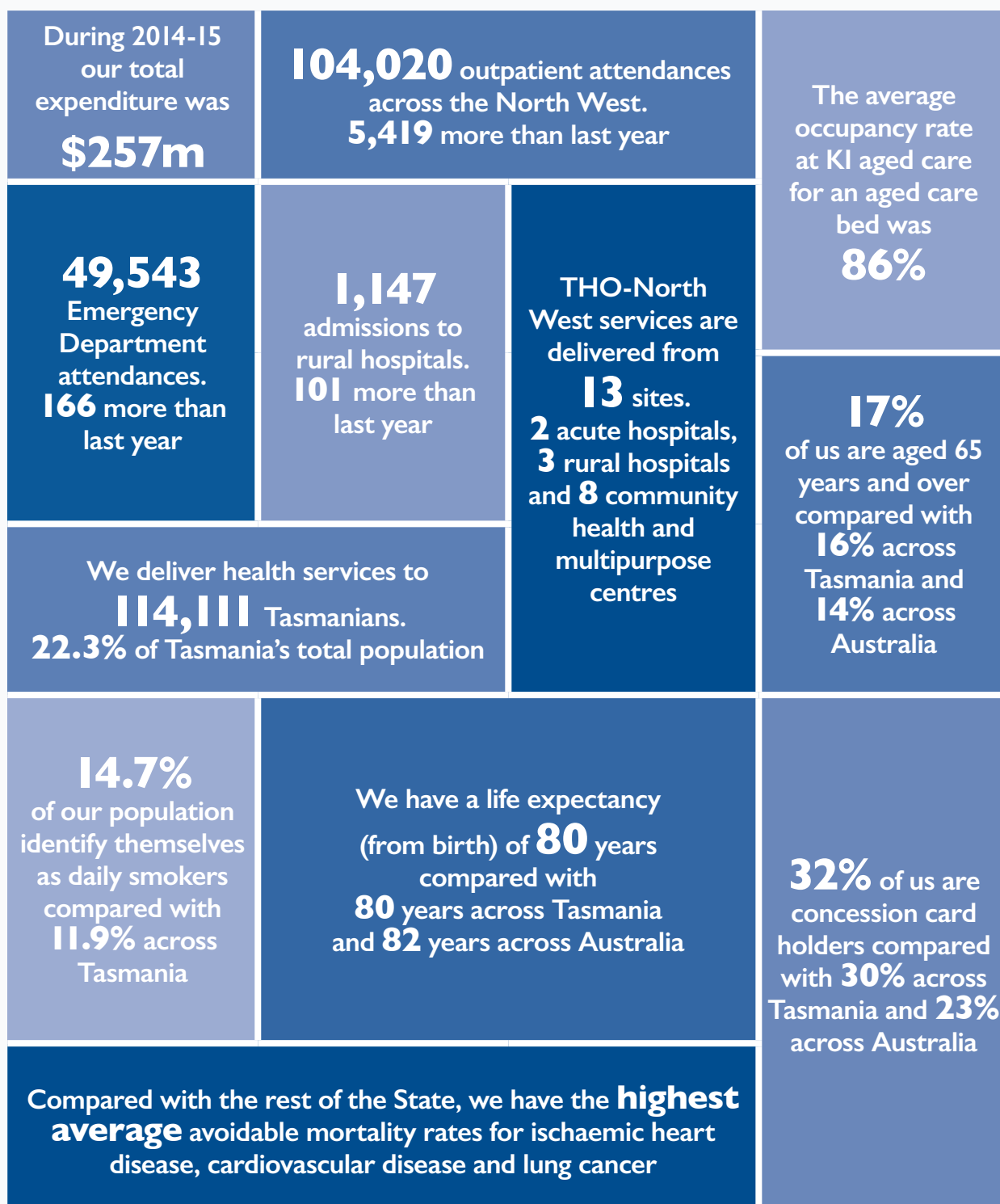


TABLE OF CONTENTS

INTRODUCTION 116

Year in Review	116
Performance	116
THO-North West Capital Improvements	118

GOVERNING COUNCIL 119

Governing Council Members	120
Governing Council Member Attendance Record	122
Governing Council Member Remuneration Report	125
Governing Council Sub Committee Reports	126
Safety and Quality Sub Committee Report	126
Audit and Risk Sub Committee Report	128

PART 1 - OVERVIEW 130

Organisational Chart	130
Our Organisation	130
Our Services	131
Our Locations	133
Our Community and Volunteers	134
Donations	141
Our Workforce	143
Finances	147
Financial Highlights	148
Accreditation	149
Awards and Agreements	151
Our Performance	152
Activities and Achievements	158

Primary Health Services	160
2014-15 Activity Data - North West Regional Hospital	165
2014-15 Activity Data - Mersey Community Hospital	168
2014-15 Activity Data - District Hospitals - Smithton, West Coast and King Island	171
2014-15 Activity Data - Mental Health Services	172
Strategic Directions	173

PART 2 - SUPPLEMENTARY INFORMATION 176

Climate Change	176
Risk Management	176
Insurable Risk	178
Capital Works and Asset Management	179
Consultancies, Contracts and Tenders	183
Right to Information	185
Work Health and Safety	187
Publications	189
Ministerial Directions and Performance Escalations	190

PART 3 - FINANCIAL STATEMENTS 193

Statement of Certification	194
Financial Statements	195
Audit Report	242

GLOSSARY 244

YEAR IN REVIEW



In 2011, the Tasmanian public health service underwent a structural transformation which saw the development and introduction of the *Tasmanian Health Organisation Act 2011* and the establishment of Tasmanian Health Organisations on 1 July 2012.

The transition of health services from the Department of Human and Health Services (DHHS) to Tasmanian Health Organisation – North (THO—North West) continued following the addition of Mental Health Services to THO—North West's stable of operations on 1 July 2013.

This year, the State Government announced changes to the way health will be structured and administered in Tasmania and from 1 July 2015 and in place of the existing three regional Tasmanian Health Organisations (THOs), a new single Tasmanian Health Service (THS) will be established with an appropriate and accountable governance structure. The THS will be the foundation structure upon which the One State, One Health System, Better Outcomes reforms will be implemented.

THO—North West continues to progress the reform agenda across the organisation and strives to deliver safe, quality, appropriate and sustainable health services relevant to the needs of those people living in Tasmania's North West.

PERFORMANCE

In 2014-15, THO—North West recorded an underlying net operating deficit of \$4.3 million, which was \$2.4 million more than the budgeted underlying net operating deficit of \$1.8 million (see note 7 of the financial statements for further details). The deficit was the result of salaries and related expenditures exceeding budget by \$7.1 million and other operating expenditures exceeding budget by \$15.0 million, offset by revenues exceeding budget by \$19.7 million (see note 4 for further details on material variances).

The North West Regional Hospital (NWRH) in Burnie is the receiving hospital for North West trauma patients. In order to deliver better quality healthcare and improve outcomes for its patients, the hospital has been involved with the University of Tasmania clinical redesign project known as Health Services Innovation Tasmania or HSI Tas. The university has been allocated \$12 million by the Australian Government to help implement clinical redesign in the Tasmanian hospital system from 2013 - 2016. NWRH is working to improve patient outcomes and is working to meet the National Emergency Access Target (NEAT) which aims to ensure 90 per cent of all patients leave its emergency department within four hours of arrival - discharged, admitted or transferred.

Through a Heads of Agreement (HoA) between the Australian Government and the State, the Mersey Community Hospital (MCH) delivers a suite of non-complex surgical services. In mid-2015 the Tasmanian and Australian governments agreed to continue the arrangement for a further two years. The hospital's emergency department (ED) remains a busy unit managing a large volume of presentations and retains the capacity to provide care for suitable low complexity paediatric patients within its short stay unit. It also continues to experience growing demand for ambulatory paediatric services, with this demand being met through outpatient paediatric clinics.

To reduce avoidable hospital admissions and to support the seamless transition of clients returning home from hospital, the Primary Health Service (PHS) Community Nursing Service works closely with NWRH and MCH. This year the service delivered 101 287 occasions of care and demand for this service continues to grow.

Our Allied Health Services (AHS) operate across Tasmanian's North West through three main sites: NWRH, MCH, and Devonport Community and Health Services Centre (DCHSC). Outreach services are also provided to the three rural inpatient facilities in Smithton, Queenstown and King Island, as well as a number of community health centres in Wynyard, Ulverstone and Burnie.

The AHS Paediatric Multidisciplinary Continence Clinic completed its first 18 months of service for children across the region based out of DCHSC and NWRH. These children previously had to see two or more therapists individually but can now be seen in a team approach including time with a Paediatrician, Physiotherapist and Occupational Therapist and go home with an action plan. Of the children who received service from the team 69 per cent have had a 90 per cent improvement in symptoms post intervention with the multidisciplinary team. The service has received more referrals than anticipated and strategies to increase or provide fast track screening are being investigated.

The Mental Health Service (MHS) provides specialist assessment and treatment services to people with a serious mental illness. This year the service saw a 14 per cent increase in the number of people accessing the service which equates to a total of 1824 people. There were 27 150 contacts made with these clients throughout the year. Despite an increase in the number of people accessing the service, admissions to the Spencer Clinic Inpatient Unit decreased by 16 per cent. There were a total of 348 admissions throughout the year.

The service has performed exceptionally well on indicators of service effectiveness. Although the length of stay increased by 6.7 per cent to 14.2 days, the unplanned readmission rate dropped by 31 percent. This is an indication of the effectiveness of treatment within the inpatient unit and the assertive community support. Similarly positive progress was made to reduction in the use of seclusion - a 33 per cent reduction in the seclusion rate.

A number of initiatives were introduced over the year to enhance consumer input into service delivery and service improvement. Working in partnership with Flourish Mental Health Action in Our Hands Inc, consumer representation was introduced into service planning forums, Mental Health Executive meetings and the Seclusion and Restraint Committee.

Investment of e-Health continues with a number of new electronic information systems being implemented this year to increase sharing of clinical information. Hospital consultants now have access to an electronic consultation summary, which allows them to dictate or type their specialist letters into an electronic system. These summaries are then automatically sent to patients' general practitioner, which allows for a seamless hand-over to primary care. In September 2014, the electronic discharge summary system was enhanced and now includes instructions for patients on high risk medicines, which is in line with the Australian Commission on Safety and Quality in Health Care (ACSQHC) medication safety priority.

THO—NORTH WEST CAPITAL IMPROVEMENTS

Investment in THO—North West facilities and services remains ongoing with key milestones achieved this year. The NWRH capital works program has been significant for several years with a number of major works coming to a close in 2015-16. Key project at NWRH include:

► North West Regional Cancer Centre

The \$31.8 million North West Regional Cancer Centre (includes North West Regional Emergency Department) has been funded through the Commonwealth Health and Hospitals Fund (HHF) and will be completed by the end of 2015. The multi-storey building will feature chemotherapy treatment, consulting rooms, and teaching facilities. It will also include linear accelerator bunkers and a new main entrance to the hospital. The Cancer Centre will take its first patients in late 2015. Radiation therapy - through the linear accelerator - will begin in mid-2016.

► Emergency Department Redevelopment

The NWRH ED was completed at the end of June 2015 and has tripled in size from the previous unit (part of the North West Regional Cancer Centre rebuild project above). It offers a contemporary environment and features eight additional general treatment cubicles (with two specific paediatric treatment cubicles), new waiting areas, a new front reception, an expanded ambulance bay, a dedicated secure mental health room, an isolation room, a decontamination unit, short stay/acute medical unit and a four bay discharge lounge.

The Australian Government also committed to fund major works at MCH associated with fire systems management and the expansion and redevelopment of the MCH Pharmacy to comply with current standards. In 2014-15 these works have included:

► Redevelopment of the Medical Day Procedure Unit.

This \$446 000 project has involved the relocation of the unit to vacant space on the MCH Surgical Ward. The unit is now positioned closer to complementary hospital services including Stomal Therapy and the Outpatients Clinic, which has made the treatment journey a little smoother for patients. A Telehealth facility has been installed within the unit for patient consultation.

► Redevelopment of Pharmacy, Stores and Admission areas

The \$1.5 million Australian Government and State funded project (State contribution for Stores component was \$503 000 out of the general Mersey Community Hospital capital fund) saw the floor area of the old Pharmacy (including waiting area) expand from 120 to 172 square metres, an additional 52 square metres for pharmacy storage, staff and education room.

► Fire Rectification upgrade

This \$2.9 million project ensures MCH complies with current standards. Upgrade works included identification and remediation of fire and smoke walls and floor penetrations, new smoke exhaust and sprinkler installations in service shafts for smoke management, removal of basement plant and provision of improved smoke management for basement areas and upgraded fire detection throughout the hospital building.

GOVERNING COUNCIL

The *Tasmanian Health Organisations Act 2011* (THO Act) specifies the functions and powers of Governing Councils and each Governing Council may consist of between four and eight members. The Act also includes provisions for acting members, disclosure of member interests and offences as members, which are generally consistent with standard corporate governance arrangements.

The Tasmanian Minister for Health and the Treasurer are the responsible ministers under the THO Act. Together they perform the role of Systems Manager as described in Section 8 (a) of the National Health Reform Agreement. As the departments for the respective Ministers, the Department of Treasury and Finance and Department of Health and Human Services (DHHS) perform many of the roles and functions of the responsible ministers.

The THO—North West Governing Council sets the THO’s strategic direction. The Governing Council consists of a common chair of all three THOs appointed by the Premier and four other members appointed by the Minister for Health. The Governing Council is required under its Ministerial Charter to establish an Audit and Risk Sub-Committee.

The functions of the Governing Council are to:

- ▶ Negotiate the THO service agreement
- ▶ Ensure the organisation delivers the services agreed under the Service Agreement
- ▶ Ensure the organisation delivers the services in accordance with the performance standards set out in the service agreement
- ▶ Ensure the organisation operates within the budget set out in the Service Agreement
- ▶ Improve the outcomes for patients in the THO area in accordance with the Service Agreement
- ▶ Consult and provide information to the State Government and people within the THO area
- ▶ Ensure that the objectives specified in the THO Ministerial Charter and Corporate Plan are achieved
- ▶ Provide advice to the Minister for Health about future capital investment requirements of the THO and the planning of service delivery

The selection criteria for Governing Council members are consistent with the requirements of the National Health Reform Agreement, including:

- ▶ Skills and experience necessary to oversee and provide guidance to a large complex organisation
- ▶ Skills and experience in health management, business management and financial management
- ▶ Clinical expertise
- ▶ An understanding of the health needs of the local area.

The Chief Executive Officer (CEO) of THO—North West leads a management team responsible for the administration and management of THO operations. The CEO is appointed by the Premier as the Minister administering the *State Service Act 2000* on the recommendation of the Governing Council and is accountable to the Governing Council.

GOVERNING COUNCIL MEMBERS



MR GRAEME HOUGHTON (CHAIR - 2012 to JANUARY 2015)

Mr Graeme Houghton continued in his role as Chair, Tasmanian Health Organisations until January 2015.

Graeme holds a BSc and Master of Health Administration, and is a Fellow of the Australian College of Health Service Management, and Fellow of the Australian Institute of Company Directors.

Previous appointments include Chief Executive Officer of Fairfield Hospital, Austin Hospital, the Repatriation General Hospital (Daw Park) and The Royal Victorian Eye and Ear Hospital. He also has experience in the private hospital sector and as Hospital Standards and Accreditation Advisor to the National Department of Health in Papua New Guinea.

Graeme is an accreditation surveyor for the Australian Council of Healthcare Standards, an Adjunct Associate Professor in the School of Public Health at La Trobe University and a member of the Boards of Management of Mayfield Education Centre and Guide Dogs Victoria.



MR JOHN RAMSAY (CHAIR - COMMENCING JANUARY 2015)

John Ramsay was a Department Secretary in Tasmania for 23 years. During his time as Secretary of the Tasmanian Department of Health and Human Services, 1999-2005, he was Deputy Chair and subsequently Chair of the Australian Health Ministers Advisory Council (AHMAC), and chaired the AHMAC Health Workforce Committees. He was also a member of the Australian Medical Workforce Advisory Committee, a member of the 2002 National Review of Nursing Education, and a member of the Australian Medical Council.

Since 2005, John has continued to work in health related areas in a consultancy capacity, including work for the AHMAC, the Australian Commission on Safety and Quality in Health Care and in environment and natural resources, working for the Tasmanian and Australian Governments.

He is a Fellow of the University of Tasmania and an Honorary Member of the Planning Institute of Australia. While not practising as a lawyer, John was admitted to practice in the Supreme Court of Tasmania in 1976.

John commenced his role as the Chair, Tasmanian Health Organisations on 17 January 2015.



From Left: Sarah Jordan, Associate Professor Deb Wilson, Dale Elphinstone, Dr Emil Djakic, John Ramsay

MRS SARAH JORDAN

Mrs Sarah Jordan is Chair of the Governing Council's Audit and Risk Sub-Committee. Sarah was the former CEO of General Practice Tasmanian Ltd for 10 years and has a Master's degree in Economics from the University of Tasmania.

ASSOCIATE PROFESSOR DR DEBORAH WILSON

Dr Deborah Wilson is Chair of the Governing Council's Quality and Safety Sub-Committee. She is a specialist anaesthetist who has worked for more than 15 years in the public and private health care sectors across Tasmania's North West.

MR DALE ELPHINSTONE

Mr Dale Elphinstone is the Executive Chairman of the Elphinstone Group which he founded in 1975. Dale has considerable experience in the engineering, manufacturing and heavy machinery industries.

DR EMIL DJAKIC

Dr Emil Djakic is a Tasmanian-born general practitioner (GP) who has been based in Ulverstone in Tasmania's North West for 20 years. Emil has broad experience in various roles including the Chairman of the Board of General Practice North West and the Australian General Practice Network.

GOVERNING COUNCIL MEMBER ATTENDANCE RECORD

THO—NORTH WEST GOVERNING COUNCIL MEETING ATTENDANCE 2014-15

The THO—North West Governing Council met 12 times during the year.

Governing Council Member	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
John Ramsay (Chair)	Not a member at the time of the meeting						✓	✓	✓	Absent or Apology	✓	✓
Emil Djakic	✓	✓	✓	✓	Absent or Apology	✓	✓	✓	Absent or Apology	✓	✓	✓
Deborah Wilson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dale Elphinstone	✓	Absent or Apology	Absent or Apology	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sarah Jordan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Graeme Houghton*	✓	✓	Absent or Apology	✓	✓	✓	Not a member at the time of the meeting					
Lyn Cox**	Not a member at the time of the meeting		✓	Not a member at the time of the meeting								

* Former Governing Council Chair term ending 16 January 2015

** Former Acting Governing Council Chair for September 2014 meeting only

AUDIT AND RISK SUB-COMMITTEE ATTENDANCE 2014-15

Audit and Risk Sub-Committee Members	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Sarah Jordan (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	Absent or Apology	✓
Deborah Wilson	✓	✓	✓	✓	✓	✓	Absent or Apology	✓	✓	✓	✓
Peter Mancell***	Absent or Apology	Absent or Apology	Absent or Apology	Absent or Apology	✓	✓	✓	Absent or Apology	✓	Absent or Apology	Absent or Apology
John Ramsay	Not a member at the time of the meeting					✓	Absent or Apology	✓	✓	✓	✓
Graeme Houghton*	✓	✓	Absent or Apology	✓	✓	Not a member at the time of the meeting					
Lyn Cox**	Not a member at the time of the meeting		✓	Not a member at the time of the meeting							

* Former Governing Council Chair term ending 16 January 2015

** Former Acting Governing Council Chair for September 2014 meeting only

*** Invited expert (non Governing Council member)

The role of Audit and Risk Sub-Committee (ARSC) is to monitor and provide advice to the THO—North West Governing Council in relation to the organisations:

- ▶ Risk management
- ▶ Control framework
- ▶ External accountability (including the review of financial statements)
- ▶ Compliance with applicable laws and regulations
- ▶ Internal audit
- ▶ External audit.

Audit and Risk Sub-Committee members

- ▶ Sarah Jordan, THO—North West Governing Council member (Chair)
- ▶ Deborah Wilson, THO—North West Governing Council member
- ▶ Peter Mancell, external advisor appointed by the Governing Council
- ▶ John Ramsay, Chair, Tasmanian Health Organisations
(term commenced 17 January 2015)

Current Audit and Risk Sub-Committee additional participants (not formal members of the Committee)

- ▶ David Basire, THO—North West Finance Director
- ▶ Anne Brand, THO—North West Interim Chief Executive Officer
(participant commenced 11 May 2015)

Former Audit and Risk Sub-Committee members

- ▶ Graeme Houghton (term ending 16 January 2015)

Former Audit and Risk Sub-Committee additional participants (not formal members of the Committee)

- ▶ Anne Cabalzar (participant until 19 May 2015)
- ▶ Karen Linegar (participant until 10 May 2015)
- ▶ Mark Reeves (participant until 11 March 2015)

QUALITY AND SAFETY SUB-COMMITTEE

Quality and Safety Sub-Committee attendance

Quality and Safety Sub-Committee Members	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
Deborah Wilson (Chair)	Not a member at the time of the meeting							✓	✓	✓	✓
Sarah Jordan	Not a member at the time of the meeting							✓	Absent or Apology	✓	✓
John Ramsay	Not a member at the time of the meeting							✓	✓	✓	✓
Graeme Houghton*	Not a member at the time of the meeting										

* Former Governing Council Chair term ending 16 January 2015

Quality and Safety Sub-Committee

The role of Quality and Safety Sub-Committee (QSSC) is to monitor and provide advice to the THO—North West Governing Council in relation to the organisations:

- ▶ Quality, patient safety and risk management
- ▶ Quality improvement and assurance
- ▶ Quality and safety reporting
- ▶ Clinical governance

Quality and Safety Sub-Committee members

- ▶ Deborah Wilson, THO—North West Governing Council member (Chair)
- ▶ Sarah Jordan, THO—North West Governing Council member
- ▶ Peter Mancell, External Advisor appointed by the Governing Council
- ▶ John Ramsay, Chair, Tasmanian Health Organisations (term commenced 17 January 2015)

Current Quality and Safety Sub-Committee additional participants (not formal members of the Committee)

- ▶ Anne Brand, THO—North West Interim Chief Executive Officer (participant commenced 11 May 2015)
- ▶ Anne Cabalzar, THO—North West Director of Accreditation and Service Improvement
- ▶ Ross Duncan, THO—North West Interim Director of Medical Services (participant commenced 5 May 2015)
- ▶ Jo Reid, THO—North West Acting Executive Director of Nursing & Midwifery

GOVERNING COUNCIL MEMBER REMUNERATION REPORT

THO—NORTH WEST GOVERNING COUNCIL REMUNERATION

Governing Council Members	Annual Renumeration 2014-15
John Ramsay (Chair)	\$22 308
Emil Djakic	\$28 718
Deborah Wilson	\$28 718
Dale Elphinstone	\$28 718
Sarah Jordan	\$28 718
Graeme Houghton*	\$29 180

* Former Governing Council Chair term ending 16 January 2015

THO—NORTH WEST GOVERNING COUNCIL SUB-COMMITTEE REMUNERATION

Audit and Risk Sub-Committee and Quality and Safety Sub-Committee members	Annual Renumeration 2014-15
Sarah Jordan (Chair)	\$10 805
Deborah Wilson	\$6 475
Peter Mancell	\$0
John Ramsay	\$0
Graeme Houghton*	\$0

* Former Governing Council Chair term ending 16 January 2015

GOVERNING COUNCIL SUB-COMMITTEE REPORTS

QUALITY AND SAFETY SUB-COMMITTEE REPORT

This year the Governing Council has delegated the close monitoring of the THO's clinical risk together with service quality and safety monitoring to a single sub-committee known as the Quality and Safety Sub-Committee. Previously the safety and quality matters were considered by the Audit and Risk Sub-committee.

Membership of the Committee includes:

- ▶ Deborah Wilson, Chair and THO—North West Governing Council member
- ▶ Sarah Jordan, THO—North West Governing Council member
- ▶ Graeme Houghton, Chair THO Governing Council (until 15/01/15)
- ▶ John Ramsay, Chair, Tasmanian Health Organisations (from 16/01/2015)
- ▶ Additional attendees: A/CEO, Director of Nursing, Director Safety and Quality, Director Medical Services

The Committee met on a monthly basis with a Standing Agenda aimed at identifying and addressing policy and procedural gaps and deficiencies and making recommendations for further action by the Governing Council the following week as appropriate. This year was particularly challenging with a Performance Improvement Team being assigned by the Department following a Ministerial Directive to review systems and processes and assist with improving clinical governance practices across the North West services. I would like to thank Associate Professor Grant Phelps for his guidance and support in investigating, reporting and developing a Clinical Governance Action Plan for implementation across services in the North West.

The Committee's Standing Agenda includes:

- ▶ Clinical Governance Action Plan (monitoring the priority 'A' actions)
- ▶ Quality and Safety Reports - including clinical SRLS, medico legal reports, Coroners reports, reportable incident briefs, policy and patient information updates
- ▶ Monitoring compliance with applicable Laws and Regulations
- ▶ Monitoring the organisation's Integrated Risk Register in relation to safety and quality risks
- ▶ Monitoring Workplace Health and Safety including Lost Time due to Injury and reported workplace incidents
- ▶ Monitoring the Safety and Quality of our services
- ▶ Hospital Morbidity and Mortality reports



The Committee's program of work in relation to Quality and Safety monitoring is structured around the organisation's Quality Framework that is based upon the first two of the National Safety and Quality Health Service Standards. The Committee regularly reviews a suite of Quality and Safety reports as well as reports from the State Coroner, status reports on medico-legal cases, complaints and incident reports derived from the new safety reporting and learning system (SRLS). The Director of Medical Services who is the Chair of the organisation's Morbidity and Mortality Committee also attends Committee meetings to ensure that links between Governance for Quality and Safety and operational management of Quality and Safety are maintained.

Among the matters that were escalated to the Governing Council for monitoring during 2014-15 were:

- ▶ Clinical Governance Action Plan
- ▶ Integrated Quality and Safety reporting framework and trend analysis

The Sub-Committee is committed to improving quality and safety of THO—North West and has been working collaboratively with the Chair of the Safety and Quality Sub-committees in THO—North and THO-South. I would like to thank the members and support staff for their support and input over the past year. We have prepared a hand over report for the incoming Tasmanian Health Service Governing Council and the Safety and Quality Sub-Committee and wish them well in the transitional process to one health service for Tasmania.

Deborah Wilson

Chair, Audit and Risk Sub-Committee

AUDIT AND RISK SUB-COMMITTEE REPORT

The Governing Council of THO—North West delegated the close monitoring of the THO's risk exposure and control framework to its Audit and Risk Sub-Committee, and 2014-15 was the third year of operation of this Committee.

Membership of the Committee included:

- ▶ Sarah Jordan, Chair and THO—North West Governing Council member
- ▶ Deborah Wilson, THO—North West Governing Council member
- ▶ Mr Graeme Houghton (former Chair, Tasmanian Health Organisations) replaced by Mr John Ramsay (new Chair, Tasmanian Health Organisations) from February 2015.
- ▶ Peter Mancell, External Adviser appointed by the Governing Council

The Committee met on a monthly basis, one week prior to each Governing Council meeting, with a Standing Agenda aimed at identifying and addressing policy and procedural gaps and deficiencies and making recommendations for further action by the Governing Council the following week as appropriate.

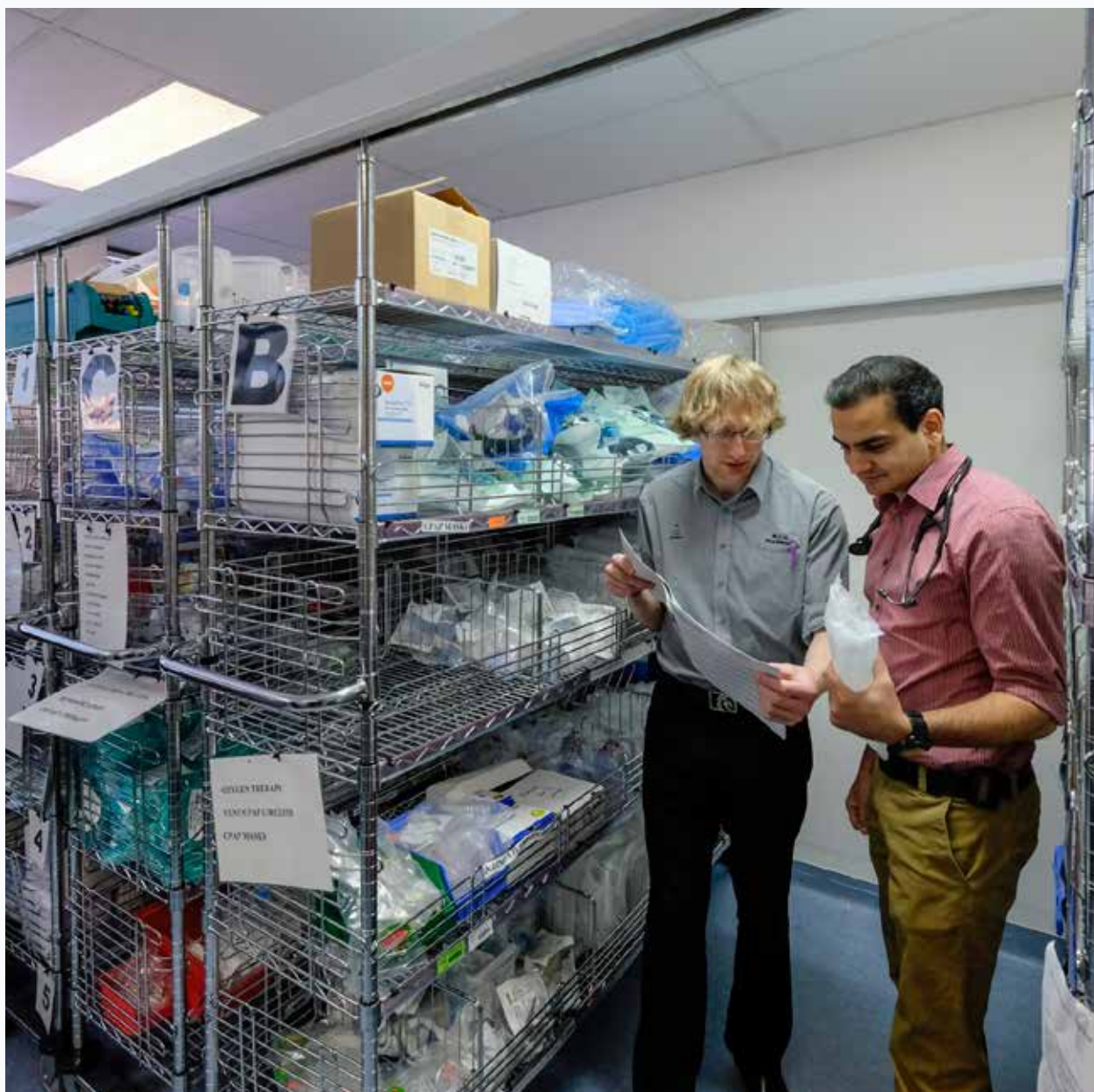
The Committee's Standing Agenda included:

- ▶ Reports from DHHS Internal Audit either as part of the THO's Continuous Audit Program for testing compliance and continuous improvement or for specific audits requested directly by the Committee or the Governing Council
- ▶ Review of the organisation's risk register with particular emphasis on risks with a high severity rating and monitoring the adequacy of internal controls
- ▶ Monitoring compliance with applicable Laws and Regulations
- ▶ Monitoring the organisation's financial management and budget performance
- ▶ External accountability including preparations for end of financial year reporting and external audit
- ▶ Monitoring performance against the Service Agreement for both the NWRH and the MCH.

The Committee's program of work in relation to Audit, Risk, Finance and Budget monitoring was structured around the organisation's risk management and control framework together with financial management policies and procedures. The Committee was also extensively involved in the development and monitoring of the organisations financial savings strategies during 2014-15.

Among the matters that were escalated to the Governing Council for monitoring during 2014-15 were:

- ▶ A financial performance improvement plan for the THO
- ▶ Recommendations from Internal Audit particularly relating to revenue optimisation, external contract management and the management of temporary employee contracts (particularly locum and agency personnel)
- ▶ Outcomes of the Continuous Audit Program for the THO
- ▶ Issues with procurement particularly in relation to delays in letting of external contracts
- ▶ Difficulties in relation to the lack of consistent policy between the three THOs



The Sub-Committee was committed to improving the transparency and accountability of THO—North West and worked collaboratively with the Chairs of comparable Committees in the other two THOs.

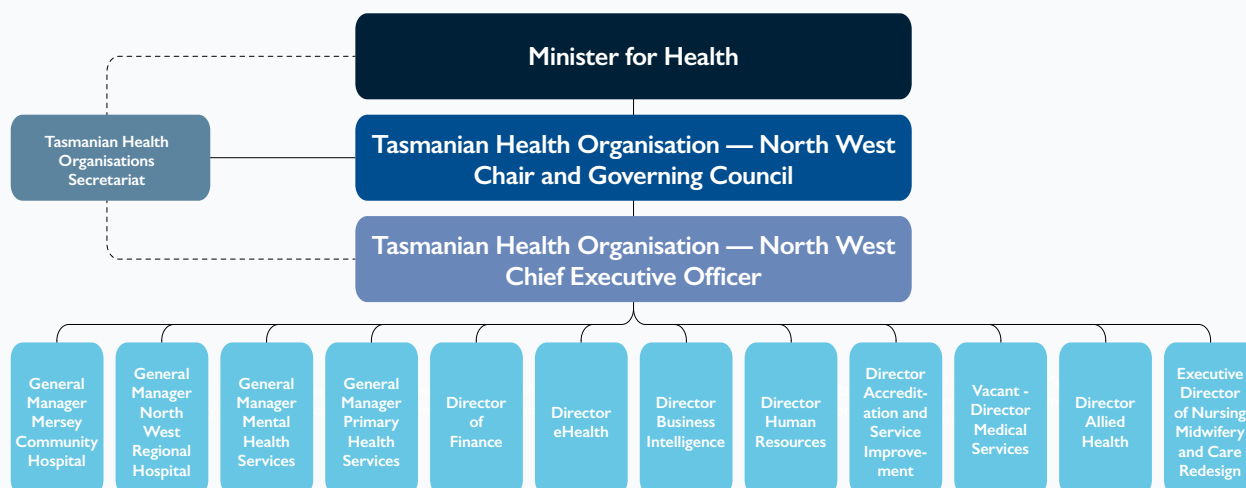
I would like to thank the members of the Committee for their intelligent and strategic commitment to the management and improved performance of the THO during the year and for their collegial teamwork in often challenging circumstances.

Sarah Jordan

Chair, Audit and Risk Sub-Committee

PART I - OVERVIEW

ORGANISATIONAL CHART



OUR ORGANISATION

Tasmanian Health Organisation — North (THO—North West) is a statutory authority, created and governed by the *Tasmanian Health Organisations Act 2011* (THO Act). It commenced operations on 1 July 2012, superseding the previous Area Health Service.

The primary function of the THO is to improve, promote, protect and maintain the health of persons to whom the organisation is required to provide health services to. It does this by conducting and managing public hospitals, health institutions, health services and health support services that are under its control.

Under the THO Act, the Tasmanian Minister for Health annually enters into a Service Agreement with the THO Governing Council. The key purpose of these documents is to agree on the schedule of services to be provided by the THO and the funding to be provided in relation to the provision of those services.

The Tasmanian Minister for Health and the Treasurer also issued the Ministerial Charter for THO—North West effective 1 October 2012.

The Ministerial Charter outlines the responsible Ministers' broad policy expectations, including strategic priorities, performance expectations and objectives for THO—North West. THO—North West demonstrates compliance with the Ministerial Charter through its Corporate Plan.

Performance of the THO—North West is monitored and reported to the Tasmanian Minister for Health by the Department of Health and Human Services (DHHS) Secretary through its System Purchasing and Performance Unit. The THO also utilises shared services provided by the DHHS for asset management, business systems, finance, internal audit, payroll, procurement and risk management.

The chart above details the organisational structure of THO—North West under the strategic governance of its Council with its relationship to the Minister and DHHS, under the operational direction of the THO—North West CEO.

OUR SERVICES

THO—North West provides health services to approximately 114 111 Tasmanians (22.3 per cent of Tasmania's total population). The North West region is geographically dispersed, socio-economically disadvantaged and, like the rest of Tasmania, has a high prevalence of chronic disease and lifestyle risk factors.

The THO has responsibility for providing a wide range of community and hospital services to the people of North West Tasmania. Services are delivered from 13 sites. The continuum of health services delivered ranges from health promotion activities, disease prevention strategies, primary health care, palliative care and rehabilitation, to sub-acute and acute care.

The services provided are flexible enough to target specific needs at the different stages of a patient's health journey, in order to provide an integrated, holistic and patient-centred approach to health care delivery.

OUR PRIMARY HEALTH SERVICES

Services provided at a community level include access to general practitioners and outreach medical specialists, emergency response, allied health, midwifery and nursing (including specialised nursing), aged and palliative care, community care, aids and appliances and disease prevention programs.

These services are commonly provided from Community Health Centres in the THO but can also be provided from hospitals, non-government organisations, patients' homes, schools, and workplaces.

Community health and multipurpose centre services are located at eight sites: Burnie, Parkside (Burnie), Central Coast (Ulverstone), Devonport, James Muir (Wynyard), Rosebery, Strahan and Zeehan.

Specific services provided at these centres include:

- ▶ Occupational Therapy
- ▶ Physiotherapy
- ▶ Podiatry
- ▶ Social Work
- ▶ Speech Pathology
- ▶ Orthotics and Prosthetics
- ▶ Community Care (Care Assessment, Nursing and Home Care, Community Equipment Scheme)
- ▶ Palliative Care
- ▶ Youth Health
- ▶ Statewide Services including the Continence and Medical Specialist Outreach Assistance Programs.

OUR SUB-ACUTE SERVICES

Sub-acute care is available in rural hospitals (including multi-purpose services and multi-purpose centres) and the Mersey Community Hospital (MCH) and North West Regional Hospital (NWRH). Rural hospitals also offer emergency care and primary health services and may offer residential aged care. Some of these facilities are operated by the THO while others are non-government providers contracted by the THO.

Sub-acute services are provided at the three rural hospitals: King Island Hospital and Health Centre (KIHC), Smithton District Hospital (SDH) and West Coast District Hospital (WCDH); residential aged care facilities are available at WCDH and KIHC.

OUR ACUTE SERVICES

The North West Regional Hospital (NWRH) at Burnie is an acute secondary hospital offering medical, surgical, paediatric and allied health services through inpatient and outpatient care. The hospital is the receiving centre for North West trauma patients and has a well-equipped Emergency Department (ED) supported by an intensive care/high dependency unit and a 24/7 operating theatre. As NWRH is a secondary level service, it does transfers patients to tertiary hospitals in Launceston, Hobart and Melbourne for some injuries and illnesses. The hospital also has a close working relationship with Mersey Community Hospital in service delivery and patient care alongside community services.

The Mersey Community Hospital (MCH) is funded by the Australian Government under a Heads of Agreement with the Tasmanian Government. The MCH offers general and specialist health services to the North West region. It is an integral part of the THO and works closely with other hospitals and primary health services to meet the needs of patients across the region.

Acute services are delineated across the NWRH and MCH:

- ▶ 24/7 emergency, medical, surgical and maternity services are provided at both sites.
- ▶ NWRH is the centre for high acuity surgeries, including orthopaedics, assisted by the presence of the region's Intensive Care Unit on-site.
- ▶ MCH is the centre for lower acuity, high volume procedures including ophthalmology, endoscopy, dental and urology.
- ▶ Dedicated inpatient rehabilitation services are based at NWRH only.
- ▶ Complex births are provided only at the NWRH through a contract with the North West Private Hospital. Less complex births are also provided at the MCH.

OUR MENTAL HEALTH SERVICES

Mental Health Services provide both inpatient services (based at North West Regional Hospital), and a range of specialist community services.

General adult mental health services and child and adolescent mental health services are provided from bases at Devonport and Burnie, whereas the older person's mental health service provides outreach from Burnie.

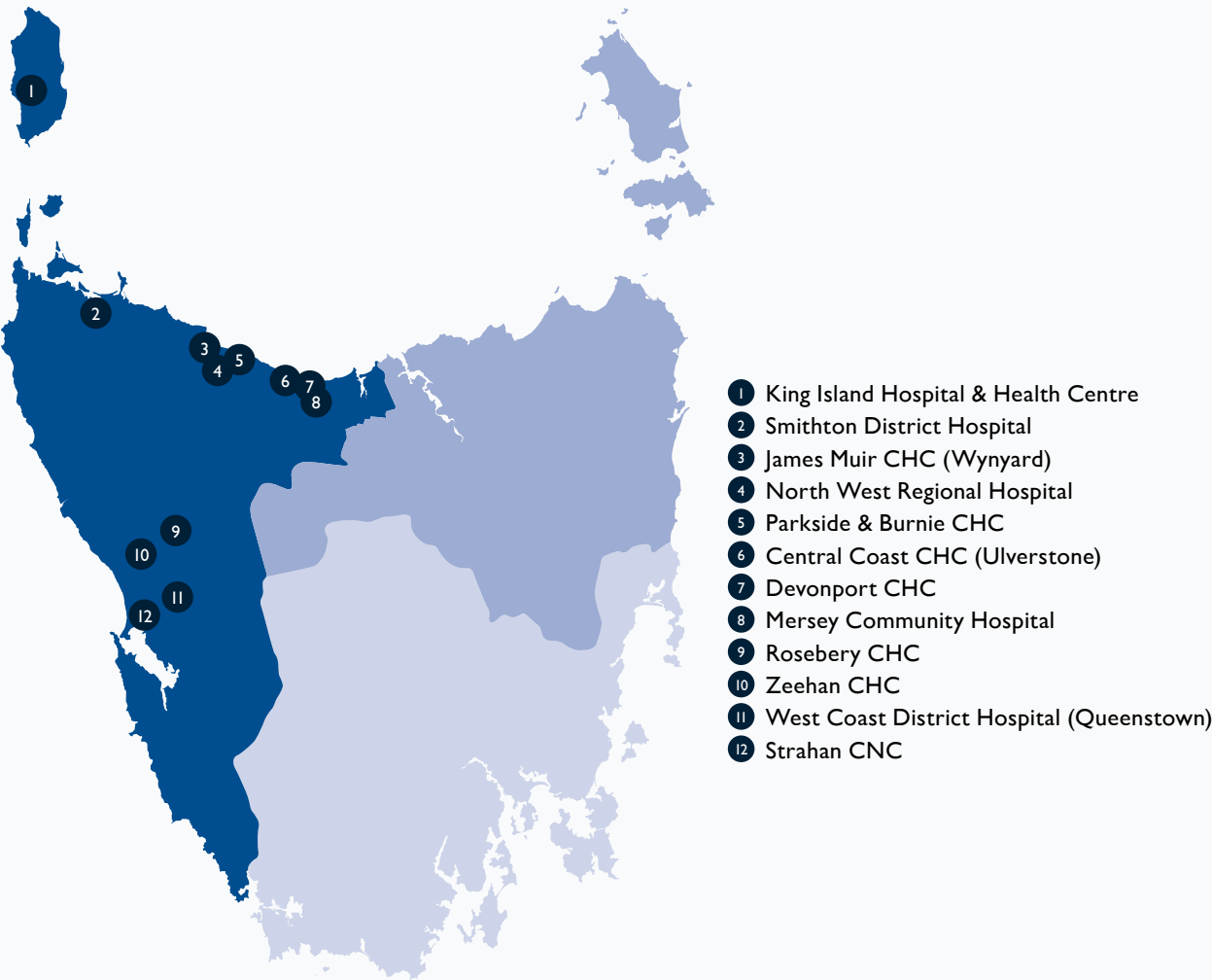
There is a dedicated crisis assessment and treatment team operating seven days a week that manages referrals from the mental health line, and provides emergency response to urgent referrals.

- ▶ THO—North West delivers a range of specialist mental health treatment services as follows:
 - ▶ Acute inpatient and hospital based services located at the NWRH providing 24 hour care and treatment, seven days a week. These services include:
 - ▶ Spencer Clinic - a 19 bed hospital unit
 - ▶ Clozapine clinic
 - ▶ Electroconvulsive therapy (ECT)
 - ▶ Consultation liaison services
 - ▶ Community based mental health care and treatment services across three service streams:
 - ▶ Child and Adolescent Mental Health Services for children and young people between the ages of 0 and 18 years;
 - ▶ Adult Community Mental Health Services for people aged 18 to 65 years, including a mental health crisis response through Crisis Assessment Triage and Treatment (CATT) services; and

- ▶ Older Persons Mental Health Services for people over 65 years.

THO—South continues to deliver some statewide mental health services that are accessible to THO—North West clients pending their clinical needs such as psychiatric intensive care and dementia behaviour management and the Mental Health Services Helpline.

OUR LOCATIONS





OUR COMMUNITY AND VOLUNTEERS

COMMUNITY ENGAGEMENT

Our Consumer Engagement Reference Group (CERG) was established in late 2010 through an advertisement and application process. The group currently has 11 members who represent communities within the North West region. Membership changes during this financial year included the appointment of three new consumer representatives and the resignation of two members.

Current Consumer Engagement Reference Group Members

- ▶ **Malcolm Badcock** - Retired maintenance carpenter and driver, active participant in the Port Sorell community, and current member of Port Sorell Lions Club. Malcolm believes that the best way to tackle health care is to consider it as a whole system.
- ▶ **Norman Britton** - Retired power station operator, enjoys trout fishing and gardening, and is a lifelong community worker who is always optimistic about life!
- ▶ **Louise Broomhall** - Interested in health and its management by individuals, health teams, the community and the government due to extensive experience with chronic diseases. Louise also works for Red Cross and wants to gain knowledge so she can help people build their invested interest in managing their own health.
- ▶ **Amanda Diprose** - A mother of two young girls, electorate officer, and former Central Coast councillor. Amanda has previously worked with people dependent on drugs and/or alcohol. She realises the importance of disseminating actual health facts to the community, and believes that getting the truth about health services out alleviates unnecessary stress when inaccurate hearsay arises.
- ▶ **Marianne Horvat** - Widow, and mother of two children. Marianne enjoys reading, connecting with friends and interested in health issues, both privately and within the local community.

- ▶ **Norma Jamieson** - Consumer representative from Devonport, retired nurse, politician, widow and part-time granny. Norma works for Glee Club Services and in her spare time is a part-time pretend farmer. Norma joined CERG because of her continuing interest in health issues and she feels that the concept of CERG is a valuable link between the community and health system.
- ▶ **Justine Keay** - Electorate officer, Alderman, and mother of three young boys. Justine is interested in helping the community and the longevity of the healthcare provided to the North West.
- ▶ **Peter Radel** - Retired teacher, former Lifeline counsellor, married with two children and two grandchildren. Peter has been an active member of Rotary for 35 years; and as a result of his continued interest in health, Peter was responsible for his Rotary Club creating a Rural Medical Scholarship for medical students in their last two years of training.
- ▶ **Gordon Sutton** - Retired builder, married with three children and seven grandchildren. Gordon has lived in Queenstown for 55 years and has a keen interest in local history and the area's health services.
- ▶ **Josephine Weeks** - Retired school teacher, married with two children and seven grandchildren. Jo's strong interest in health issues and the community is evident in her 50 year commitment to St John Ambulance. She is currently teaching first aid for St John Ambulance and is heavily involved in a 'First Aid in Schools' program.
- ▶ **Charmaine Whatley** - Retired nurse of many years on the North West coast. Charmaine has a special interest in palliative care.

Former Consumer Engagement Reference Group Members

- ▶ **Kevin Deakin** - Retired detective sergeant, Councillor on the Waratah-Wynyard Council, Alternative Technology Association member and committee member of the Sporting Shooters Association of Australia, Waratah branch. Kevin passed away in May 2015. His interests were in early health intervention programs and cancer treatment; and his drive to learn more and use this knowledge to help people made Kevin a dedicated and valued member of CERG. Kevin's passion for, and commitment to the people and community of North West Tasmania will be missed, and not be forgotten.
- ▶ **Cheryl Fuller** - Resident of Ulverstone, mother of two teenage daughters and previous Deputy Mayor of Central Coast Council. Cheryl's contribution to CERG was invaluable during her 2 ½ year term, including being the inaugural consumer member of the Quality Management Committee. She resigned from CERG in July 2014.

Attendance at the monthly CERG meetings was excellent during 2014-15, and members regularly provided positive feedback about involvement in the group. Members reported that they felt confident to provide honest input about their own and other community member experiences.

Organisational and service delivery issues for THO—North West are regularly presented to CERG for discussion and feedback. Members also receive information and education about current and proposed services, and are asked to consult with their community and provide feedback. Examples in 2014-15 include a consultation with members from the Tasmanian Infection Prevention and Control Unit (TIPCU) about improving engagement with consumers, and discussions with the Quality and Safety Unit about the limits to confidentiality for Next of Kin.

During 2014-15, CERG reviewed 66 patient focussed documents - including brochures, fact sheets, signs, and patient/client letters.

CERG heard from eight guest speakers from THO—North West in 2014-15, including the Chair of the Tasmanian Health Organisation Governing Council, and the Chief Radiation Oncology Physicist who discussed the developments at the North West Regional Cancer Centre.

The group was invited to hold a meeting at the University of Tasmania Rural Clinical School in March 2015 and were given a tour of the facility and simulated learning areas by Associate Professor Lizzi Shires, Co-Director of the Rural Clinical School. The June CERG meeting was held at Mersey Community Hospital, and the group was given a guided tour of the hospital redevelopments.

CERG has regular discussions about a range of issues affecting patient care within THO—North West. Discussions this year included the newly introduced national accreditation standards and the new work health and safety laws. In 2015, a CERG representative joined the membership of the Quality Management Committee, and another joined the Infection Prevention and Control Committee and Food and Nutrition Committee. The CERG are integral to the success of the National Accreditation Standard 2 Partnering with Consumers Working Party, and provide input on, and suggestions for, improvements to consumer participation in our organisation.

In 2013, CERG established a three-person review of de-identified complaints to gain consumer feedback on complaints made to our organisation and how we responded to them. This review was introduced to the CERG agenda in June 2015 to allow feedback from all CERG members.

THO—North West also convenes consumer engagement groups in Queenstown (HealthWest Community Advisory Council), King Island, and Smithton (Circular Head Health Advisory Group).

The community advisory groups in HealthWest, King Island and Smithton act as conduits for the health related concerns of their respective communities. They identified health needs and priorities and suggested possible, practical and locally appropriate strategies to meet those needs. They report community satisfaction with our services and help raise awareness about primary health. Members include;

HealthWest Community Advisory Committee

- ▶ **June Potter** (Secretary, WCDH Ladies Auxiliary)
- ▶ **Gordon Sutton** (Community representative, CERG member)
- ▶ **Phil Kemp** (WHS Officer, CMT, Queenstown)
- ▶ **Peter Reid** (Former West Coast Councillor, Queenstown)
- ▶ **Christine Winskell** (MMG, Rosebery)
- ▶ **Ken French** (Hydro employee, Tullah)

King Island

- ▶ **Neva Boschetto** (Community representative)
- ▶ **David Brewster** (King Island Council representative) - ceased October 2014
- ▶ **Sue Fisher** (King Island Council representative) - ceased October 2014
- ▶ **Sally Haneveer** (King Island Council representative) - commenced May 2015
- ▶ **Jill Munro** (Community representative)
- ▶ **Linda Payne** (Netherby Home Representative)



Circular Head Health Advisory Group

- ▶ **Sharan McLaren** - DON Site Manager
- ▶ **Sandra Schuurin** - Community Nursing- Home Care Co-Ordinator
- ▶ **Jeannie Murrell** - Community Representative CERG
- ▶ **Jenny Wallis** - Community Representative - Rotary member
- ▶ **Julie Oats** - Community Representative - interest age care
- ▶ **Patricia Joyce** - Community Representative- Soroptimist member
- ▶ **Yvonne Stone** - Community Development Officer - Circular Head Council
- ▶ **Cindy Stokes** - Community Representative- support worker Wyndarra
- ▶ **Rob Waterman** - CH Rural Health Manager

VOLUNTEERS

The service and care provided at THO—North West facilities is elevated to the next level by the contributions of close to 300 volunteers.

These volunteers are the unsung heroes of our health service. They provide a broad range of invaluable services to patients and families in the North West - from fundraising, to chaplaincy, hospice, volunteer driving or simply offering a hand to hold or ear to listen during a patient's hospital stay - our facilities could not survive without them.

Our Hospital Auxiliaries

Our hospital auxiliaries provide thousands of dollars of fundraising each and every year. The MCH auxiliary boasts around 80 members and NWRH 60 members. Smaller auxiliaries also operate in Smithton, Penguin, King Island and on the West Coast.

The NWRH, MCH and West Coast auxiliaries operate on-site kiosks whereby all proceeds are used to purchase equipment for the hospitals.

MCH General Manager Eric Daniels said the dedication and commitment of the auxiliaries was nothing short of inspirational.

"These volunteers dedicate thousands of hours each and every year to improving the lives of others," Mr Daniels said.

"Their contributions have a direct impact on patient care, because the equipment they purchase undoubtedly improves their treatment journey.

"It is very inspiring to see the dedication and passion of these volunteers - some of whom are quite elderly.

On behalf of the North West community I would like to thank them for their ongoing support."

The smaller auxiliaries - including Smithton, Penguin, West Coast and King Island - also undertake a range of external fundraising projects to purchase equipment for their respective hospital each year. These activities include catering, community raffles, and knitting.

Volunteer in Partnership (VIP) program

March 2014 marked the third anniversary of the Volunteer in Partnership (VIP) program at NWRH. The VIP program was first established as a Meet and Greet service to help patients and visitors navigate the hospital site during what was and still is a very busy capital works programme.





The VIPs sat at the front entrance and guided visitors to the relevant areas. The VIP service is still based at the front entrance, and still provides much-appreciated directions and escorting around the hospital.

Volunteers also operate a refreshment round - which is about so much more than simply serving drinks.

The crew visit the wards each day to serve cups of tea and coffee, and most importantly - a smile and friendly ear.

VIP volunteer Marj Newdick said patients look forward to their daily visits.

"It seems to make a difference to their day if someone can stop and listen."

"(The patients) look for us and anticipate our visits. One of the men recently said "you girls are angels" but I said we hadn't got wings yet."

The work of a VIP has now expanded to support many areas of hospital business. VIPs now also support administration tasks such as printing and folding patient information brochures and laminating posters.



Our VIPs also include our chaplaincy services and in addition to providing companionship, they also perform more practical tasks such as letter writing and shopping - for example when patients arrive in hospital in an emergency situation and don't bring any clothes.

Despite the fact many of the VIP members have limited income or are pensioners, they also put together 65 'emergency toilet kits' - valued at \$10 - each year for patients who unexpectedly arrive in hospital.

NWRH General Manager Denise Parry said the work of the VIPs was marvellous, and those services simply could not be provided without them.

"We don't see our volunteers as additional support, we see them as part of our care team who are able to add to the patient experience by providing those 'little extras,'" Ms Parry said.

"We are so very grateful to them for the service they supply and the little bit of their heart they give each time. They are Very Import People to us."



THO—North West Consumer Engagement Reference Group (CERG)

The 11-member volunteer THO—North West Consumer Engagement Reference Group (CERG) meets monthly and aims to ensure that health consumers contribute to the development of health policy, planning, research and services at THO—North West. Outcomes achieved by CERG in 2014-15 include:

- ▶ 66 patient information documents tabled and endorsed
- ▶ Eight guest speakers - on a range of topics including infection prevention and control, UTAS Rural Clinical School, Mental Health Services, THO—North West Governing Council, Oncology and capital works
- ▶ Mandatory training - including Work Health and Safety, manual handling and fire training

Director of Service Improvement and Accreditation Anne Cabalzar said CERG members provided honest and constructive advice.

“Our CERG members come from wide and varied backgrounds. It is so beneficial to have access to this cross-section of our community to seek their feedback on our services and publications.”

“We have CERG members who have young families, who work and who travel from regional areas to attend our monthly meetings. It is certainly a big commitment, and we are very appreciative of this.”



Other volunteer staff

Our volunteers boost the morale of clients and enable them to maintain a level of independence within their communities. In Smithton, on King Island and along the West Coast volunteers assist at Adult Day Centres and residential care facilities, providing support and assistance through chaplaincy and as volunteer drivers, as well as assisting with the delivery of Meals on Wheels. These areas also operate volunteer consumer health advisory committees which provide valuable advice and feedback to our health facilities.

Acting General Manager for Primary Health Services Ange Downie said the work of volunteers in the primary health setting was invaluable.

“We have volunteer drivers based on the West Coast and Smithton who dedicate hundreds of hours of their time to transporting patients to and from health appointments in Burnie,” Ms Downie said.

“Without them, these patients may not be physically able to attend their appointments.

Ms Downie said a volunteer hospice service also operated across the Coast to support the North West Specialist Palliative Care Service.

“These incredibly hard working volunteers make a huge difference to the quality of care provided for people in the North West. We are so very grateful to them,” she said.

DONATIONS

Donations and sponsorship for Community Nursing 2014-15

Donation from	Donation made
Inner Wheel Club of Burnie	\$500
A Lynch	\$25
Anonymous donations for funerals	\$1 052.25
TG & JM Matthews	\$3,000

Donations and sponsorship for Smithton District Hospital 2014-15

Donation from	Donation made
Donation in memory of the late Edward Orders	\$93
Anonymous donations for funerals	\$130

Donations and sponsorship for West Coast District Hospital 2014-15

Donation from	Donation made
Anonymous donations for funerals	\$195

Donations and sponsorship for NWRH 2014-15

Donation from	Donation made
Breast Cancer Trials	\$1 300
Ulverstone Rotary Club	\$15 882.50
Funeral of the late Warren Elliott	\$235
Soroptomist International Burnie for the purchase of an arm chair for Cancer Centre	\$500
Funeral of the late Brian Neilson	\$217.35
Rotary Club of West Ulverstone to Cancer Centre	\$6 000
Rotary Club of Devonport North to Cancer Centre	\$9 000
Tim Blair - Run for Kids Foundation to Cancer Centre	\$3 000
Funeral of the late Bob Waugh	\$1 170.30
Rotary Club of Wynyard (inc Sylvia Powell Trust) to Cancer Centre	\$9 000
Funeral of the late Kevin Redman	\$614
Funeral of the late Joan Garam	\$246.50
Funeral of the late Rex Gorringer	\$249
Funeral of the late George (Harry) Griffiths	\$361.20
Funeral of the late Kevin Hamilton	\$328.05
Wynyard Chorale Inc	\$901.35
Margaret Titcombe for oncology chair	\$1 000
Funeral of the late Elizabeth Clarke	\$280
Come Together Concert 2014	\$34 000
Funeral of the late Connie Cure	\$45.20
Norma Jamieson	\$881.50
Funeral of the late Alan Conroy	\$306
Funeral of the late Gloria King	\$68.15
Funeral of the late Vicky Walker	\$648
Rotary Club of Ulverstone West	\$5 000
R J Dobson	\$30
Maryse Gay Remedial Massage Clinic	\$300
WT and LV Wescombe	\$100
Joe Simpson	\$11 570
Mrs Joyce Westerway	\$7 275

Donations and sponsorship for NWRH 2014-15

Donation from	Donation made
Funeral of the late Ruby Wolf	\$90
North West Division of Easyway Homes	\$400
Pauline Haslock	\$650
Health and Engagement Club	\$270
Rotary Club of Smithton	\$500
John O'Rourke	\$100
Roland View Estate Trust Inc donation for multipurpose room	\$12 274
Penguin Village Stitchers	\$500
Funeral for the late Kent Neilson	\$285
Estate of the late Louis Wright	\$11 044.11
'Koinz for Kids Appeal	\$13 010
Woolworths Devonport	\$3 866.50
Funeral of the late Mr Garry Crawford	\$143
Funeral of the late Mr Malcolm Studley	\$545.60
Diabetes Tasmania	\$500
Carolyn McLennan Hairdressing Latrobe	\$500
Jacki Goodrick's Friends	\$1 455
Burnie Hospital Auxiliary cash	\$700
for bariatric treatment couch	\$2 595
for 'Karma' wheelchair	\$995
for 20 high back patient chairs	\$11 900
for regency care chair	\$3 295
for urinalysis machine	\$1 260.83
for 'hoverjack' package and cart	\$9 799.25
for 4 high-back adjustable patient chairs	\$2 380
for consulting room	\$15 000

Donations and sponsorship for MCH 2014-15

Donation from	Donation made
Mr Robin Champ	\$1 500
Guesdon Charities bequest	\$32.06
Woolworths staff donation	\$3 866.50
Funeral of the late John Mason	\$91.20
Anonymous 'Give Me 5 for Kids' donations	\$100
Patient donation for Emergency Department staff	\$50
Cosgrove family	\$200
7AD 'Koinz for Kidz' appeal	\$11 862.25
Cuttler Family	\$250
Heartbeat Ulverstone	\$879
So Silver So Gold	\$160
Mersey Community Hospital Auxiliary for the refurbishment of the Relatives Room in the ED	\$1 720
for books for hospital library	\$300
for blanket warmer for Day Ward	\$5 963.60
for a ACCU vein illuminator AV400 for ED	\$8 580

Donations and sponsorship for MHS 2014-15

Donation from	Donation made
Rural Clinical School - ACMHS Burnie	\$636.36
Rural Clinical School - ACMHS Devonport	\$636.36
Rural Clinical School - ACMHS CATT	\$636.36
Rural Clinical School - CAMHS	\$636.36
Rural Clinical School - OPMHS	\$636.36
Rural Clinical School - SCIU	\$1 022.73

OUR WORKFORCE

RECRUITMENT POLICIES AND PROGRAMS

THO—North West filled 216 advertised vacancies during 2014-15.

Our recruitment practices are designed to select the best person for the position through application of the merit principle. Our people are both our most valuable asset and our biggest liability so a strong recruitment program is vital to enable the organisation to deliver services to the North West community.

THO—North West undertakes recruitment in line with the Right Job, Right Person! (RJRP) framework and supports an integrated, pro-active and cost effective approach to recruitment. Effectively marketing THO—North West as an employer of choice, identifying and promoting the benefits of our vacancies, and selling Tasmania as a home continue to be important.

RJRP is a contemporary and innovative Tasmanian State Service recruitment and selection framework developed to equip recruiting managers with the resources to get the right people, in the right job, at the right time. The RJRP framework includes three steps:

1. Define - Ensure that you understand the role you wish to recruit to.
2. Attract - Ensure that you will attract your target market through your advertising.
3. Select - Ensure that you select the right person for the role.

During 2014-15 internal vacancy management processes were applied in line with the budget management strategy.

Officer and employee development activities

Leadership and management development continues to be a key priority for THO—North West. The Management and Leadership framework is an initiative that contributes to the growth and support of our staff. The framework is made up of the following components:

- ▶ An Academic program.
- ▶ A Graduate Trainee program.
- ▶ A Management and Leadership Development program.
- ▶ A series of Essential Management Skills Seminars (Inclusive of Resilience Skills Training Toolkit).

Participation rates for 2014-15

Component	Participants
Academic	3
Management and Leadership	19
Essential Management Skills	40*
Total	63

*More staff participated in the short-course videoconferences however numbers cannot accurately be determined and have been excluded from these results

Workplace diversity programs

THO—North West has a broad approach to workplace diversity based around our Employee Contact Officer (ECO) program.

The ECO program has recruited a team of ten across all of the main business units. The ECO program assists THO—North West in:

- ▶ Promoting a positive working environment
- ▶ Addressing workplace diversity issues
- ▶ Providing support to staff if they are affected by negative workplace behaviours such as bullying, discrimination or harassment
- ▶ Providing a contact person for information on the DHHS Grievance Resolution process
- ▶ Providing a contact person for employees seeking advice and assistance when experiencing negative workplace behaviours
- ▶ Supporting self-resolution of workplace conflicts.

ECOs provide THO—North West with an independent source of information for employees on matters relating to workplace diversity such as discrimination, harassment, bullying and victimisation.

Employee Participation in industrial relations matters

THO—North West fosters an employee-centred and values-based culture. We also have a range of forums that provide employees with an opportunity to put forward their views. These include, the Workplace Health and Safety Committee, the Joint Consultative Committee and a range of subject-specific advisory and focus groups such as the Values Focus Group and Health and Wellbeing Advisory Sub-committee.

Internal Grievance procedures

THO—North West has a principles-based Internal Grievance Resolution Procedure. An employee may seek to resolve any matter, either informally or formally through this process and can expect the grievance to be dealt with both promptly and fairly.

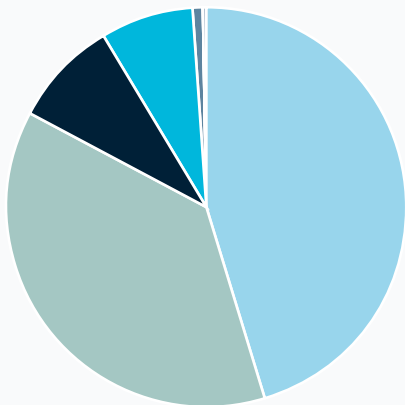
Workplace Health and Safety

THO—North West offers 'health and wellbeing' activities to support improvements in employee health as well as workplace culture and productivity including the following:

- ▶ Annual on-site flu vaccinations.
- ▶ Support to quit smoking through the Smoking Cessation program
- ▶ Workshops and activities related to the National Health Events Calendar.
- ▶ Promotion of Worksafe Month to the workforce
- ▶ Various focussed activities related to health and wellbeing

The establishment of the THO—North West Health and Wellbeing Committee has also produced ongoing benefits to our workforce. The committee's role is to work with business units through the assessment and improvement of health and wellbeing strategies on an ongoing basis.

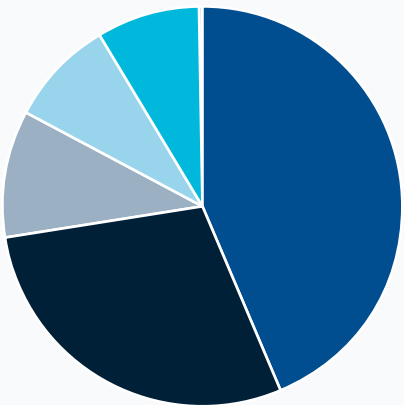
Total Number of FTE paid employees by Award		
Award	Number	%
Allied Health Professional	119.18	8.70%
Health and Human Services Award	513.80	37.49%
Salaried Medical Practitioners	103.15	7.53%
Nursing	621.49	45.34%
Rural Medical Practitioners	0.68	0.05%
Senior Executive Service (SES)	2.00	0.15%
Visiting Medical Officers	9.24	0.67%
Radiation Therapist	1.00	0.07%
Total	1 370.54	100%



- Allied Health Professional – 8.70%
- Health and Human Services Award – 37.49%
- Salaried Medical Practitioners – 7.53%
- Nursing – 45.34%
- Rural Medical Practitioners – 0.05%
- Senior Executive Service (SES) – 0.15%
- Visiting Medical Officers – 0.67%
- Radiation Therapist – 0.07%

Paid Employees by category as at 30 June 2015		
Award	Number	%
Permanent full-time	506	29.06%
Permanent part-time	761	43.71%
Fixed-term full-time	144	8.27%
Fixed-term part-time	150	8.62%
Part 6*	3	0.17%
Casual	177	10.17%
Total	1 741	100%

* Part 6 refers to Head of Agency Holders of Prescribed Offices and Senior Executive and Equivalents.



- Permanent full-time – 29.06%
- Permanent part-time – 43.71%
- Fixed-term full-time – 8.27%
- Fixed-term part-time – 8.62%
- Part 6* – 0.17%
- Casual – 10.17%

Paid employees by gender as at 30 June 2015		
Gender	Number	%
Female	1 376	79.04%
Male	365	20.96%
Total	1 741	100%

Paid employees by salary bands (total earnings) as at 30 June 2015		
Salary Band	Number	%
0-19 000	0	0%
19 001-23 000	0	0%
23 001-27 000	0	0%
27 001-31 000	0	0%
31 001-35 000	0	0%
35 001-40 000	0	0%
40 000-45 000	92	5%
45 001-50 000	190	11%
50 001-55 000	201	12%
55 001-60 000	183	10%
60 001-65 000	201	12%
65 001-70 000	70	4%
70 001-75 000	201	12%
75 001-80 000	240	14%
80 001-85 000	48	3%
85 001-90 000	61	3%
90 001-95 000	78	4%
95 001-100 000	56	3%
100 000 plus	120	7%
Total	1 741	100%

Paid employees by age range as at 30 June 2015		
Age Range	Number	%
15-19 years	3	0%
20-24 years	84	5%
25-29 years	134	8%
30-34 years	153	9%
35-39 years	126	7%
40-44 years	171	10%
45-49 years	264	14%
50-54 years	310	18%
55-59 years	258	15%
60+ years	238	14%
Total	1 741	100%

INDICATORS OF ORGANISATION HEALTH

Indicator	2014-15
Average personal leave days per average paid FTE*	11.93 days
Paid overtime/call back hours per average paid FTE**	45.57 hours
Turnover rates - total number of separations (FTEs) divided by the average paid FTE***	11.20 per cent

*Includes sick/carers leave and family leave.

** Includes callback and overtime hours.

*** **The turnover rate is the rate at which people were leaving THO—North West as at 30 June each year.

LEAVE

Type of Leave	2014-15
Long Service Leave - Average number of days used per paid FTE*	2.44 days
Annual Leave - Average number of days used per paid FTE	19.21 days
Number of FTEs with Annual Leave entitlements ≥ the two (2) year limit	36.67 FTEs

*Includes maternity long service leave.

FINANCES

The funding arrangements for THOs are quite complex and include a mix of Activity Based Funding (ABF) and block funding sourced from both the Australian and State Governments and Commonwealth Own Purpose Expenditure Payments (COPEs) as well as funding under the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST).

ABF funds hospital activity at the NWRH (acute admissions, other admissions, non-admitted and Emergency Departments). Block funding is also provided for the NWRH to cover non-hospital costs (i.e. invisibles), blood products, interstate charges and maternity services that are outsourced to the private sector. Other block funding is provided for non-ABF hospitals (KIHHC, SDH and WCDH) by both the Australian and State Governments.

The MCH is owned by the Australian Government and operated by the State through a Heads of Agreement (HOA). MCH is block funded under these arrangements.

In addition to the ABF and block funding for the NWRH and the MCH, the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST) provided additional funding during 2014-15 to fund additional elective surgery and other initiatives including workforce expansion and expansion of the TAZREACH Program.

In addition to the block funding, Primary Health care and other THO—North West activities are funded through operational grants from the State Government augmented by Commonwealth block funding and COPEs such as residential aged care funding.

During 2014-15 the budgeted expenditure for THO—North West was \$235 million, distributed across the sources of funds. This is a decrease of 0.5 per cent from last year's budgeted expenditure of \$236.0 million.

THO—North West sources of funds 2014-15

Source of Funds	% 2014-15
Commonwealth - MCH	29.0%
Commonwealth - Activity Based Funding	14.5%
Commonwealth - Block Funding	3.7%
COPEs	3.3%
State - Activity Based Funding	12.4%
State - Block Funding	25.0%
NPA-IHST	1.4%
Other Revenue	10.7%
Total	100.0%

During 2014-15 the actual total expenditure for THO—North West was \$257 million yielding a net result from operations of \$2.1 million deficit, compared to a budgeted net result from operations of \$4.5 million surplus. Excluding one-off non-operational capital funding the underlying net operating balance would have been a deficit of \$4.3 million, compared to a budgeted \$1.8 million deficit (see note 7 for details).

FINANCIAL HIGHLIGHTS 2014-15

2014-15 is the third operating year for THO—North West. A breakdown of expenditure for 2014-15, together with comparative figures from 2013-14 and 2012-13, is as follows.

Employee Benefits (salaries and employee related expenses) - at \$164 million (\$162 million 2013-14; \$145 million 2012-13), accounted for 64 per cent of total operating expenses and Supplies and Consumables - at \$85 million (\$81.2 million 2013-14; \$74.5 million 2012-13), accounted for a further 33 per cent made up of the following:

THO—North West expenditure by category 2014-15			
Expenditure by Category	% 2012-13	% 2013-14	% 2014-15
Employee benefits	64%	64%	64%
Supplies and consumables	33%	32%	33%
Depreciation and amortisation	1%	2%	1%
Other expenses	2%	2%	2%
Total	100%	100%	100%

THO—North West expenditure by category 2014-15						
Components of Supplies and Consumables	2012-13 (\$'000)	% of Total	2013-14 (\$'000)	% of Total	2014-15 (\$'000)	% of Total
Consultants	368	0%	422	1%	258	0%
Service fees	598	1%	524	1%	553	1%
Property services	6 534	9%	6 257	8%	5 893	7%
Maintenance	967	1%	1 979	2%	2 891	3%
Communications	863	1%	971	1%	1 024	1%
Information technology	572	1%	1 443	2%	3 988	5%
Travel and transport	2 812	4%	3 355	4%	2 884	3%
Medical and surgical	41 781	56%	47 478	58%	48 452	57%
Advertising and promotion	9	0%	18	0%	9	0%
Administration	3 080	4%	923	1%	999	1%
Corporate charges*	-	-	5 322	7%	5,168	6%
Patient and client services	9 491	13%	8 648	11%	9 116	11%
Leasing costs	329	0%	381	0%	375	0%
Equipment and furniture	605	1%	968	1%	1 288	2%
Food production costs	1 443	2%	1 416	2%	1 456	2%
Other supplies and consumables*	5 095	7%	1 098	1%	524	1%
Total	74 547	100%	81 203	100%	84 878	100%

*Corporate charges were separated out from Other Supplies and Consumables during 2013-14.

Further financial information about THO—North West is provided in Part 3, Financial Statements.

ACCREDITATION

THO—North West is committed to providing safe and high quality care for our community. As part of this commitment, THO—North West participates in several accreditation processes to ensure we are providing a high standard of care to our consumers, and to use the process as an opportunity to improve health services.

Our acute (hospitals), Mental Health, and Primary Health Services participate in accreditation through the Australian Council on Healthcare Standards (ACHS). Home and Community Care (HACC) funded services are reviewed against the Community Common Care Standards. Our aged care facilities at King Island and Lyell House (Queenstown) are assessed against the Aged Care Standards.

The acute services which included North West Regional Hospital (NWRH) and Mersey Community Hospital (MCH) underwent their periodic review (PR) against the ten National Safety and Quality Health Service (NSQHS) Standards that had been introduced in January 2013. As an ACHS-member organisation it was decided that this review would also include the mandatory actions within an additional five standards - EQuIPNational. As this was a periodic review Standards 1, 2 and 3 plus five EQuIP mandatory standards were assessed. The Organisation Wide Survey (OWS) for the acute services is booked for October 2015.

As a part of the ACHS four-year accreditation cycle, a self-assessment was conducted for Community Care Services in May 2015. This accreditation cycle was split into two surveys to accommodate the implementation of the National Standards for inpatient areas. The three district hospitals completed their self-assessment against the National Standards in July 2015.

Community Health Services are continuing to review and develop quality improvement activities that introduce new and standardised processes, documentation and patient information to all community based services. The Primary Care Services accreditation review that occurred in May 2015 verified the excellent work underway to ensure consistency of practice for staff across THO—North West through the standardisation of HACC services.

Mental Health Services (MHS), including its inpatient service (Spencer Clinic) located at NWRH, transferred from DHHS to THO—North West on 1 July 2013. A consultation review was conducted in November 2014 to assess the preparedness of the Mental Health Service to meet accreditation against the NSQHS. The results of the review were positive and the resulting action plan continues to assist preparations for Spencer Clinic's OWS against the NSQHS standards. This will be conducted at the same time as the acute services OWS.

The residential aged care facilities at King Island (Netherby Home) and at Queenstown (Lyell House) are reviewed by the Aged Care Standards and Accreditation Agency every three years. Preparations are underway for the major survey for Lyell House in August 2015. Netherby Home was reviewed and accredited in December 2014 with positive results.

CURRENT ACCREDITATION STATUS

Service	Accreditation Status
North West Regional Hospital	Accreditation by the Australian Council on Healthcare Standards (ACHS) was achieved in June 2011 for four years. Self-assessment was completed in 2012. EQulPNational Periodic Review completed December 2013. Organisation Wide Survey booked for October 2015.
Mersey Community Hospital	Accreditation by the Australian Council on Healthcare Standards (ACHS) was achieved in June 2011 for four years. Self-assessment was completed in 2012. EQulPNational Periodic Review completed December 2013. Organisation Wide Survey booked for October 2015.
Primary Care Services	Fully accredited by ACHS in October 2012 for four years. Periodic Review completed May 2014. Self-Assessment completed May 2015.
District hospitals	Fully accredited by ACHS in Oct 2012 for four years. Periodic Review to be conducted July 2014. Self-Assessment completed May 2015.
Aged Care - King Island (Netherby Home) and Queenstown (Lyell House)	Aged care accreditation Netherby Home completed in December 2014, valid for three years. Lyell House accreditation to be conducted August 2015.
Home and Community Care (HACC)	In May 2012, Devonport Community Health Service Centre participated in a HACC Quality Review and successfully achieved all of the 18 expected outcomes of the Community Care Common Standards. All other HACC services are prepared for accreditation and waiting notification of date for survey.
Mental Health Services	A Gap Analysis (Consultation Review) was conducted in November 2014 and an action plan prepared. The inpatient unit is being surveyed in October 2015 against the NSQHS standards.

AWARDS AND AGREEMENTS

There are a number of awards and agreements that apply to the range of employees and disciplines within THO—North West. These are:

► Allied Health Professionals

- Allied Health Professionals (Tasmanian State Service) Industrial Agreement 2014

► Medical Practitioners

- Medical Practitioners (Public Sector) Award
- Rural Medical Practitioners (Public Sector) Agreement 2011-14
- Salaried Medical Practitioners (Australian Medical Association Tasmania/DHHS) Agreement 2009

► Nursing

- Caseload Midwifery Industrial Agreement 2012
- Nurses and Midwives (Tasmanian State Service) Award 2013
- Nurses and Midwives Tasmanian State Service Interim Agreement 2013
- Nurses and Midwives Heads of Agreement 2010

► Visiting Medical Practitioners

- Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2013

► Other Awards and Agreements not covered above

- Health and Human Services (Tasmanian State Service) Award

► Senior Executive Service

- Tasmanian State Service Award

OUR PERFORMANCE

PERFORMANCE AGAINST 2014-15 SERVICE AGREEMENT

In accordance with Section 44 of the Tasmanian Health Organisations Act 2011 a service agreement between the Minister for Health and the THO—North West Governing Council clearly sets out the service delivery and performance expectations for the funding provided to THO—North West for the 2014-15 financial year. As such, the service agreement is the key accountability agreement between the Minister for Health and the THO.

The 2014-15 Service Agreement for THO—North West consisted of the following eight parts:

1. An overview of the service profile of THO—North West.
2. Information on MCH and the requirements of the THO—North West under the Heads of Agreement for the continued management, operation and funding of MCH.
3. An outline of the quality and service standards against which THO performance would be monitored and assessed.
4. The THO funding schedule for 2014-15.
5. An outline of the Minister's Direction to the THO regarding its relationship with the System Purchasing and Performance Group of the department and the service manuals that were to be issued by the group during 2014-15.
6. Detail on the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST) as it relates to the 2014-15 Service Agreement.
7. Detail on the State Government's program to rebuild health services (elective services) for 2014-15

The tables below provide an overview of THO—North West's performance against the quality and service standards and the activity targets. More detailed information about THO—North West's activity for the year is provided in Part 1.7 Activity and Achievements.

THO—North West met or exceeded 20 of the total 38 standards set in the 2014-15 Service Agreement.

Budget Management	Standard	Performance	Standard achieved
Net Cash from operating activities	\$0 Variation	\$12.5m +	✓
Net operating balance		\$(2.1m) ++	X
Comprehensive result		\$0.3m *	X

+ Additional funding of \$9.8m was provided to offset additional activity undertaken by the THO and to ensure that the THO did not overspend its operating account. Before applying additional funding, net cash from operations would have been \$2.7m.

++ Capital grant revenue of \$2.2m has been allocated to THO—North West to allow it to purchase completed building projects from DHHS. As the other side of this is fixed assets, this has also inflated the operating balance. Excluding this would give a net operating balance of \$4.3m deficit, and a comprehensive result of \$1.9m deficit.

* Further explanations of material variances between budget and actual outcomes are provided in Note 4 to the Financial Statements at Part 3 of this report.

NWRH

Safety and Quality*	Standard	Performance	Standard achieved
Hand hygiene compliance	70%	76%	✓
Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate	2.0 per 10,000 bed days	Rate 1%	✓
Healthcare associated clostridium difficile infection rate	4.0 per 10,000 bed days	Rate 1.1%	✓

* Data for infection rates is for March 2015 as EOY data is not yet available

MCH

Safety and Quality*	Standard	Performance	Standard achieved
Hand hygiene compliance	70%	80%	✓
Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate	2.0 per 10,000 bed days	Rate 1.7	✓
Healthcare associated clostridium difficile infection rate	4.0 per 10,000 bed days	Rate 3.6	✓

* Data for infection rates is for 2013-14 as 2014-15 data is not yet available

Activity	Standard / Volume	Performance	Standard Achieved	Variance
Weighted Hospital Separations				
North West Regional Hospital*	11 046	12 094	Exceeded	1 048
Mersey Community Hospital		8 148		
Contracted Patients - Maternity		599		
Emergency Department (occasions of service)				
North West Regional Hospital	N/A	23 748		
Mersey Community Hospital	N/A	25 795		
Outpatients (occasions of service)				
North West Regional Hospital	N/A	64 237		
Mersey Community Hospital	N/A	39 783		

Activity	Standard / Volume	Performance	Standard Achieved	Variance
Activity - Elective surgery admissions **				
QUARTER 1 (July - September 2014)				
North West Regional Hospital		445		
Mersey Community Hospital		609		
THO—North West combined	939	1 054	✓	115
QUARTER 2 (October - December 2014)				
North West Regional Hospital		392		
Mersey Community Hospital		523		
THO—North West combined	864	915	✓	51
QUARTER 3 (January - March 2015)				
North West Regional Hospital		397		
Mersey Community Hospital		494		
THO—North West combined	920	891	✓	-29
QUARTER 4 (April - June 2015)				
North West Regional Hospital		430		
Mersey Community Hospital		472		
THO—North West combined	877	902	✓	25
TOTAL Elective surgery admissions 2014-15				
North West Regional Hospital		1 664		
Mersey Community Hospital		2 098		
THO—North West combined	3 600	3 762	✓	162

* Volumes have exceeded Service Agreement targets by more than the 3 per cent tolerance.

** Only regular list / non-ORPS (Outside Referred Patients).

Emergency Department ACCESS	Standard	Performance	Standard Achieved
Percentage of patients who have physically left the ED within 4 hours			
North West Regional Hospital	78%	77%	✗
Mersey Community Hospital	78%	77.7%	✗
Percentage of all ED presentations seen within recommended triage time			
North West Regional Hospital	80%	87.1%	✓
Mersey Community Hospital	80%	73.7%	✗
Percentage of ED “did not wait” presentations			
North West Regional Hospital	5%	1.2%	✓
Mersey Community Hospital	5%	2.9%	✓

Emergency Department ACCESS	Standard	Performance	Standard Achieved
Ambulance offload delay - % of care transferred within 15min			
North West Regional Hospital	85%	97%	✓
Mersey Community Hospital	85%	94%	✓
Ambulance offload delay - % of care transferred within 30min			
North West Regional Hospital	100%	99%	X
Mersey Community Hospital	100%	96%	X
Elective Surgery ACCESS			
Percentage of patients seen within the clinically recommended time *			
Catagory 1			
North West Regional Hospital		83%	X
Mersey Community Hospital		93%	X
Catagory 2			
North West Regional Hospital		61%	X
Mersey Community Hospital		79%	✓
Catagory 3			
North West Regional Hospital		78%	X
Mersey Community Hospital		79%	X
Elective surgery access - average overdue wait time **			
Catagory 1			
North West Regional Hospital	30	40.9	X
Mersey Community Hospital	30	39.0	X
Catagory 2			
North West Regional Hospital	90	213.1	X
Mersey Community Hospital	90	144.8	X
Catagory 3			
North West Regional Hospital	365	589.1	X
Mersey Community Hospital	365	452.3	X

* A target for the overall year for 'seen in time' was not set - quarterly target were set which changed each quarter.

** For elective surgery patients who have waited beyond the recommended time.

OPERATING ENVIRONMENT

THO—North West provides health services to approximately 114,111 Tasmanians (22.3 per cent of Tasmania's total population). The North West region is geographically dispersed, socio-economically disadvantaged and, like the rest of Tasmania, has a high prevalence of chronic disease and lifestyle risk factors.

Compared with the rest of the State, the North West region has:

- ▶ The highest average avoidable mortality rates for ischaemic heart disease, cardiovascular disease and lung cancer, 2003-07
- ▶ Mortality rate for suicide equivalent to the state rate
- ▶ Lower avoidable mortality rate for chronic obstructive pulmonary disease and respiratory system diseases
- ▶ High hospitalisation rates for ischaemic heart disease, 2007-11
- ▶ Higher rates of diabetes-related hospitalisations for females
- ▶ Highest rate of hospitalisations due to cerebrovascular disease for both male and females
- ▶ Lowest rate of hospitalisations for accidental falls
- ▶ The highest number of standard surgery consultations per FTE GP, 2013
- ▶ The highest number of chronic disease management services per FTE GP, 2013
- ▶ The highest number of GP consultations in aged care facilities per FTE GP, 2013
- ▶ The lowest number of Mental Health Treatment Consultations per FTE GP, 2011

North West Tasmania - Comparison of key demographic and socio-economic indicators			
	North West Region	Tasmania	Australia
Median Age (years)	41	40	37
% of people aged 65+	17.4	16.3	14.2
% Indigenous population	5.0	4.0	2.5
Median weekly household income	\$567	\$948	\$1 234
% Unemployed	7.0	6.4	5.6
% Concession card holders (health care card, pensioner concession card)	31.9	29.9	23.0
% that are aged pensioners	81.8	78.3	74.6
% that are disability support pensioners	9.7	8.7	5.6

Source: Tasmania Medicare Local, *Primary Health Indicators Tasmania Report*, Vol 6 Issue 1 August 2014

2011 Census QuickStats available at http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/604?opendocument&navpos=220

Life Expectancy (years) at birth, 2011

	North West Region	Tasmania	Australia
Life Expectancy (Years) at Birth, 2011	80	80.3	81.9

Source: Tasmania Medicare Local Limited, Primary Health Indicators Tasmania Report, Vol 6 Issue 1, August 2014

Standardised mortality rate (per 1 000 population), 2012

	North West Region	Tasmania	Australia
Standardised mortality rate (per 1 000 population), 2012	6.9	5.5	6.6

Source: Tasmania Medicare Local Limited, Primary Health Indicators Tasmania Report, Vol 6 Issue 1, August 2014

Avoidable mortality 0-74 years, annual average rates per 100 000, 2003-2007

Avoidable mortality annual average rates per 100 000, 2003-2007	North West Region	Tasmania	Australia
Cancers	70.5	70.8	62
Cardiovascular diseases	54.8	50.7	45
Ischaemic heart disease	42.7	37.4	32
Chronic obstructive pulmonary disease (COPD)	30.4	36.2	23.8
Lung cancer	27.1	26.7	21.4
Colorectal cancer	12.2	13	10.9
Suicide and self-inflicted injuries	16.4	16.5	11.1
Respiratory system disease	11.1	13.8	9.4
Cerebrovascular disease	8.7	9.8	10.1
Traffic injuries	12.3	9.6	6.8

Source: Tasmania Medicare Local Limited, Primary Health Indicators Tasmania Report, Vol 6 Issue 1, August 2014

The population in the North West region also report relatively high rates of lifestyle related health risk factors as shown in the Table below:

THO region	Daily smoker %	Risk of short term harm from alcohol %	Insufficient physical activity %	Inadequate fruit consumption <2 serves daily %	Inadequate vegetable consumption <5 serves daily
North	11.9	21.5	30.7	58.2	89.9
North West	14.7	18.4	32.6	56.5	90.2
South	10.7	20.6	30.4	54.0	90.4
Tasmania	11.9	20.4	31.0	55.8	90.2

Source: Department of Health and Human Services, Population Health Services, Report on the Tasmanian Population Health Survey April 2014

ACTIVITIES AND ACHIEVEMENTS

NORTH WEST REGIONAL HOSPITAL

North West Regional Hospital (NWRH) is an acute secondary hospital which offers medical, surgical, paediatric, critical care and allied health services in inpatient and outpatient settings. NWRH is the receiving centre for North West trauma patients and has a well-equipped Emergency Department (ED) supported by a Critical Care Unit (CCU) and a 24/7 operating theatre. As NWRH is a secondary level service, transfer of patients to tertiary hospitals for some injuries and illnesses is necessary. NWRH also has a close working relationship with Mersey Community Hospital (MCH) at Latrobe.

During 2014-15 NWRH continued to be a busy place in terms of both activity levels and also capital works. Presentations to our ED have increased slightly from 2013-14. Patient complexity of care has also increased. This can be attributed to the ageing population and rates of chronic disease within the North West community.

ED staff are to be congratulated for continuing to provide a high quality of care while significant capital works were completed around them to triple the size of the existing unit. NWRH continued to meet ED benchmarks on patient waiting times as per Australian Triage Categories.

During the past 12 months, NWRH has had a focus on reviewing care processes and investigating opportunities to improve patient outcomes. As a result of a funding partnership between the Australian Government and the University of Tasmania, NWRH is currently participating in a clinical redesign project to improve the processes and procedures we use when caring for our patients. It is still early days, but the foundations for sustainable, safe and high quality services are underway.

General medical and surgical services are the largest care group provided at our hospital and are supported by a well-functioning outpatient service. A successful 'paediatrics telehealth' project which allowed patients on King Island and the West Coast to attend telehealth consultations with NWRH specialists via video-link has enabled us to broaden the types of services we are now able to provide. Telehealth will continue to grow in the coming years, particularly in the outpatient setting.

Emergency and elective surgeries are core services delivered at NWRH. We continue to work hard to decrease waiting times for elective surgery, but have experienced a number of challenges in the past 12 months. There has been a decrease in waiting times for some elective surgery but it is an area that will need more work in the future.

The connection that the North West community feels for its hospital is never more pronounced than through both its volunteer and 'gifting' programs. The Volunteer in Partnership (VIP) program provides a valuable service to support patient care. The VIPs continue to make a significant contribution by being available to assist people in a variety of ways such as escorting people around the hospital and providing a refreshment round to patients. A 'gifting' program was established last year and has been an outstanding success - with more than \$250,000 raised for our Cancer Centre.

Our hospital auxiliary also continues to raise money for much-needed equipment. 'Thank you' does not seem a big enough word to capture all that is given by these special people.

Finally, it is essential to thank the passionate, caring staff at NWRH. They bring 100 per cent commitment and dedication to work each and every day. They are the foundation of our hospital.

MERSEY COMMUNITY HOSPITAL

Mersey Community Hospital (MCH) continues to deliver a suite of non-complex surgical services for the North West region, which is consistent with the requirements of the Heads of Agreement (HoA) for the continued management, operation and funding of the MCH with the Australian Government. This includes a range of short stay and day only surgical services for the THO—North West community and an increasing volume of elective surgery associated with endoscopy and ophthalmology. With the exception of emergency caesarean, elective surgery is conducted at the MCH on a Monday to Friday basis. In mid-2015 the Tasmanian and Australian governments agreed to continue the arrangement for a further two years.

MCH also provides Obstetric and Midwifery services for low complexity pregnant women in the region along with an extensive antenatal and extended care service.

The MCH Emergency Department (ED) remains a busy unit managing a large volume of presentations and retains the capacity to provide care for suitable low complexity paediatric patients in the ED Short Stay Unit. Fast track models and streaming for suitable patients in the ED has improved the timeliness of care provision. Following the introduction, and then expansion of Nurse Practitioner services (currently two practitioners), a complete roster of ED fast track care is now being delivered.

The MCH continues to experience growing demand for ambulatory paediatric services, with this demand being met through outpatient paediatric clinics. These clinics are staffed by THO—North West Paediatricians who also

participate in the regional on-call paediatric roster. Extended outpatient clinics are also provided for a range of medical specialties including gynaecology, urodynamic, orthopaedics, cardiology and general medicine.

Inpatient General Medicine is provided on both the Medical Ward and in the High Dependency Unit and continues to be a significant component of care provided at the hospital. These wards also include telemetry capacity for cardiac monitoring. Telemetry capacity was increased in 2014 due to demand.

During the course of the current HoA between the Australian and Tasmanian Governments, the MCH has continued to upgrade and improve facilities and equipment. This has included capital works associated with the redevelopment of the Medical Day Procedure Unit that has greatly enhanced the physical environment for patients and staff. This \$343,000 project was funded by the Australian Government, and has involved the relocation of the unit to vacant space on the MCH surgical ward. The relocated unit is positioned closer to complementary hospital services including Stomal Therapy and the Outpatients Clinic, which has made the treatment journey a little smoother for patients. Along with the Northern Integrated Cancer Service this unit will see increased demand in 2015. A Telehealth facility has been installed within the unit for patient consultation.

PRIMARY HEALTH SERVICES

KING ISLAND HOSPITAL AND HEALTH CENTRE

Rural Health Outreach funding (RHOF) continues to support the King Island community with visiting services to King Island Hospital and Health Centre (KIHC) including an Alcohol and Drug worker, dietitian, midwives clinic (including antenatal care, lactation consultant and domiciliary support for the post-natal phase), and a Mental Health Social Worker providing counselling services. RHOF also provides funding for visiting medical services such as psychiatry, obstetrics and gynaecology, orthopaedics, geriatrician, rheumatology and respiratory physician.

Health Recruitment Plus continues to provide GP services on King Island.

A Tasmanian Arts project saw the installation of window art at KIHC in 2014. The piece references a range of historic and contemporary maps, along with nautical, aerial and cultural imagery to tell the story of King Island. The soldier's settlement, shipwrecks, aviation, mining and the unpredictable King Island weather are all represented.

Our Netherby Home residents can now enjoy spending time in secure gardens. A shade sail, raised gardens and improved garden beds with the assistance of the local garden club can now be enjoyed by residents and families.

SMITHTON DISTRICT HOSPITAL

2014-15 has seen an expansion in the range of outpatient services provided at Smithton District Hospital (SDH) including blood transfusions and low risk chemotherapy medication and support procedures. This reduces the need for people to travel to receive care.

In 2014 SDH staff and the Circular Head community celebrated 50 years at the current location.

WEST COAST DISTRICT HOSPITAL

As the result of a great deal of work in the area of recruitment, a sustainable workforce was achieved at West Coast District Hospital (WCDH), and associated community services in Rosebery, Zeehan and Strahan. Staff accommodation was significantly improved and upgraded through a Government grant. OCHRE Health Care continues to provide rural GP services across the West Coast.

OTHER PRIMARY HEALTH SERVICES

Demand for Community Nursing services continued to grow during 2014-15 with 2 766 referrals received and the delivery of 101 287 occasions of care. The Community Nursing Service works closely with NWRH and MCH to reduce avoidable hospital admissions and to support the seamless transition of clients returning home from hospital.

The Specialist Palliative Care Service continued to participate in the Australian Government funded Better Access to Palliative Care (BAPC) initiative which saw local trials of various workforce models aimed at enhancing the specialist workforce.

The demand for Adult Day Centre (ADC) services remained strong. As at 30 June 2015, there were 147 registered clients accessing ADCs based at Latrobe, Ulverstone, Wynyard, King Island, Zeehan and Queenstown. The centres provide day therapy programs which encourage physical activity, healthy eating and activities to promote mental stimulation.

The Wynyard ADC also featured in an interview with Waratah - Wynyard Mayor Robbie Walsh showcasing the day centre services. The clip was viewed over 200 times.

The Central Coast ADC continues the valuable partnership with the Discovery Early Learning Centre where children visit once a month and

participate in joint activities such as reading books, performing plays, singing and other activities.

The Aged Care Assessment Team (ACAT) continued their invaluable work in 2014-15, receiving 1420 referrals. ACAT provide a gateway to elderly and frail aged clients to access more intensive services such as transitional care packages, home care packages, respite care and entry to residential aged care.

The Clinical Nurse Specialists (CNS) in Youth Health and Clinical Nurse Consultants (CNC) in Spinal and Continence, and Neuromuscular Degenerative (Parkinson Disease and Dementia and related conditions) were kept busy throughout 2014-15. Key achievements include:

- ▶ Youth Health: Working in partnership with Marist Regional College, St Brendan Shaw College and the Department of Education on the 'space re-engagement program.'
- ▶ Continence Service: During 2014-15 310 referrals were received and 1293 occasions of service were delivered. An education day for health professionals called 'Pesky Pelvis Problems' was also held in Ulverstone. This was made possible through a small grant from the Continence Foundation of Australia and in partnership with the Central Coast Council.
- ▶ Neurological Support Service: Our Clinical Nurse Consultant has had two outstanding achievements this year - being awarded the Winston Churchill Fellowship in 2014 to research nursing models of care in London and the Netherlands, and the involvement in the advanced clinical management of the first Tasmanian to have a specific advanced treatment for Parkinson's, Intestinal Gel therapy (known as Duodopa).

- ▶ Dementia Support Service Clinical Nurse Consultant: 110 comprehensive assessments were completed in 2014-15 with 209 follow up visits for early intervention and support. 52 consultancy sessions were provided, and 22 educational sessions to groups and health care professionals were facilitated.

The Health Promotion team delivered seven 'engaging health literacy' workshops to 52 participants enabling them to better develop resources for consumers. Their flagship program - Stanford chronic disease self-management course Get the Most Out of Life (GTMOOL) continued in 2014-15. GTMOOL involves training leaders to deliver programs to people who want to learn strategies to better manage their health conditions.

A strategic plan will be developed in the 2015-16 financial year to provide leadership and direction for the Primary Health Services team for the next three years, positioning us within expected changes in the external environment. As part of this approach we will continue to focus on working through the ongoing challenges, and measure and evaluate the effectiveness of changes to processes and systems whilst looking at innovative ways to improve.

The achievements over the past twelve months cannot be underestimated and are attributed to the effort and input of staff across all service units.



ALLIED HEALTH SERVICES

Allied Health Services include those provided by the following disciplines:

- ▶ Nutrition and Dietetics
- ▶ Occupational Therapy
- ▶ Orthotics and Prosthetics
- ▶ Physiotherapy
- ▶ Podiatry
- ▶ Social Work
- ▶ Speech Pathology

They also oversees the Elder Care Team, the NWRH chaplains and pastoral care volunteers, the Transitional Care Program (TCP) and the Rehabilitation Service.

Services are provided across Tasmania's North West through three main sites: NWRH, MCH, and Devonport Community and Health Services Centre (DCHSC). Outreach services are also provided to the three rural inpatient facilities in Smithton, Queenstown and King Island, as well as a number of community health centres in Wynyard, Ulverstone and Burnie.

The Paediatric Multidisciplinary Continence Clinic completed its first 18 months of service for children across the region based out of DCHSC and NWRH. These children previously had to see two or more therapists individually but can now be seen in a team approach including time with a Paediatrician, Physiotherapist and Occupational Therapist and go home with an

action plan. Of the children who received service from the team 69 per cent have had a 90 per cent improvement in symptoms post intervention with the multidisciplinary team. The service has received more referrals than anticipated and strategies to increase or provide fast track screening are being investigated. Occupational therapist Victoria Williams also received an award from the Tasmanian Allied Health Professionals Advancement Committee for her leadership in the development and implementation of the Interdisciplinary Paediatric Feeding Clinic. This was a significant achievement for the North West.

The Pulmonary Rehabilitation Program completed its first year of service in 2014-15. This group program was run at both NWRH and MCH for people with chronic respiratory problems. Many of the attendees reported positive outcomes and reduced visits to hospital. The interim data showed that 77 per cent of patients improved their ability to walk greater than 35metres and 81 per cent had increased 'Quality of Life' scores. Options for providing this group program via video-conference to rural sites are now being investigated.

The service has demonstrated increasing commitment to research in the organisation this year. In a partnership with La Trobe University, Podiatry team is currently 18 months into a three year research project looking at diabetes-related foot health in rural areas of Australia. The initial findings were presented at two conferences in 2015. The Physiotherapy department has also participated in a multicentre trial reviewing physiotherapy intervention for patients post gastro-intestinal surgery.

Nutrition and Dietetics have led a major piece of work to develop a Food and Nutrition Policy and Strategy for the THO. They have also been instrumental in leading the implementation of a Food and Nutrition Committee with representatives from acute and primary health facilities.

In 2014, Allied Health completed the first year of the implementation of its new statistics recording system, called Activity Bar Coding. The system utilises a small hand-held bar code scanner to record patient details, length of intervention, types of intervention and a variety of other information. Statistics gathered in 2014-15 show Allied Health Services have been involved in 21 387 outpatient appointments, 40 107 in patient consultations, and 13 644 attendances for community patients.

The service has and continues to provide leadership within the organisation for progressing work on preventing falls and harm from falls as part of the National Standards for safety and quality. A number of policy and protocol documents have been developed and implemented during the year. The Falls Working Party has also developed more robust processes to review falls incidents and provide feedback to clinical areas.

MENTAL HEALTH SERVICES

Mental Health Service provides specialist assessment and treatment services to people with a serious mental illness.

There has been a 14 per cent increase in the number of people accessing Mental Health Services in 2014-15 - a total of 1824 people. There were 27 150 contacts made with these clients throughout the year and although there was an increase in the number of people accessing the service, admissions to the Spencer Clinic Inpatient Unit decreased by 16 per cent. There were a total of 348 admissions throughout the year.

The service has performed exceptionally well on indicators of service effectiveness. Although the length of stay increased by 6.7 per cent to 14.2 days, the unplanned re-admission rate dropped by 31 per cent. This is an indication of the effectiveness of treatment within Spencer Clinic and the assertive community support. Similarly positive progress was made to reductions in the use of seclusion - a 33 per cent reduction from the previous year.

Mental Health Services are expected to treat people in the least restrictive manner possible. The decrease in admissions, re-admissions and seclusion indicate that the service is working positively towards this goal.

In 2014-15, the number of people who were followed-up in the first week of discharge, dropped by 3.9 per cent.

Over the year, 71 per cent of people were seen in the first week post-discharge from hospital. However, considerable effort was made to improve the responsiveness of the service, and the average was over 80 per cent for the last three months of the year. The expectation is that this will continue in 2015-16.

In addition to the above, other key achievements during the year were:

- **Electronic Record:** As from February, 2015 community records were integrated into the Digital Medical Record (DMR) system. Prior to this, paper medical records were used for community based mental health services and held at individual service sites. Digitisation of the client records has encompassed a combination of scanning of paper records and the use of electronic forms and notes. There was a significant commitment and contribution by staff in both mental health and eHealth services, which led to the successful implementation of this initiative.

- ▶ **Consumer Participation:** A number of initiatives were introduced over the year to enhance consumer input into service delivery and service improvement. Working in partnership with Flourish Mental Health Action in Our Hands Inc, consumer representation was introduced into service planning forums, Mental Health Executive meetings and the Seclusion and Restraint Committee. Feedback was also sought on information packs that are given to people who present to Mental Health Services. A three monthly consumer forum was also introduced to enable consumers to seek information on services and to give feedback on services received. In addition a patient experience survey was developed with feedback from consumers.
- ▶ **Community Sector Organisations (CSO) forums:** Six monthly forums were commenced to enhance the working relationship of Mental Health Services with CSOs who also provide services to people with a mental illness. An outcome of the first forum was a project to streamline access to CSO services. Referrals now go directly to CSO providers rather than through a review panel prior to referral.
- ▶ **Accreditation:** A gap analysis was undertaken by external surveyors in preparation for accreditation in 2016. The results indicated that the service was positioned well to achieve accreditation.

e-HEALTH

A number of new electronic information systems have been implemented to increase sharing of clinical information. Further to the new systems, there have also been a number of key improvements made to existing systems.

Whilst electronic prescribing (ePrescribing) of medications was introduced to all clinics and EDs at NWRH and MCH by mid-2014, all electronic prescriptions are now also sent to the National Prescription and Dispense Repository (NPDR). As a result, the treating doctor can now view NPDR records for patients through the national Personally Controlled Electronic Health Record (PCEHR).

In September 2014, the electronic discharge summary system was enhanced and now includes instructions for patients on high risk medicines, which is in line with the Australian Commission on Safety and Quality in Health Care (ACSQHC) medication safety priority.

The Specialist Palliative Care Service started using the Patient Administration System iPM for registering patients and updating demographics in 2014. This includes the use of a statewide patient identifier - which is an important step towards integrating palliative care information with other clinical systems.

Since December 2014, NWRH now has an electronic archive and documentation system for laparoscopic images and videos. This system ensures that images are not only captured, but also securely stored for future reference.

Consultants now have access to an electronic consultation summary, which allows them to dictate or type their specialist letters into an electronic system. These summaries are then automatically sent to patients' general practitioner, which allows for a seamless hand-over to primary care.

In March 2015 the clinical PCEHR portal viewing capability went live which means ED staff are now able to look up PCEHR details for patients - particularly those who don't have a history with our hospitals.

2014-15 ACTIVITY DATA - NORTH WEST REGIONAL HOSPITAL

NWRH SEPARATIONS

Hospital activity is measured as patient separations. A separation is an episode of admitted patient care. Raw separations are not adjusted for the complexity of the episode of care and represent each individual episode of care in a given period. Weighted separations show the level and complexity of the work done in public hospitals by combining two measures: the number of times people come into hospital and how ill people are when they come into hospital.

NWRH raw separations	
Year	Actual
2011-12	7 743
2012-13	10 463
2013-14	11 743
2014-15	12 375

The NWRH delivered 12 375 raw separations during 2014-15 which was 5 per cent above the activity level for the previous year.

NWRH weighted separations	
Year	Actual
2011-12	10 848
2012-13	12 275
2013-14	14 014
2014-15	14 151

The NWRH delivered 14 151 weighted separations during 2014-15 which was 1 per cent above the activity level for the previous year.

NWRH Service level agreement weighted separations	
Year	Actual
2011-12	10 724
2012-13	11 782
2013-14	13 157
2014-15	12 094

The NWRH delivered 12 094 weighted separations during 2014-15 which was 9 per cent above the target set for the year. The variance in activity volume for 2013-14 and 2014-15 is due to NWRH managing activity to meet quarterly targets. In 2012-13 and 2013-14 NWRH exceeded agreed activity targets.

NWRH EMERGENCY DEPARTMENT ATTENDANCES

Total ED attendances for the NWRH during 2014-15 were 23 748 which was 4 per cent above the number for the previous year.

NWRH raw separations	
Year	Actual
2011-12	24 413
2012-13	24 204
2013-14	22 820
2014-15	23 748

NWRH EMERGENCY DEPARTMENT PRESENTATIONS BY TRIAGE CATEGORIES

All patients presenting to an ED are triaged on arrival by a specifically trained and experienced registered nurse.

Triage assessment against the Australasian Triage Scale (ATS) is recorded as follows:

- ▶ Category 1: Immediately life-threatening
- ▶ Category 2: Imminently life-threatening
- ▶ Category 3: Potentially life-threatening or important time-critical treatment or severe pain
- ▶ Category 4: Potentially life-serious or situational urgency or significant complexity
- ▶ Category 5: Less urgent

The ATS has been endorsed by the Australasian College for Emergency Medicine (ACEM) and adopted in performance indicators by the Australian Council on Healthcare Standards (ACHS).

Year	Triage category 1	Triage category 2	Triage category 3	Triage category 4	Triage category 5
2011-12	94	1 555	7 862	12 602	2 300
2012-13	91	1 726	8 230	12 343	1 814
2013-14	105	1 716	8 049	11 620	1 330
2014-15	131	1 740	8 213	11 627	2 037

In 2014-15, as compared with the previous year, Emergency Department attendances at the NWRH by triage category increased across all categories.

NWRH EMERGENCY DEPARTMENT PATIENTS SEEN WITHIN RECOMMENDED TIMEFRAMES 2014-15

Year	Triage category 1 (immediately)		Triage category 2 (within 10 minutes)		Triage Category 3 (within 30 minutes)		Triage Category 4 (within 60 minutes)		Triage Category 5 (within 120 minutes)		All triage categories seen within time
	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	
2012-13	100%	100%	80%	87%	75%	87%	70%	85%	86%	96%	86%
2013-14	100%	100%	80%	82%	75%	89%	70%	90%	86%	98%	90%
2014-15	100%	99%	80%	88%	75%	87%	70%	86%	70%	94%	87%

87 per cent of all ED attendances at NWRH during 2014-15 were seen within the recommended time frames and ACEM Targets were met or exceeded for all triage categories.

NWRH SURGICAL PROCEDURES

NWRH total operating theatre activity	
Year	Actual
2011-12	4 340
2012-13	4 236
2013-14	4 319
2014-15	4 027



Total operating theatre activity at the NWRH during 2014-15 was 4 027 procedures which was 292 or 7 per cent below the number of procedures for the previous year. This includes elective surgery and emergency procedures.

NWRH elective surgery procedures	
Year	Actual
2011-12	1 935
2012-13	1 817
2013-14	1 814
2014-15	1 679

The NWRH delivered 1 679 elective surgery procedures during 2014-15 which was 7 per cent below the number of procedures for the previous year.

ELECTIVE SURGERY WAITING LIST

The elective surgery waiting list is reported on a consolidated basis across THO—North West due to the synergies that exist between the NWRH and the MCH in delivering elective surgery.

The total number of patients “ready for care” on the elective surgery waiting list for the North West as at 30 June 2015 was 1 410 compared with 1 536 at 30 June 2014 which represents an 8 per cent decrease compared with the previous year.

Ready for care patients are those who are prepared to be admitted to hospital or to begin the process leading directly to admission. These could include investigations/procedures done on an outpatient basis, such as autologous blood collection, pre-operative diagnostic imaging or blood tests.

Year	Urgent	Semi-Urgent	Non-Urgent
2011-12	88	392	786
2012-13	48	367	816
2013-14	62	435	1 039
2014-15	51	420	939

Category 1 (Urgent) patients on the elective surgery waiting list as at 30 June decreased by 18 per cent from 62 to 51.

Year	Over Boundary	Under Boundary
2011-12	229	1 037
2012-13	282	952
2013-14	310	1 226
2014-15	253	1 157

The number of patients “over boundary” has decreased by 18 per cent from 310 at 30 June 2014 to 253 at 30 June 2015. A patient is considered to be over boundary when the number of days on the waitlist exceeds the clinically recommended time for their urgency category as defined in the National Access Guarantee.

NWRH OUTPATIENT SERVICES

An outpatient “occasion of service” is defined as an interaction between a health care professional and a patient where the patient is not admitted to hospital. Outpatient services include interactions such as assessments and consultations and an occasion of service is a treatment that is unbroken in time.

Year	Actual
2011-12	63 587
2012-13	57 611
2013-14	59 248
2014-15	64 237

64 237 outpatient occasions of service were delivered at the NWRH during the year. This level of activity was 8 per cent higher than the activity level of the previous year.

2014-15 ACTIVITY DATA - MERSEY COMMUNITY HOSPITAL

MCH SEPARATIONS

Hospital activity is measured as patient separations. A separation is an episode of admitted patient care. Raw separations are not adjusted for the complexity of the episode of care and represent each individual episode of care in a given period. Weighted separations show the level and complexity of the work done in public hospitals by combining two measures: the number of times people come into hospital and how ill people are when they come into hospital.

MCH raw separations	
Year	Actual
2011-12	9 243
2012-13	11 923
2013-14	13 469
2014-15	12 782

MCH delivered 12 782 raw separations during 2014-15 which was 5 per cent below the activity level for the previous year.

MCH weighted separations	
Year	Actual
2011-12	7 295
2012-13	8 845
2013-14	10 040
2014-15	9 560

MCH delivered 9 560 weighted separations during 2014-15 which was 5 per cent below the activity level for the previous year.

MCH EMERGENCY DEPARTMENT ATTENDANCES

Total ED attendances for the MCH during 2014-15 was 25 795 which was 3 per cent below the number for the previous year.

Year	Actual
2011-12	25 929
2012-13	27 321
2013-14	26 557
2014-15	25 795

MCH EMERGENCY DEPARTMENT PRESENTATIONS BY TRIAGE CATEGORIES

All patients presenting to an ED are triaged on arrival by a specifically trained and experienced registered nurse.

Triage assessment against the Australasian Triage Scale (ATS) is recorded as follows:

- ▶ Category 1 - Immediately life-threatening
- ▶ Category 2 - Imminently life-threatening
- ▶ Category 3 - Potentially life-threatening or important time-critical treatment or severe pain
- ▶ Category 4 - Potentially life-serious or situational urgency or significant complexity
- ▶ Category 5 - Less urgent

The ATS has been endorsed by the Australasian College for Emergency Medicine (ACEM) and adopted in performance indicators by the Australian Council on Healthcare Standards (ACHS).

Year	Triage category 1	Triage category 2	Triage category 3	Triage category 4	Triage category 5
2011-12	44	1 274	6 853	13 974	3 784
2012-13	76	1 593	7 856	14 680	3 116
2013-14	73	2 217	8 339	13 393	2 535
2014-15	74	1 984	8 758	12 961	2 018

In 2014-15, as compared with the previous year, ED attendances at the MCH by triage category increased for categories 1 and 3 but decreased for categories 2, 4 and 5.

MCH EMERGENCY DEPARTMENT PATIENTS SEEN WITHIN RECOMMENDED TIMEFRAMES 2014-15

Year	Triage category 1 (immediately)		Triage category 2 (within 10 minutes)		Triage Category 3 (within 30 minutes)		Triage Category 4 (within 60 minutes)		Triage Category 5 (within 120 minutes)		All triage categories seen within time
	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	
2012-13	100%	100%	80%	80%	75%	71%	70%	75%	70%	95%	77%
2013-14	100%	100%	80%	80%	75%	75%	80%	80%	80%	95%	80%
2014-15	100%	100%	80%	79%	75%	75%	70%	79%	70%	95%	79%

79 per cent of all ED attendances at MCH during 2014-15 were seen within the recommended time frames and ACEM Targets were met or exceeded for all triage categories.

MCH SURGICAL PROCEDURES

MCH Total Operating Theatre Activity	
Year	Actual
2011-12	5 072
2012-13	4 979
2013-14	5 032
2014-15	4 601

Total operating theatre activity at MCH during 2014-15 was 4 601 procedures which was 430 or 9 per cent below the number of procedures undertaken in the previous year. This includes elective surgery and emergency procedures.

MCH Elective Surgery Procedures	
Year	Actual
2011-12	1 904
2012-13	2 011
2013-14	2 044
2014-15	1 908

1 908 elective surgery procedures were undertaken at MCH during 2014-15, 136 procedures or 7 per cent lower than the previous year.

MCH Outpatient services	
Year	Actual
2011-12	47 929
2012-13	45 793
2013-14	39 353
2014-15	39 783

39 783 outpatient occasions of service were delivered at MCH during the year. This level of activity was 1 per cent more than the activity level of the previous year.

2014-15 ACTIVITY DATA - DISTRICT HOSPITALS - SMITHTON, WEST COAST AND KING ISLAND

ADMISSIONS

Total admissions to the region's three district hospitals during 2014-15 were 1 147:

- ▶ 597 to SDH (11 per cent higher than the previous year)
- ▶ 292 to KIHHC (5 per cent higher than the previous year)
- ▶ 258 to WCDH (11 per cent higher than the previous year)

Year	Smithton District Hospital (SDH)	King Island Hospital and Health Centre (KIHHC)	West Coast District Hospital (WCDH)
2011-12	589	301	250
2012-13	533	239	264
2013-14	536	278	232
2014-15	597	292	258

ACUTE OCCUPANCY RATES

Total acute occupancy rates across the region's three district hospitals during 2014-15 were:

- ▶ 57 per cent at SDH (19 per cent higher than the previous year)
- ▶ 31 per cent at KIHHC (1 per cent lower than the previous year)
- ▶ 29 per cent at WCDH (5 per cent lower than the previous year)

Year	Smithton District Hospital	King Island Hospital and Health Centre	West Coast District Hospital
2011-12	34%	31%	36%
2012-13	37%	35%	36%
2013-14	38%	32%	34%
2014-15	57%	31%	29%

AGED CARE

KIHHHC has 14 aged care beds. The average occupancy rate for these beds remained stable at 86 per cent in 2013-14 and 86 per cent in 2014-15.

WCDH has 16 aged care beds. The average occupancy rate for these beds increased from 92 per cent in 2013-14 to 96 per cent in 2014-15.

Year	King Island aged care	West Coast aged care
2011-12	86%	94%
2012-13	72%	79%
2013-14	86%	92%
2014-15	86%	96%

District Hospital outpatient and unplanned occasions of service

Year	Smithton District Hospital*	King Island Hospital and Health Centre*	West Coast District Hospital*
2011-12	2 684	1 223	3 955
2012-13	3 676	1 195	3 833
2013-14	4 357	1 279	3 359
2014-15	3 506	1 440	3 232

* Unplanned occasions of service occur when a patient presents to a facility without prior notice and the facility does not operate an Emergency Department as defined by the Australian Government.

West Coast District Hospital data also includes Rosebery and Strahan data.

2014-15 ACTIVITY DATA - MENTAL HEALTH SERVICES

MENTAL HEALTH SERVICES

Description	Unit of Measure	2012-13	2013-14	2014-15
Inpatient separations	Number	375	412	348
Average length of acute inpatient stay	Days	13.8	13.3	14.2
28-Day unplanned readmission rate	%	29.4	15.25	10.48
Total number of clients treated by service	Clients**	1 702	1 704	1 692
Seclusion rates	Per 1000 bed days	8.74	8.43	5.60
Post-discharge community care	%	*	74.9	71.1

• Due to change in reporting systems cannot give accurate data for 2012-13.

** Does not include current clients at the end of 2013-14.

STRATEGIC DIRECTIONS

In delivering services to meet the needs of those living in Tasmania's North West, THO—North West developed seven strategic objectives and associated strategic approaches:

1. Needs based service provision
2. Community engagement
3. Partnerships
4. Workforce
5. Infrastructure
6. Performance
7. Health literacy and improved health status

Objective	Strategic approach
1. Needs based service provision Provide safe, quality, sustainable and appropriate health services relevant to the needs of the North West population.	<ul style="list-style-type: none"> ▶ Continue to delineate the roles of the NWRH and MCH with the aim of consolidating high acuity services at the NWRH and reducing or eliminating any areas of service duplication. ▶ Model planned admitted activity within acceptable waiting times to allow service activity volumes to be ramped up and down to accommodate unplanned admissions. ▶ Continue to enhance access to a range of Mental Health Services. ▶ Adjust service delivery models and service mix in light of innovations and areas for improvement identified by the Lead Clinicians Group (LCG) in the revised Tasmanian Health Plan/Clinical Services Plan and recommendations of The Commission on Delivery of Health Services in Tasmania. ▶ Establish an effective and efficient operational cancer service. ▶ Integrate renal services into the operations of THO—North West to better respond to local demand. ▶ Review West Coast facilities, services and retrieval systems. ▶ Continue to develop and implement effective systems for clinical governance and clinical leadership. ▶ Continue to develop and share information with DHHS and other key stakeholders like TML to improve the population's health and ability to cope with stressors like acute demand. ▶ Meet the national clinical standards as determined by the Australian Commission on Safety and Quality in Health Care and within the context of the Tasmanian regulatory framework. ▶ Establish systems and processes to support satisfactory performance against other accreditation standards aimed at continuous quality improvement, evidence-based practice and education, training and research (eg aged care standards for multipurpose centres).
2. Community engagement Engage, involve and integrate consumers in the planning and provision of health services.	<ul style="list-style-type: none"> ▶ Develop and implement a comprehensive community and consumer engagement strategy. ▶ Investigate opportunities for greater visibility of THO—North West to the community. ▶ Increase the awareness and profile of the THO—North West Governing Council. ▶ Deliver health services and health support services that are consistent with the intent of the Australian Charter of Healthcare Rights. ▶ Ensure an effective patient complaint and dispute resolution process is in place. ▶ Increase consumer input into the planning and delivery of Mental Health Services.

Objective	Strategic approach
<p>3. Partnerships</p> <p>Work in collaboration with TML, other THOs, local GPs and relevant non-government organisations to better coordinate and support the transition of patient care to deliver the right health care, at the right time, in the right place.</p>	<ul style="list-style-type: none"> ▶ Actively work with TML and other partners in the non-government sector to reduce unnecessary hospital admissions through better care coordination, streamlined care pathways and models of supported home based care. ▶ THO—North West's Primary Health Care Services to work with other partners like TML to achieve a consistent and integrated approach for primary care services across the region. ▶ Develop joint approach to community engagement that has a system wide focus. ▶ Work with other THOs to provide access to facilities within THO—North West to enable other THOs to deliver statewide services which they are contracted to deliver to the Tasmanian community. ▶ Work with other THOs and DHHS to implement the statewide clinical governance framework. ▶ Work with other THOs and DHHS Statewide Mental Health and Alcohol Directorate on strategic priorities for mental health and addition services. ▶ Cooperate with DHHS and provide information and data as required to ensure the government is able to monitor performance and meet all of its Australian Government and State reporting requirements. ▶ Actively work with TML on service rationalisation.
<p>4. Workforce</p> <p>Recruit, retain and support a skilled workforce which meets the needs of the organisation.</p>	<ul style="list-style-type: none"> ▶ Develop a THO—North West workforce plan. ▶ Support strong and sustainable medical workforce and leadership. ▶ Provide training and education relevant to the provision of health services. ▶ Work with other THOs and DHHS to develop a strategic approach to community nursing workforce planning and models of care. ▶ Collaborate with UTAS and other professional bodies and utilise such partnerships in the coaching, mentoring, development and training of staff. ▶ Implement other strategies as outlined in the THO—North West Human Resources Plan. ▶ Relaunch the 'Values' program across the organisation.
<p>5. Infrastructure</p> <p>Ensure our infrastructure and equipment is fit for purpose and effectively supports the delivery of safe, high quality health care and meets current and expected future demand.</p>	<ul style="list-style-type: none"> ▶ Develop a strategic asset management plan that fully assesses the condition of the region's infrastructure and equipment and develop a scheduled and (as far as possible) predictable approach to asset management and replacement and identifies funding mechanisms / options. ▶ Ensure that THO—North West resources are prudently managed and the assets under its control are maintained. ▶ Build and bring into operation an integrated regional cancer centre, a redeveloped and expanded emergency department (ED) and a new rehabilitation ward. ▶ Provide reliable and timely access to integrated information to enable improved patient / client care across the whole continuum of care. ▶ Enhance clinical telehealth services. ▶ Implement Voice Over Internet Protocol (VOIP). ▶ Develop MHS infrastructure including the Spencer Inpatient Unit.

Objective	Strategic approach
<p>6. Performance</p> <p>Achieve activity levels and priorities set out in service agreements within our allocated budget.</p>	<ul style="list-style-type: none"> ▶ Utilise appropriate systems to monitor revenue, employment, procurement and expenditure to enable best practice budget management. ▶ Develop and implement a financial management strategy to close the gap between the local price and the nationally efficient price for services. ▶ Ensure an effective system is in place for access to statewide services. ▶ Utilising and not duplicating statewide services that THO—North West is directed to use under section 38 of the <i>Tasmanian Health Organisations Act 2011</i>. ▶ Review efficiency of operational services and infrastructure and implement cost savings measures. ▶ Negotiate new and more cost effective arrangements with external contractors. ▶ Work with DHHS in developing a service purchasing framework that reflects medium to long term performance and purchasing intentions and proactive response to acute and elective demand. ▶ Pursue suitable fundraising opportunities. ▶ Maximise approved own source revenue. ▶ Implement the Heads of Agreement between the Australian and State Governments for the operation of MCH. ▶ Have in place performance management arrangements that ensure the CEO and managers are accountable for achieving budget management outcomes. ▶ Develop and implement a code of ethics for members of the Governing Council that is consistent with the <i>Tasmanian Health Organisations Act 2011</i>. ▶ Achieve external accreditation against the Australian Commission on Safety and Quality in Healthcare Standards.
<p>7. Health literacy and improve health status</p> <p>Support initiatives that improve health literacy among members of the North West community and aim to improve their health status and reduce the prevalence of health risk factors.</p>	<ul style="list-style-type: none"> ▶ Work with partners in contributing to a statewide plan to improve health literacy among health care consumers. ▶ Work with DHHS and TML in supporting initiatives aimed at reducing smoking rates and unsafe alcohol consumption, increasing physical activity and healthy eating.

PART 2 - SUPPLEMENTARY INFORMATION

CLIMATE CHANGE

CLIMATE CHANGE - GREENHOUSE EMISSIONS 2014-15

THO—North West	Current Position 2014-15		Previous Position 2013-14	
Activity	Volume	tCO _{2-e}	Volume	tCO _{2-e}
Electricity	12.29 GWh	2,459	12.42 GWh	2,859
Natural Gas	3127 GJ	160	3,064 GJ	157
Unleaded Petrol	175 kL	398	172 kL	409
Diesel Fuel	62 kL	167	60 kL	163
Air Travel	1.11M km	176	0.9M km	149
Total		3,360		3,737

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

THO—North West operates within a comprehensive risk management framework based on Australian Standard 31000 that includes a strategic risk register, routine identification of financial and operational risks at an executive level, continuous development and monitoring of risk mitigation strategies, and regular reporting of these to both THO—North West's Governing Council through the Audit and Risk Sub-Committee (ARSC), Quality and Safety Sub-Committee (QSSC) and to Internal Audit.

The ARSC of the Governing Council has clear responsibilities set out in its charter for reviewing the THO—North West risk management and control framework as well as ensuring external accountability and compliance. The QSSC of the Governing Council has clear responsibilities set out in its charter to ensure it fulfils its clinical governance and oversight responsibilities in relation to quality, safety and clinical risk.



A corporate audit cycle has been developed and agreed in consultation with Internal Audit through which a number of priority risks have been identified by the Governing Council for further investigation, either on a routine basis or seeking improvement recommendations from Internal Audit.

Any recommendations made by Internal Audit are reviewed by the Governing Council and implemented where possible. THO—North West is also audited at the end of each financial year by the Tasmanian Audit Office.

MCH is subject to a separate audit process in accordance with the requirement of the Heads of Agreement between the Australian Government and the State.

Clinical safety and risk is monitored through a range of mechanisms that include:

- ▶ Risk Management Plan
 - ▶ Risks identified and recorded in risk register
 - ▶ Responsible person and committee is allocated and provide oversight
 - ▶ Responsible person monitors progress and actions accordingly
 - ▶ Periodic review is provided by the allocated committee.
- ▶ Risk Register
- ▶ Governing Council Audit and Risk Quality and Safety Committee

- ▶ Safety Reporting and Learning System (SRLS) - Risk register will transfer to SRLS during 2015-16. The framework will be reviewed/modified to accommodate this change
 - ▶ Clinical risk
 - ▶ Corporate risk
 - ▶ Occupational risk
 - ▶ Complaints and compliments
 - ▶ Morbidity and mortality review.
- ▶ Adverse event and complaint investigation and review
- ▶ Credentialing and scope of practice review for clinical staff
- ▶ Monitoring of clinical indicators and key performance indications
- ▶ Clinical audit activities.

Clinical safety and risk will be monitored at a government level through the ARSC and QSSC.

At the commencement of this planning period, THO—North West's financial and operational risks have been identified and mitigation strategies have been developed and will be implemented over the planning period.

INSURABLE RISK

THO—North West also has coverage for various classes of insurable risk (i.e. workers compensation, property, general liability and medical liability) through the Tasmanian Risk Management Fund (TRMF) administered by the Department of Treasury and Finance.

During 2014-15, the THO—North West made the following contributions to the Fund and lodged the following claims:

Risk by Class	Excess Period \$ (excl GST)	Contributions \$ (excl GST)	Number of claims	Incurred cost of claims \$ (excl GST)
Personal injury				
Workers' compensation / personal accident	26 weeks	1 562 527	61	1 440 515
Asbestos levy		62 501		
Property				
General property	14 000	76 335	1	5 593
Motor vehicles - Fleet vehicles	500/1 000	33 291	25	71 432
Motor vehicles - Miscellaneous	500	1 664		
Liability				
General liability	10 000	26 383	0	0
Medical liability	50 000	1 977 931	2	299 247
Miscellaneous				
Government contingency		1 546		
Travel plus stamp duty		1 432		
Total		3 743 611		1 816 787

CAPITAL WORKS AND ASSET MANAGEMENT

ASSET MANAGEMENT

Ownership of Crown assets resides with the Department of Health and Human Services (DHHS), while the Tasmanian Health Organisations (THOs) and other statewide areas retain responsibility for the operational management of their assets. Responsibility for the overall management of these Crown assets resides with Asset Management Services (AMS).

AMS provides support to the department and THOs for the key elements of planning, procurement and sustainability, which seek to achieve value for money by enabling the management of the DHHS asset portfolio to:

- ▶ Match service delivery needs to asset options
- ▶ Provide flexible asset options to respond to technological and business change
- ▶ Comply with statutory and legislative requirements
- ▶ Meet the needs of client in terms of location and amenity
- ▶ Optimise the use of the asset while minimising the asset related risks and
- ▶ Provide a safe and efficient environment for staff and clients.

DHHS continues to improve rigour on investment analysis of potential capital works projects using the Department of Treasury and Finance's Structured Infrastructure Investment Review Process (SIIRP). As at 30 June 2015, AMS were coordinating 24 proposals for inclusion in future capital works programs, in addition to six projects that were at the final stage of SIIRP and waiting on Treasury funding.

Ongoing changes in the legislative and regulatory building environment continue to emphasise the need for AMS to act either as an informed client or an internal consultant when interfacing with the building industry to manage probity and risk.

AMS also continues a rolling program of Building Condition Assessments across the asset portfolio to identify asset related risks for inclusion in the department's Essential Maintenance Program. AMS also represents the department as a member of the Australasian Health Infrastructure Alliance to provide consistency and promote best practice in hospital design across Australasia and undertaking research and benchmarking into energy efficient measures.

In 2014-15 DHHS had a budget for the following construction of facilities and equipment acquisitions:

Funding	DHHS (excluding Housing Tasmania) \$'000	*Housing Tasmania \$'000
Special Capital Investment Fund (SCIF)*	14 915	3 941
Capital Investment Program (CIP) *	35 430	40 001
Essential Maintenance Program	1 412	-
Other funding sources (such as specific Australian Government funding)	-	-
Royal Hobart Hospital Redevelopment (SCIF and CIP Funded)	50 000	-

*Excludes the Royal Hobart Hospital Redevelopment

ACQUISITIONS

There were no acquisitions relevant to THO—North West in 2014-15.

DISPOSALS

Properties that are surplus to requirements are disposed, with proceeds of sale being reinvested into the DHHS and THO's real estate asset portfolios.

THO—North West's former West Coast Hospital in Queenstown continued to be listed for sale on the open market.

ASSET PLANNING INCLUDING MAJOR CAPITAL WORKS

The 2012-2017 Strategic Asset Management Plan (SAMP) focuses on providing direction and a common approach to the measurement of performance within the asset portfolio.

The current 2012-2017 SAMP responds to the delivery of highly complex and diverse services. In this context, its role is to articulate the coordinating framework and concepts - such as adaptability - that underpin strategic asset planning across DHHS. Its specific objectives are to:

- ▶ Ensure alignment between asset management and government strategic planning initiatives
- ▶ Ensure that funds which could be directed to the delivery of health and human services are not wasted on avoidable maintenance, unnecessary acquisition or inefficient operation of assets
- ▶ Ensure that assets are acquired, operated and maintained in a manner which minimises risk and maximises public confidence in the delivery of services
- ▶ Ensure prioritisation of the acquisition and disposal of assets
- ▶ Develop and maintain direct links between service delivery and asset support in a manner that ensures integration of tiers of service and is responsive to local need
- ▶ Create responsive, adaptable and sustainable assets that will continue to effectively support services as they evolve and grow into the future.

The development of a THO—North West SAMP was a continuing strategic priority during 2014-15. The THO—North West SAMP focuses on facilities that THO—North West operationally manage and have responsibility for.

COMPLETED MAJOR CAPITAL WORKS PROGRAM 2014-15

Completed major capital works 2014-15 (projects are defined as completed once all of the project funds are expended in the finance system) at THO—North West include:

Completed major capital works in 2014-15	Total Cost \$'000
North West Regional Hospital Rehabilitation Unit	2 922
Mersey Medical Day Procedure Unit redevelopment	446

ONGOING MAJOR CAPITAL WORKS PROGRAM 2014-15

Ongoing Major Capital Works in 2014-15	2014-15 Expenditure \$'000	Estimated total cost \$'000	Estimated cost to complete \$'000	Estimated completion year
DHHS (excluding Housing Capital Program)				
Essential Maintenance	349	N/A	N/A	Ongoing
Hospital Equipment Fund (statewide)	1 655	25 000	1 234	2016
Mersey Community Hospital	503	1,900	1 397	2016
Mersey Community Hospital fire rectification works	2 110	2 913	657	2015
Mersey Community Hospital Pharmacy redevelopment	409	1 031	622	2015
Statewide Cancer Services (includes North West Regional Emergency Department)	12 832	63 020	11 268	2016

During 2014-15, NWRH continued to progress the construction of the expanded Emergency Department and new Cancer Care Centre.

The \$37 million allocation from Tasmanian and Australian Government and private donor funds have spanned over four years and have allowed a major upgrade to the hospital.

More than \$11 million has been spent this financial year to provide:

- ▶ New medical resonance imaging (MRI) capability
- ▶ Expanded Emergency Department facilities, with integrated Acute Medical Unit and Short Stay Units.

The NWRH major capital works program will draw to a close in 2015-16. Upon completion it will see:

- ▶ Completion of the new three level Cancer Centre with twin LINAC bunkers
- ▶ Construction of new main entrance and Wellness Centre linked to the new Cancer Centre

In 2014-15, the Australian Government provided nearly \$3 million in funding to undertake significant fire safety improvements at MCH. These works included stairwell pressurisation systems, improvements to fire wall integrity and upgrades to fire detection and sprinkler systems.

In addition, the Australian and Tasmanian Governments contributed more than \$1.5 million to refurbish the existing Pharmacy area to overcome accreditation deficiencies. This project also expanded the stores area to enable the necessary expansion of the Pharmacy space to occur.

ASSET SUSTAINABILITY

LEASED ACCOMMODATION

During 2014-15, THO—North West's lease of 6 Kilowatt Court, Ulverstone (Storage - 566m²) was not renewed.

During 2014-15, THO—North West entered into two short term new leases to assist in the temporary decanting of staff impacted on by the construction works at NWRH.

MAINTENANCE

Through AMS, the ongoing management of statutory building compliance required under the *Building Act 2000* continues to ensure that this category of risk is regularly reviewed and that required works are promptly completed.

Nominally 20 per cent of the asset portfolio has a Building Condition Assessment undertaken each year (excluding major acute care hospitals). A risk-based and prioritised Capital Investment Program - Essential Maintenance Program - is derived from these Building Condition Assessments and from occupant requests to address deficiencies that are identified across the remainder of sites that are not assessed in that year.

DISABILITY ACTION PLAN

AMS is a key contributor to the department's Disability Action Plan from a built environment perspective. \$50 000 of essential maintenance funds were set aside to address disability access issues across the DHHS asset portfolio.

Further funding enabled ongoing liaison between AMS and a disability access consultant to develop a disability access checklist. This checklist has been incorporated into the AMS rolling Building Condition Assessment Program.

AMS are currently in the process of engaging a disability access consultant to inspect a targeted number of DHHS sites and to develop disability access registers including information such as current facility assessment, schedules of items needed to be included on Form 46, prioritised lists of work required to be done and risk assessment for each site.

The next stage will address issues across the remainder of DHHS sites by commencing a program of developing disability access registers for all DHHS sites.

The Australian Government has also agreed to the department undertaking significant *Disability Discrimination Act* improvements at the MCH Nursing Home using funds associated with the Pharmacy and Stores project at the hospital. These works include allocating nominally \$250 000 for the installation of a new lift to provide appropriate access to the upper levels and refurbishment of amenities areas to provide compliant accessible toilets and upgrade to general ramp access to the building.

TRANSPORT

At 30 June 2015, THO—North West operated 139 leased light vehicles comprising 38 executive and 101 operational vehicles. This is a decrease of four leased vehicles (all executive) from the previous year. The total cost of leased vehicles decreased by \$120 000 (excluding GST) to \$1 308 000 (excluding GST) in 2014-15.

CONSULTANCIES, CONTRACTS AND TENDERS

THO—North West ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement - including that Tasmanian businesses are given every opportunity to compete for business. It is THO—North West's policy to support Tasmanian businesses whenever they offer best value for money for the Government.

TABLE 1 - SUMMARY OF PARTICIPATION BY LOCAL BUSINESSES

Summary of Participation by Local Business (for contracts, tenders and/or quotation processes with a value of \$50 000 or over, ex GST)	
Total number of contracts awarded	5
Total number of contracts awarded to Tasmanian businesses	2
Value of contracts awarded	\$9 910 815
Value of contracts awarded to Tasmanian businesses	\$3 672 000
Total number of tenders called and/or quotation processes run	4
Total number of bids and/or written quotations received	10
Total number of bids and/or written quotations received from Tasmanian businesses	4

Note: * In accordance with the requirements of the Treasurer's Instructions, the values in this table do not include the value of options to extend or GST.

TABLE 2 - CONTRACTS AWARDED

The following table provides detailed information on contracts awarded by THO—North West in the 2014-15 financial year with a value of \$50 000 or over. The THO—North West did not award any consultancy contracts with a value of \$50 000 or over.

Name of Contractor	Location	Description of Contract	Period of Contract	Total Value of Contract \$
AlphaXRT Ltd	NSW	Scanning water phantom for North West Regional Cancer Centre	30/06/2015 (one-off purchase)	139 245
Care Park Pty Ltd	Tas	Operation and management of paid car parking - NWRH Burnie	01/10/2014 - 01/10/2017 Option to extend 01/10/2017 - 01/10/2023	360 000 720 000
Philips Electronics Australia Ltd	Vic	NWRH - Emergency Department - Patient monitoring equipment	06/07/2014 (one-off purchase)	223 388
Top Centre Laundry Pty Ltd	Tas	North West - Linen and laundry services	01/01/2015 - 31/12/2017 Option to extend 01/01/2018 - 31/12/2019	3 312 000 2 208 000
Varian Medical Systems Australasia Pty Ltd	NSW	NWRH - Linear accelerator and accessories	29/05/2015 - 31/10/2025	5 876 182

Note: ^ In accordance with Treasurer's Instruction 1111, the period of a contract for reporting purposes includes the value, or estimated value, of any possible option to extend. Where applicable, the principal period of the contract is identified as well as any option to extend; this does not signify that the option has been or will be exercised by THO—North West. All values exclude GST.

DIRECT/LIMITED SUBMISSION SOURCING

Treasurer's Instructions 1114 and 1217 provide heads of agencies with the discretion, where specified circumstances exist, to approve the direct sourcing or seeking of limited submissions from a supplier or suppliers without the need to seek quotations or call for tenders. For the purpose of these Instructions the Head of Agency for THO—North West is the Secretary of the Department of Health and Human Services.

The following table provides details of contracts awarded by THO—North West in 2014-15 as a result of a direct sourcing process approved in accordance with TI 1114. There were no contracts awarded under TI 1217.

Contractor name	Contract description	Reasons for approval	Total value \$
Philips Electronics Australia Ltd	NWRH - Emergency Department - Patient monitoring equipment	Additional deliveries of goods or services by the original supplier or authorised representative that are intended either as replacement parts, extensions or continuing services for existing equipment, software, services or installations, where a change of supplier would compel the agency to procure goods or services that do not meet requirements of interchangeability with existing equipment.	223 388

Note: ^ The value excludes GST.

DISAGGREGATION EXEMPTIONS

Under Treasurer's Instructions 1119(5) and 1225(5), a Head of Agency may approve an exemption from the requirement to disaggregate substantial contracts where the benefits of aggregation clearly outweigh the potential negative impact on local small to medium enterprise suppliers/the local economy. For the purpose of these Instructions the Head of Agency for THO—North West is the Secretary of the Department of Health and Human Services.

The following table provides details of contracts awarded by THO—North West in 2014-15 as a result of such an approval.

Contract description	Total value \$
NWRH - Linear Accelerator and associated equipment	5 876 182
NWRH - Linen and laundry services	5 520 000

Note: ^ The values in this table include the aggregated value and the value, or estimated value, of any possible options to extend. All values exclude GST.

RIGHT TO INFORMATION

PUBLIC AUTHORITY DETAILS

Section A: Number of Applications		
1.	Number of applications for assessed disclosure received.	13
2.	Number of applications for assessed disclosure accepted.	13
3.	Number of applications for assessed disclosure transferred or part transferred to another public authority.	0
4.	Number of applications withdrawn by the applicant.	0
5.	Number of applications for assessed disclosure determined.	10
Section B: Outcome of Applications		
1.	Number of determinations where the information applied for was provided in full.	4
2.	Number of determinations where the information applied for was provided in part with the balanced refused or claimed as exempt.	4
3.	Number of determinations where all the information applied for was refused or claimed as exempt.	1
4.	Number of applications where the information applied for was not in the possession of the public authority or Minister.	1
5.	Number of applications where the information was not released as it was subject to an external party review under section 44.	0
Section C: Exemptions		
Number of times where the following sections were invoked as reasons for exempting information from disclosure		
s.25	Executive Council information.	0
s.26	Cabinet information.	0
s.27	Internal briefing information of a Minister.	3
s.28	Information not relating to official business.	0
s.29	Information affecting national or state security, defence or international relations.	0
s.30	Information relating to the enforcement of the law.	0
s.31	Legal professional privilege.	0
s.32	Information relating to closed meetings of council.	0
s.34	Information communicated by other jurisdictions.	0
s.35	Internal deliberative information.	1
s.36	Personal information of a person other than the applicant.	0
s.37	Information relating to the business affairs of a third party.	0
s.38	Information relating to the business affairs of a public authority.	0
s.39	Information obtained in confidence.	0
s.40	Information on procedures and criteria used in certain negotiations of public authority.	0
s.41	Information likely to affect the State economy.	0
s.42	Information likely to affect cultural, heritage and natural resources of the State.	0

Section D: Reasons for Refusal		
s.5, s.11, s.17	Refusal where information requested was not within the scope of the Act (s.5 - Not official business; s.11 - available at Archives Office and s.17 - Deferred).	1
s.9, s.12	Refusal where information is otherwise available or will become otherwise available in the next 12 months.	0
s.10, s.19	Refusal where resources of public authority unreasonably diverted.	1
s.20	Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation.	0
Section E: Time to Make Decisions		
1.	1 - 20 working days of the application being accepted.	4
2.	More than 20 working days of the application being accepted.	7
3.	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	1
4.	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b).	0
5.	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5).	0
Section F: Reviews		
Internal Reviews		
	Number of internal reviews requested in this financial year.	0
	Number of internal reviews determined in this financial year.	0
	Number where the original decision was upheld in full.	0
	Number where the original decision was upheld in part.	0
	Number where the original decision was reversed in full.	0
External Reviews (reviews by the Ombudsman)		
	Number of external reviews requested in this financial year.	0
	Number of external reviews determined in this financial year.	0
	Number where the original decision was upheld in full.	0
	Number where the original decision was upheld in part.	0
	Number where the original decision was reversed in full.	0

WORK HEALTH AND SAFETY

THO—North West is committed to fostering a culture that supports and sustains a safe, healthy and engaged workforce.

In 2014-15, the THO—North West Work Health and Safety (WHS) unit continued to provide education and training to workers and management about legislation and compliance. Training packages have expanded to include health and wellbeing sessions to promote employee wellness.

THO—North West received a total of 84 workers' compensation claims during 2014-15. The major areas of injury were as a result of body strains and connecting with objects. The cost of all claims for 2014-15 was \$1 440 515.

A number of major construction projects within THO—North West have either been completed or are nearing completion. The THO—North West project management team and the WHS unit continue to work closely with contractors, sub-contractors and WorkSafe Tasmania to ensure safe systems of work are implemented and followed.

Issues and areas currently under review within THO—North West include workplace violence and aggression, underreporting of workplace violence and aggression, domestic violence, and facility lock down procedures. Workers are provided with Personal Security @ Work training through Tasmania Police help tackle these issues.

THO—North West Workplace Health and Safety events 2014-15 by Top 10 locations

Workplace Health and Safety events by Top 10 location	Number
NWRH - Other*	30
MHS - Spencer inpatient unit	25
MCH - Medical Ward	21
NWRH Emergency Department	20
MCH - Other*	19
King Island District Hospital	18
NWRH - Surgical Ward	14
MCH - Operating Theatre	14
NWRH - Medical Ward	14
Primary Health Services - West Coast District Hospital	13
NWRH - Rehabilitation inpatient unit	13
Primary Health Services - Devonport Community Health Centre	13

*NWRH and MCH other refer to areas not defined in the reporting system, i.e. car parks

Workplace Health and Safety Events by Top Event Types	Number
Aggression	202
Body strain (musculoskeletal)	64
Slips, trips and falls	53
Workplace stress and other health factors	50
Other category (S/I)	43
Connecting with/ being hit by object	41
Occupational exposures	29
Fires/fire alarms	24
Service disruptions	15
Environmental exposures	14



PUBLICATIONS

Author, Unit or Area	Year	Title	Publication
Allen, P, Cheek, C, Ruigrok, M	2015	Rural emergency departments supplement general practice care	<i>Medical Journal of Australia</i> 2015; 202 (1) 17-18
Allen, P, Cheek, C, Foster, S, Ruigrok, M, Wilson, D, Shires, L	2015	Low acuity and general practice-type presentations to emergency departments: A rural perspective	<i>Emergency Medicine Australasia</i> 2015; Vol 27 113-118
Allen, P, Shaw, E, Jong, A, Behrens, H, Skinner, I	2015	Severity and duration of pain after colonoscopy and gastroscopy: a cohort study	<i>Journal of Clinical Nursing</i> 2015; 24 1895-1903
Beattie, T	2014	Classification of colorectal cancer to aid the stomal therapy nurse in practice	<i>The Outlet: New Zealand Stomal Therapy Nurses; Issue Oct 2014</i> (Article originally published 2012)
Buist, M, Mahoney, A - Dept of Anaesthesia NWRH	2014	In search of the "Holy Grail": Will we ever prove the efficacy of Rapid Response Systems (RRS)?	<i>Resuscitation</i> 85 (2014) 1129-1130
Doody, H et al	2015	Retrospective evaluation of potentially inappropriate prescribing in hospitalised patients with renal impairment.	<i>Current Medical Research and Opinion</i> 2015; 31 (3) 525-35
Foong, Dr Yi Choa et al	2015	Mobile phones as a potential vehicle of infection in a hospital setting	<i>Journal of Occupational and Environmental Hygiene</i> 2015; (Published online June 17)
Furzer, R, Ling, F, Paul, E	2014	Colour difference of subcutaneous fat and palmar fat pad in open carpal tunnel release	<i>ANZ journal of surgery</i> 2014; Vol 84 (11) 856-60
Gray, J	2014	What impact does tongue tie in the newborn have on breastfeeding success?	<i>Australian Journal of Child and Family Health Nursing</i> 2014; Vol 11 (1) 30-33
Hingston, T et al	2014	The utility of ultrasound in late pregnancy compared with clinical evaluation in detecting small and large for gestational age foetuses in low-risk pregnancies	<i>The journal of Maternal-Fetal & Neonatal Medicine</i> 2014; Early Online
Talwar, A, George, N, Tharian, B, Roberts-Thomson, J	2015	An immunosuppressed man with an aortic rupture secondary to salmonella aortitis successfully treated with endovascular aortic repair	<i>Annals of Vascular Surgery</i> 2015; 29 839 e5-e8
Woods, M, Murfet, G	2015	Australian nurse practitioner practice: value adding through clinical reflexivity	<i>Nursing Research and Practice</i> 2015; Article ID 829593, 14 pages Accepted 31 December 2014

MINISTERIAL DIRECTIONS AND PERFORMANCE ESCALATIONS

A Ministerial Charter sets out the broad policy expectations, including strategic priorities, performance expectations and objectives, of the responsible ministers for the THO—North West.

THO—North West must comply with this Ministerial Charter in accordance with Section 41 of the *Tasmanian Health Organisations Act 2011*. Compliance with the Ministerial Charter is demonstrated through the acceptance by the responsible ministers of the THO—North West Corporate Plan, and THO—North West meeting the objectives that it sets out in that plan.

Part 7 of the *Tasmanian Health Organisations Act 2011* sets out formal performance measures that may be put in place if a THO does not perform as required.

Although DHHS and the Minister for Health have a system manager role, including performance monitoring and management in relation to the THOs and their GC, the GC and THOs are expected to manage themselves and resolve problems so as to meet the Service Agreement requirements and fulfil their statutory obligations and powers.

The *Tasmanian Health Organisation Act 2011* includes a number of performance management tools, which the minister can use if required. These include:

- ▶ The minister can instigate a review and audit
- ▶ The minister can require the production of a performance improvement plan
- ▶ The minister can establish a performance improvement team
- ▶ The minister can appoint a ministerial delegate or delegates to a Governing Council

The ultimate sanction available to the minister is the termination of a Governing Council.

Under the Act (Section 59), a THO is defined to be performing unsatisfactorily if the minister is of the opinion that:

- (a) *The organisation has failed to meet the requirements of the organisation's Service Agreement or its Corporate Plan; or*
- (b) *The organisation, or the Governing Council of the organisation, has not been performing its functions, or exercising its powers, in a satisfactory manner.*

The department, through its System Purchasing and Performance Division, monitors the performance of THOs and advises the minister which performance management tools may be appropriate when performance concerns are identified. A Performance Management Framework provides the 'rules' surrounding performance management so that THOs are aware of the circumstances in which action may be taken, how it will be applied and by whom.

Under the framework, performance is assessed using the THOs monthly performance reports and any performance concerns are classified according to four levels:

- ▶ Level 0: No performance concerns
- ▶ Level 1: Under review
- ▶ Level 2: Unsatisfactory performance
- ▶ Level 3: Challenging and failing

During 2014-15 there were no new ministerial directions received by THO—North West. Two performance escalations were applied to THO—North West against financial performance (Level 2) and Quality and Safety (Level 2).

These both ceased on 30 June 2015.

NOTES

NOTES

PART 3 - FINANCIAL STATEMENTS TASMANIAN HEALTH ORGANISATION — NORTH WEST

2014-15



TABLE OF CONTENTS

Statement of Certification	194
Statement of Comprehensive Income for the year ended 30 June 2015	195
Statement of Financial Position as at 30 June 2015	196
Statement of Cash Flows for the year ended 30 June 2015	197
Statement of Changes in Equity for the year ended 30 June 2015	198
Notes to and forming part of the Financial Statements for the year ended 30 June 2015	201
Audit Report	242

STATEMENT OF CERTIFICATION

The accompanying Financial Statements of Tasmanian Health Organisation — North West are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2015 and the financial position as at 30 June 2015.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



John Ramsay
Chair of the Governing Council
12 August 2015



Anne Brand
Interim Chief Executive Officer
12 August 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Grants - Recurrent	1.7(b), 8.1	212 917	226 576	221 854
Grants - Capital	1.7, 8.1	6 364	2 220	13 962
Sales of goods and services	1.7(c), 8.2	16 617	21 415	21 786
Interest	1.7(d)	0	12	14
Other revenue	1.7(f), 8.3	3 602	4 802	5 809
Total revenue and other income from transactions		239 500	255 025	263 425
Expenses from transactions				
Employee benefits	1.8(a), 9.1	157 380	164 443	161 891
Depreciation and amortisation	1.8(b), 9.2	5 609	3 599	3 890
Supplies and consumables	9.3	69 648	84 874	81 203
Grants and subsidies	1.8(c), 9.4	380	338	1 349
Other expenses	1.8(e), 9.5	1 951	3 845	3 250
Total expenses from transactions		234 968	257 099	251 583
Net result from transactions (net operating balance)	7	4 532	(2 074)	11 842
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	1.9(a)(c), 10.1	0	0	(1 392)
Net gain/(loss) on financial instruments and statutory receivables/payables	1.10(b), 10.2	0	(56)	207
Total other economic flows included in net result		0	(56)	(1 185)
Net result from continuing operations		4 532	(2 130)	10 657
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in property, plant and equipment revaluation surplus	14.1	3 362	2 404	(5)
Total other comprehensive income		3 362	2 404	(5)
Comprehensive result		7 894	274	10 652

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	1.10(a), 15.1	6 112	13 483	5 842
Receivables	1.10(b), 11.1	1 960	2 994	3 316
Other financial assets	1.10(c), 11.2	1 504	4 515	4 455
<i>Non-financial assets</i>				
Inventories	1.10(d), 11.3	1 559	1 735	1 562
Assets held for sale	1.10(e), 11.4	0	95	95
Property, plant and equipment	1.10(f), 11.5	101 504	102 114	96 270
Intangibles	1.10(g), 11.6	2 620	0	2 910
Other assets	1.10(h), 11.7	292	296	334
Total assets		115 551	125 232	114 784
Liabilities				
Payables	1.11(a), 12.1	7 360	21 566	14 434
Employee benefits	1.11(c), 12.2	27 232	33 124	30 112
Other liabilities	1.11(e), 12.3	573	979	949
Total liabilities		35 165	55 669	45 495
Net assets		80 386	69 563	69 289
Equity				
Contributed capital reserve	14.2	62 267	60 848	60 848
Reserves	14.1	4 416	3 453	1 049
Accumulated funds		13 703	5 262	7 392
Total equity		80 386	69 563	69 289

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between the budget estimates and actual outcomes, as well as major movements between 30 June 2014 and 30 June 2015, are provided in Note 4 of the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Grants		212 917	226 576	221 854
Sales of goods and services		16 609	21 878	18 731
GST receipts		7 935	7 721	7 954
Interest received		0	12	14
Other cash receipts		3 602	4 802	5 809
Total cash inflows		241 063	260 989	254 362
Cash outflows				
Employee benefits		(157 192)	(161 431)	(160 460)
GST payments		(7 935)	(7 916)	(7 555)
Grants and transfer payments		(380)	(338)	(1 349)
Supplies and consumables		(69 802)	(74 924)	(76 792)
Other cash payments		(1 952)	(3 831)	(3 272)
Total cash outflows		(237 261)	(248 440)	(249 428)
Net cash from/(used by) operating activities	15.2	3 802	12 549	4 934
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		0	0	5
Total cash inflows		0	0	5
Cash outflows				
Payment for acquisition of non-financial assets		(4 018)	(4 908)	(4 178)
Total cash outflows		(4 018)	(4 908)	(4 178)
Net cash from/(used by) investing activities		(4 018)	(4 908)	(4 173)
Net increase/(decrease) in cash and cash equivalents held		(216)	7 641	761
Cash and deposits at the beginning of the reporting period		6 328	5 842	5 042
Cash transferred in due to restructure		0	0	39
Cash and deposits at the end of the reporting period	15.1	6 112	13 483	5 842

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2014		60 848	1 049	7 392	69 289
Net Result		0	0	(2 130)	(2 130)
Other Comprehensive Income		0	2 404	0	2 404
Total comprehensive result		0	2 404	(2 130)	274
Balance as at 30 June 2015		60 848	3 453	5 262	69 563
	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2013		62 267	1 054	(3 265)	60 056
Net Result		0	0	10 657	10 657
Other Comprehensive Income		0	(5)	0	(5)
Total comprehensive result		0	(5)	10 657	10 652
Transactions with owners in their capacity as owners:					
Administrative restructure - net assets received	1.6	(1 419)	0	0	(1 419)
Balance as at 30 June 2014		60 848	1 049	7 392	69 289

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1	SIGNIFICANT ACCOUNTING POLICIES	201
1.1	Objectives and Funding	201
1.2	Basis of Accounting	201
1.3	Functional and Presentation Currency	201
1.4	Changes in Accounting Policies	202
1.5	Activities Undertaken Under a Trustee or Agency Relationship	204
1.6	Transactions by the Government as Owner - Restructuring of Administrative Arrangements	204
1.7	Income from Transactions	204
1.8	Expenses from Transactions	206
1.9	Other Economic Flows included in Net Result	207
1.10	Assets	208
1.11	Liabilities	210
1.12	Leases	211
1.13	Judgements and Assumptions	212
1.14	Foreign Currency	212
1.15	Comparative Figures	212
1.16	Budget Information	212
1.17	Rounding	212
1.18	Taxation	212
1.19	Goods and Services Tax	213
NOTE 2	THO OUTPUT SCHEDULES	213
2.1	Output Group Information	213
NOTE 3	EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS	214
NOTE 4	EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES	215
4.1	Statement of Comprehensive Income	215
4.2	Statement of Financial Position	216
4.3	Statement of Cash Flows	217
NOTE 5	EVENTS OCCURRING AFTER BALANCE DATE	217
NOTE 6	SIGNIFICANT ACCOUNTING JUDGEMENTS	218
NOTE 7	UNDERLYING NET OPERATING BALANCE	218
NOTE 8	INCOME FROM TRANSACTIONS	219
8.1	Grants	219
8.2	Sales of Goods and Services	220
8.3	Other Revenue	220

NOTE 9	EXPENSES FROM TRANSACTIONS	221
9.1	Employee Benefits	221
9.2	Depreciation and Amortisation	224
9.3	Supplies and Consumables	224
9.4	Grants and Subsidies	225
9.5	Other Expenses	225
NOTE 10	OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT	225
10.1	Net Gain/(Loss) on Non-Financial Assets	225
10.2	Net Gain/(Loss) On Financial Instruments And Statutory Receivables/Payables	225
NOTE 11	ASSETS	226
11.1	Receivables	226
11.2	Other Financial Assets	226
11.3	Inventories	227
11.4	Assets Held for Sale	227
11.5	Property, Plant and Equipment	228
11.6	Intangibles	231
11.7	Other Assets	231
NOTE 12	LIABILITIES	232
12.1	Payables	232
12.2	Employee Benefits	232
12.3	Other Liabilities	232
NOTE 13	COMMITMENTS AND CONTINGENCIES	233
13.1	Schedule of Commitments	233
13.2	Contingent Assets and Liabilities	235
NOTE 14	RESERVES	236
14.1	Reserves	236
14.2	Contributed Capital Reserve	236
NOTE 15	CASH FLOW RECONCILIATION	237
15.1	Cash and Deposits	237
15.2	Reconciliation of Net Result to Net Cash from Operating Activities	237
NOTE 16	FINANCIAL INSTRUMENTS	238
16.1	Risk Exposures	238
16.2	Categories of Financial Assets and Liabilities	240
16.3	Reclassifications of Financial Assets	241
16.4	Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities	241
NOTE 17	TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT	241

NOTE I SIGNIFICANT ACCOUNTING POLICIES

I.1 OBJECTIVES AND FUNDING

Tasmanian Health Organisation — North West (THO—NW) was established under the *Tasmanian Health Organisation Act 2011* as a result of the implementation of the National Health Reform. THO—NW commenced operations on 1 July 2012 as a Statutory Authority with a Governing Council established under the Act.

Under the National Health Reform Agreement (NHRA), funding is provided to THO—NW on the basis of activity through Activity Based Funding (ABF) wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). Also, under new administrative arrangements in place since 2013-14, funding due to THO—NW under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure is paid as grants rather than by way of appropriation.

In addition, THO—NW provides services to fee paying privately insured patients, or patients who will receive compensation for these expenses due to the circumstances surrounding their injury. The financial statements encompass all funds through which THO—NW controls resources to carry on its functions.

As legislated, the principal purpose of THO—NW is to:

- ▶ Promote and maintain the health of persons; and
 - ▶ Provide care and treatment to, and ease the suffering of, persons with health problems;
- as agreed in THO—NW's Service Agreement and within the budget provided in the Service Agreement.

I.2 BASIS OF ACCOUNTING

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- ▶ Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- ▶ The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Chair of the Governing Council and the Interim Chief Executive Officer on 12 August 2015.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. THO—NW is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.4.

The Financial Statements have been prepared as a going concern. However, as at 30 June 2015 THO—NW will cease to exist and will transfer to a new entity, Tasmanian Health Service (THS). Refer to note 5 for further details. The continued existence of THS, undertaking its current activities, is dependent on Government policy and continuing funding by the Department of Health and Human Services for THS's administration and activities.

I.3 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Australian dollars, which is THO—NW's functional currency.

I.4 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

In the current year, THO—NW has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

- ▶ AASB 1055 *Budgetary Reporting* - The objective of this Standard is to specify budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. Disclosures made in accordance with this Standard provide users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it. There is no financial impact. However there is a disclosure impact and this has been complied with historically per note 4.
- ▶ 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Operative dates: Part A *Conceptual Framework* – 20 December 2013; Part B *Materiality* – 1 January 2014; Part C *Financial Instruments* – 1 January 2015] - The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:
 - (a) as a consequence of the issue of Accounting Framework AASB CF 2013-1 *Amendments to the Australian Conceptual Framework*, and editorial corrections, as set out in Part A of this Standard;
 - (b) to delete references to AASB 1031 *Materiality* in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard; and
 - (c) as a consequence of the issuance of IFRS 9 *Financial Instruments – Hedge Accounting* and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB in November 2013, as set out in Part C of this Standard.

There is no financial impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- ▶ AASB 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. This Standard applies to annual reporting periods beginning

on or after 1 January 2017. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. THO—NW has not fully assessed the financial impact.

- ▶ 2010-7, 2014-7 and 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9* – The objective of these Standards is to make amendments to various standards as a consequence of the issuance of AASB 9 *Financial Instruments* in December 2010. THO—NW has determined that there will be no financial impact.
- ▶ 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* [AASB 116 & AASB 138] – The objective of this Standard is to make amendments to:
 - (a) AASB 116 *Property, Plant and Equipment*; and
 - (b) AASB 138 *Intangible Assets*;
 as a consequence of the issuance of International Financial Reporting Standard Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) by the International Accounting Standards Board in May 2014. THO—NW has determined that there will be no financial impact.
- ▶ 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]* – The objective of this Standard is to make amendments to:
 - (a) AASB 9 *Financial Instruments* (December 2009); and
 - (b) AASB 9 *Financial Instruments* (December 2010);
 as a consequence of the issuance of AASB 9 *Financial Instruments* in December 2014. THO—NW has determined that there will be no financial impact.
- ▶ 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]* – The objective of this Standard is to make amendments to various standards (as noted) as a consequence of the issuance of International Financial Reporting Standard Disclosure Initiative (Amendments to IAS 1) by the International Accounting Standards Board in December 2014, and to make an editorial correction. THO—NW has determined that there will be no financial impact.
- ▶ 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* - The objective of this Standard is to effect the withdrawal of AASB 1031 *Materiality* and to delete references to AASB 1031 in the Australian Accounting Standards, as set out in paragraph 13 of this Standard.
- ▶ 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* - The objective of this Standard is to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities. THO—NW has determined that there will be no material financial impact but there are likely to be additional disclosures

(c) Voluntary changes in accounting policy

THO—NW has not adopted any new accounting policies during the financial year ended 30 June 2015.

I.5 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY RELATIONSHIP

Transactions relating to activities undertaken by THO—NW in a trust or fiduciary (agency) capacity do not form part of THO—NW's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered. Details of transactions and balances relating to a trustee or agency arrangement are provided at Note 16.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

I.6 TRANSACTIONS BY THE GOVERNMENT AS OWNER – RESTRUCTURING OF ADMINISTRATIVE ARRANGEMENTS

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

I.7 INCOME FROM TRANSACTIONS

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

(a) Revenue from Government

Under the National Health Reform Agreement (NHRA), funding is provided to THO—NW on the basis of activity through Activity Based Funding (ABF) wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). Also, under new administrative arrangements in place since 2013-14, funding due to THO—NW under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure is paid as grants rather than by way of appropriation.

(b) Grants

Grants payable by the Australian Government are recognised as revenue when THO—NW gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

The construction and redevelopment of buildings is undertaken by the Department of Health and Human Services. When the buildings are commissioned they are transferred, together with the land, to THO—NW.

(c) Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(d) Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

(e) Contributions received

Services received free of charge by THO—NW, are recognised as income when a fair value can be reliably determined and at the time the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when THO—NW obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to THO—NW and the amount can be measured reliably. However, where the contribution received is from another government agency as a consequence of restructuring of administrative arrangements, they are recognised as contributions by owners directly within equity. In these circumstances, book values from the transferor agency have been used.

(f) Other revenue

Other revenue is primarily the recovery of costs incurred and is recognised when an increase in future economic benefits relating to an increase in an asset or a decrease of a liability has arisen that can be reliably measured.

(g) Activity Based Funding and Block Funding

Activity Based Funding (ABF) refers to a system for funding public hospital services provided to individual patients using national classifications, cost weights and nationally efficient prices developed by the Independent Hospital Pricing Authority.

Block Funding refers to funding provided to support:

- ▶ Public hospital functions other than in-patient services; and
- ▶ Public patient services provided by facilities that are not appropriately funded through ABF.

Under National Health Reform, ABF from the Australian Government and the Department of Health and Human Services is provided directly to the THOs via the Tasmanian state pool account (Reserve Bank of Australia account established in 2012-13), which is part of the National Health Funding Pool.

Block Funding is provided by the Australian Government through the state pool account, but is provided to the THOs via the State Managed Fund, which is an account established by the State for the purposes of health funding under the National Health Reform Agreement.

Block Funding provided to THO—NW by the Department of Health and Human Services is made via the State Managed Fund.

When a resident of one state receives hospital treatment in another state, the resident state compensates the treating or provider state for the cost of that care via a cross border payment. Current year cross border payments are made on behalf of THO—NW through the state pool account by the Department of Health and Human Services, with the associated revenue and expenditure being recognised in THO—NW's accounts.

I.8 EXPENSES FROM TRANSACTIONS

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and Artwork, being assets with unlimited useful lives, are not depreciated.

Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Vehicles	5 years
Plant and equipment	2-20 years
Medical equipment	4-20 years
Buildings	40-50 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by THO—NW.

Major amortisation periods are:

Software	3-5 years
----------	-----------

(c) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- ▶ the services required to be performed by the grantee have been performed; or
- ▶ the grant eligibility criteria have been satisfied.

A liability is recorded when THO—NW has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

(d) Contributions provided

Contributions provided free of charge by THO—NW, to another entity, are recognised as an expense when fair value can be reliably determined. No contributions were provided free of charge during 2014-15.

(e) Other expenses

Other expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be reliably measured.

1.9 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

(a) Gain/(loss) on sale of non-financial assets

Gains or losses from the sale of non-financial assets are recognised when control of the assets has passed to the buyer.

(b) Impairment – Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the Statement of Comprehensive Income.

(c) Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. THO—NW's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

Impairment losses are recognised in the Statement of Comprehensive Income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

I.10 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to THO—NW and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

(c) Other financial assets

Other financial assets are recorded at fair value.

(d) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal consideration are valued at current replacement cost.

(e) Assets held for sale

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with THO—NW's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

(f) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings, artwork assets and other long-lived assets are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to THO—NW and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by THO—NW is:

Vehicles	\$10,000
Plant and equipment	\$10,000
Land and buildings	\$10,000
Intangibles	\$50,000
Artwork	\$10,000

Assets valued at less than \$10,000 (or \$50,000 for intangible assets) are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

THO—NW's land and building assets were revalued by an independent valuer as at 30 June 2015. A full revaluation of land at fair value, and buildings at replacement depreciated cost on net basis is undertaken every five years. In the intervening years the values are adjusted by an index supplied by the valuer. Land acquired and buildings commissioned in their first year are not revalued. They are revalued in subsequent years.

(g) Intangibles

An intangible asset is recognised where:

- ▶ it is probable that an expected future benefit attributable to the asset will flow to THO—NW; and
- ▶ the cost of the asset can be reliably measured.

Intangible assets held by THO—NW are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangible assets held by THO—NW are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The asset capitalisation threshold for intangible assets adopted by THO—NW is \$50,000.

(h) Other assets

Other assets are recorded at fair value and include prepayments.

1.11 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when THO—NW becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Provisions

A provision arises if, as a result of a past event, THO—NW has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

(c) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured at the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2015, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(d) Superannuation

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

THO—NW does not recognise a liability for the accruing superannuation benefits of State Service employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

(e) Other liabilities

Other liabilities and other financial liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Other liabilities include revenue received in advance and on-costs associated with employee benefits. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefits expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefits are measured at the present value of the cost at 30 June 2015, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

I.12 LEASES

THO—NW has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

THO—NW is prohibited by Treasurer's Instruction 502 Leases from holding finance leases.

I.13 JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, THO—NW is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Details of significant accounting judgements are included at Note 6.

I.14 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

I.15 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards at Note I.4.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

I.16 BUDGET INFORMATION

Budget information refers to original Budget estimates as reflected in the 2014-15 Budget Papers and is not subject to audit.

I.17 ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Amounts less than \$500 are rounded to zero.

I.18 TAXATION

THO—NW is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

I.19 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

NOTE 2 THO OUTPUT SCHEDULES

2.1 OUTPUT GROUP INFORMATION

Budget information refers to original Budget estimates reflected in the 2014-15 Budget Papers which has not been subject to audit.

	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Expense by Output			
I.1 Admitted Services	127 202	141 090	135 853
I.2 Non-admitted Services	27 746	29 741	30 261
I.3 Emergency Department Services	29 024	30 782	29 577
I.4 Community and Aged Care Services	36 056	39 230	38 929
I.5 Statewide and Mental Health Services	14 940	16 256	16 963
Total	234 968	257 099	251 583

NOTE 3 EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funding		Australian Government Funding	
	2015 Actual \$'000	2014 Actual \$'000	2015 Actual \$'000	2014 Actual \$'000
National Partnership Payments				
Health Services			3 670	7 094
Commonwealth Own Purpose Expenditures				
Mersey			72 321	69 538
Other			7 937	7 940
National Health Reform Funding Arrangements				
Activity Based Funding	31 548	45 932	36 726	35 973
Block Funding	53 601	47 453	9 447	8 019
Total	85 149	93 385	130 101	128 564

This schedule shows the cash expenditure acquitted against each of the Fund groups. The Grant revenue received for each of these is outlined in Note 8.1.

National Partnership Payments (NPPs) are provided for the purpose of the delivery of specified projects, facilitate reforms or reward jurisdictions that deliver nationally significant reforms.

Commonwealth Own Purpose Expenditure is funding paid directly from the Australian Government to the states and territories for the provision of services identified by the Australian Government.

NOTE 4 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

4.1 STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$1 million.

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance
Grants - Recurrent	(a)	212 917	226 576	13 659	6.4%
Grants - Capital	(b)	6 364	2 220	(4 144)	(65.1%)
Sales of goods and services	(c)	16 617	21 415	4 798	28.9%
Other revenue	(d)	3 602	4 802	1 200	33.3%
Employee benefits	(e)	157 380	164 443	(7 063)	(4.5%)
Depreciation and amortisation	(f)	5 609	3 599	2 010	35.8%
Supplies and consumables	(g)	69 648	84 874	(15 226)	(21.9%)
Other expenses	(h)	1 951	3 845	(1 894)	(97.1%)

Notes to Statement of Comprehensive Income variances

- (a) Additional grants were given to THO-NW after the budget was published, representing additional funded activity, including additional electives. All revenue variances are also represented in additional expenditure, as below.
- (b) The original budget estimate included \$4.2m in capital grants which had not eventuated by the end of year. This represents building projects which were due to be completed by end of year, but had not yet been transferred.
- (c) The budget was updated by \$4m after published. Revised estimates were in Interstate revenue \$945k; Inpatient Revenue \$260k; Private Patients revenue \$376k; Other Revenue \$2.1m. Positive actual variances against revised budget included Inpatient fees \$572k; PBS revenue \$1.47m. All revenue variances are also represented in additional expenditure, as below.
- (d) Variances against budget include Workers Compensation recoveries \$480k and Donations \$230k neither of which are certain enough to budget for; and Wages & Salaries recoveries \$203k and Other recoveries \$180k relating to additional funded programmes. All revenue variances are also represented in additional expenditure, as below.
- (e) Variances against budget include salary payments relating to additional funded activities including workers compensation and other salary and wage recoveries as noted above (\$0.9m); Funding from Universities and Professional Colleges for training and research projects (\$1.3m); Additional funding for more elective deliveries (\$1m); and expenditure above budget on locums medical (\$1.2m) and bureau nurses (\$2.2m) to fill vacancies.
- (f) Initial budget estimates were revised down after the budget papers were published, and budget reallocated to other expenditure, as below.
- (g) Additional expenditure reflects increased activity, funded after the budget papers were published. \$2.9m relating to superseded IT projects were expensed during the year. Rural medical contracts exceeded original budget estimates by \$2m, but were less than 2014 expenditure.
- (h) Other expenditure largely relates to insurance premiums. The original published budget was subsequently revised up to \$3.2m to reflect prior year's levies. Actual levy this year increased by \$600k from 2014 levies.

4.2 STATEMENT OF FINANCIAL POSITION

Statement of Financial Position variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimates and \$1 million.

Budget estimates for the 2014-15 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2014-15. As a result, the actual variances from the original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2014-15. The following variance analysis therefore also includes major movements between the 30 June 2014 and 30 June 2015 actual balances.

	Note	Budget \$'000	2015 Actual \$'000	2014 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	6 112	13 483	5 842	7 371	7 641
Receivables	(b)	1 960	2 994	3 316	1 034	(322)
Other financial assets	(c)	1 504	4 515	4 455	3 011	60
Payables	(d)	7 360	21 566	14 434	(14 206)	(7 132)
Employee benefits	(e)	27 232	33 124	30 112	(5 892)	(3 012)

Notes to Statement of Financial Position Budget Variances

- (a), (c) & (d) Increases in cash balances, receivables and payables all represent cross border settlements with other states which were expected to be settled by end of year, but remain unsettled.
- (b) The variance in receivables from budgeted figures represents outstanding GST receivables, which were not budgeted for. GST receivables and payables typically net off against each other.
- (e) Increase in leave liability associated with Long Service and Annual Leave balances, resulting from an increase in overall leave balances, and the impact of wage increases during the year.

Notes to Statement of Financial Position Actual Variances

- (a) & (d) Increases in cash balances and payables both represent an increase in the outstanding cross border settlements with other states compared to the amounts outstanding as at 30 June 2014.
- (e) Increase in leave liability associated with Long Service and Annual Leave balances.

4.3 STATEMENT OF CASH FLOWS

Statement of Cash Flows variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$1 million.

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance
Sales of goods and services	(a)	16 609	21 878	5 269	31.7%
Other cash receipts	(b)	3 602	4 802	1 200	33.3%
Other cash payments	(c)	(1 952)	(3 831)	(1 879)	(96.3%)

Notes to Statement of Cash Flows variances

- (a) Increases in receipts from sale of goods and services represents adjustments to the budget after it was published. Revised estimates were in Interstate revenue \$945k; Inpatient Revenue \$260k; Private Patients revenue \$376k; Other Revenue \$2.1m. Positive actual variances against revised budget included Inpatient fees \$572k; PBS revenue \$1.47m.
- (b) Increases in receipts from other sources includes workers compensation recoveries \$480k and Donations \$230k neither of which are certain enough to budget for; and Wages & Salaries recoveries \$203k and Other recoveries \$180k relating to additional funded programmes.
- (c) Other cash payments largely relates to insurance premiums. The original published budget was subsequently revised up to \$3.2m to reflect prior year's levies. Actual levy this year increased by \$600k from 2014 levies.

NOTE 5 EVENTS OCCURRING AFTER BALANCE DATE

On 1 July 2015, THO-NW and THO-South were amalgamated into THO-North, which was subsequently renamed the Tasmanian Health Service (THS). As such, the assets and liabilities of THO-NW and THO-South were transferred to the THS.

NOTE 6 SIGNIFICANT ACCOUNTING JUDGEMENTS

Judgements made by THO-NW that have significant effects on the Financial Statements are discussed below:

- ▶ 1.8(b) Depreciation and amortisation;
- ▶ 1.9(b) & 1.9(c) Impairment;
- ▶ 1.10(f) & 11.5(a) Property, plant and equipment;
- ▶ 1.11(c) & 12.2 Employee benefits;
- ▶ 13.1 & 13.2 Commitments and contingencies; and
- ▶ 15 Key assumptions used in cash flow projections.

NOTE 7 UNDERLYING NET OPERATING BALANCE

Non-operational capital funding is the income from transactions relating to funding for capital projects. This funding is classified as income from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance.

For this reason, the net operating result is adjusted to remove the effects of funding for capital projects.

	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Net result from transactions (net operating balance)	4 532	(2 074)	11 842
<i>Less impact of Non-operational capital funding</i>			
Assets transferred	6 364	2 220	13 962
Total	6 364	2 220	13 962
Underlying Net operating balance	(1 832)	(4 294)	(2 120)

NOTE 8 INCOME FROM TRANSACTIONS

8.1 GRANTS

	2015 \$'000	2014 \$'000
Continuing Operations		
Grants from the Australian Government		
Commonwealth Recurrent Grants - Block Funding	9 447	8 019
Commonwealth Recurrent Grants - Activity Based Funding	38 017	35 973
COPES Receipts	8 107	8 453
Specific Grant - Mersey Community Hospital	73 600	68 130
Other Commonwealth Grants	3 689	7 829
Total	132 860	128 404
Grants from the State Government		
State Grants - Block Funding	62 151	47 569
State Grants - Activity Based Funding	31 548	45 802
Total	93 699	93 371
Capital grants		
Assets Transferred	2 220	13 962
Total	2 220	13 962
WIP expensed grants		
Expenses Transferred	17	79
Total	17	79
Total revenue from Grants	228 796	235 816

8.2 SALES OF GOODS AND SERVICES

	2015 \$'000	2014 \$'000
Residential Rent Income	425	434
Commercial Rent Income	137	256
Pharmacy Non-Pharmaceutical Benefits Scheme	717	707
Prostheses	290	343
Inpatient, Outpatient Nursing Home Fees	7 519	8 925
Pharmaceutical Benefits Scheme Co-payments	213	227
Pharmaceutical Benefits Scheme Revenue from Medicare	6 622	6 004
Private Patient Scheme	2 091	2 502
Other Client Revenue	110	120
Other User Charges	3 291	2 268
Total	21 415	21 786

8.3 OTHER REVENUE

	2015 \$'000	2014 \$'000
Wages and Salaries Recoveries	1 722	1 691
Food Recoveries	485	598
Multipurpose Centre Recoveries	126	123
Workers Compensation Recoveries	484	612
Operating Recoveries	1 161	1 412
Donations	234	935
Industry Funds	590	438
Total	4 802	5 809

NOTE 9 EXPENSES FROM TRANSACTIONS

9.1 EMPLOYEE BENEFITS

(a) Employee expenses

	2015 \$'000	2014 \$'000
Wages and salaries	131 722	129 060
Annual leave	8 194	7 867
Long service leave	1 947	2 056
Sick leave	4 342	4 139
Other post-employment benefits	2 324	3 151
Other employee expenses - other staff allowances	251	131
Superannuation expenses - defined contribution and benefits schemes	15 663	15 487
Total	164 443	161 891

Superannuation expenses for defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.75 per cent (2014: 12.5 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to nominated superannuation funds at a rate of 9.5 per cent (2014: 9.25 per cent) of salary. In addition, Departments are also required to pay into the Consolidate Fund a "gap" payment equivalent to 3.25 per cent (2014: 3.5 per cent) of salary in respect of employees who are members of contribution schemes.

9.1 (b) Remuneration of Key Management Personnel

2015	Short-term benefits		Long-term benefits				Total \$'000
	Salary \$'000	Other Benefits \$'000	Super- annuation \$'000	Post- Employment Benefits \$'000	Termination Benefits \$'000	Other Benefits & Long-Service Leave \$'000	
Governing Council							
Graeme Houghton - Chair (to 16/01/2015)	29	-	3	-	-	-	32
John Ramsay - Chair (from 17/01/2015)	22	-	2	-	-	-	24
Associate Professor Deborah Wilson - Chair of Quality, Safety & Clinical Risk Sub-Committee	35	-	3	-	-	-	38
Sarah Jordan - Chair of Audit & Risk Sub- Committee	40	-	4	-	-	-	44
Dr Emil Djakic - Governing Council Member	29	-	3	-	-	-	32
Dale Elphinstone - Governing Council Member	29	-	3	-	-	-	32
Total Governing Council remuneration	184	-	18	-	-	-	202

9.1 (b) Remuneration of Key Management Personnel (Continued)

2015	Short-term benefits		Long-term benefits				Total \$'000
	Salary \$'000	Other Benefits \$'000	Super- annuation \$'000	Post- Employment Benefits \$'000	Termination Benefits \$'000	Other Benefits & Long-Service Leave \$'000	
Executive Management							
Denise Parry - GM - North West Regional Hospital	153	21	15	-	-	4	193
Sue Wyeth - GM - Mental Health	150	24	14	-	-	2	190
Eric Daniels + - GM - Mersey Community Hospital	144	-3	14	-	-	-	155
David Basire - Director Finance	132	20	13	-	-	2	167
Paula Hyland - Director Allied Health	96	-	9	-	-	4	109
Rachael Hoyt + - Director Human Resources (to 25/09/2014)	80	-8	8	-	-	-9	71
Acting Executive Management							
Adjunct Associate Professor Karen Linegar - Acting Chief Executive Officer; (to 10/05/2015)	241	15	23	-	-	4	283
Dr Anne Brand - Interim Chief Executive Officer; (from 11/05/2015)	31	2	3	-	-	-	36
Dr Wayne McDonald - Acting Director Medical Services (09/10/2014 - 12/03/2015)	95	14	9	-	-	-	118
Dr Ross Duncan - Acting Director of Medical Services (from 01/04/2015)	70	3	7	-	-	-	80
Jo-Ellen Reid - Acting Executive Director of Nursing	161	3	15	-	-	3	182
Brendan Holland - Acting Director of Human Resources (26/09/2014 - 30/06/2015)	79	4	8	-	-	-	91
Total Executive Management	1,432	95	138	-	-	10	1,675
Total Key Management Personnel	1,616	95	156	-	-	10	1,877

Salary and other benefits include all forms of consideration paid and payable for services rendered, compensated absences during the period, fringe benefits and salary sacrifice amounts. Superannuation means the contribution to the superannuation fund of the individual. Post-employment benefits include all other forms of employment allowances relating to travel, accommodation and meals. Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

+ A negative in Other Benefits is displayed when an individual draws down on accrued leave.

Remuneration does not include on-call, in lieu of call and other allowances where relevant.

9.2 DEPRECIATION AND AMORTISATION

(a) Depreciation

	2015 \$'000	2014 \$'000
Plant, equipment and vehicles	1 025	962
Buildings	2 574	2 928
Total	3 599	3 890

9.3 SUPPLIES AND CONSUMABLES

	2015 \$'000	2014 \$'000
Consultants	258	422
Property Services	5 893	6 257
Maintenance	2 891	1 979
Communications	1 024	971
Information Technology	3 988	1 443
Travel and Transport	2 884	3 355
Medical, Surgical and Pharmacy Supplies	48 452	47 478
Advertising and Promotion	9	18
Patient and Client Services	9 116	8 648
Leasing Costs	375	381
Equipment and Furniture	1 288	968
Administration	999	923
Food Production Costs	1 456	1 416
Other Supplies and Consumables	520	1 098
Corporate Overhead Charge	5 168	5 322
Service Fees	553	524
Total	84 874	81 203

Other Supplies and Consumables includes expenditure related to the audit of these financial statements. The total audit fee for this financial year is \$85,130 (2014 \$85,130).

9.4 GRANTS AND SUBSIDIES

	Note	2015 \$'000	2014 \$'000
Other Grants			
Grant - Other	(a)	338	1 349
Total		338	1 349

(a) Grants relate to services devolved during 2013-14 (Respite and Hospice care) and an one off grant to DHHS in 2014 to allow for the purchase of the MRI machine.

9.5 OTHER EXPENSES

	2015 \$'000	2014 \$'000
Salary on-costs	1 579	1 149
Tasmanian Risk Management Fund premium	2 181	2 014
Other	85	87
Total	3 845	3 250

NOTE 10 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

10.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Impairment of non-financial assets	0	(1 389)
Net gain/(loss) on disposal of physical Assets	0	(3)
Total net gain/(loss) on non-financial assets	0	(1 392)

10.2 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

	2015 \$'000	2014 \$'000
Impairment of loans and receivables	(56)	207
Total	(56)	207

NOTE II ASSETS

II.1 RECEIVABLES

	2015 \$'000	2014 \$'000
Receivables	3 064	3 377
Less: Provision for impairment	(70)	(61)
Total	2 994	3 316
Sales of goods and services (inclusive of GST)	1 681	2 455
Tax assets	1 313	861
Total	2 994	3 316
Settled within 12 months	2 994	3 316
Total	2 994	3 316

Reconciliation of movement in provision for impairment of receivables	2015 \$'000	2014 \$'000
Carrying amount at 1 July	61	1 264
Amounts written off during the year	(47)	(996)
Increase/(decrease) in provision recognised in profit or loss	56	(207)
Carrying amount at 30 June	70	61

II.2 OTHER FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Accrued Revenue	3 619	3 342
Inter-Entity Balance	896	1 113
Total	4 515	4 455
Settled within 12 Months	4 515	4 455
Total	4 515	4 455

11.3 INVENTORIES

	2015 \$'000	2014 \$'000
Pharmacy	1 302	1 146
Catering	22	6
Linen	140	140
General Supplies	271	270
Total	1 735	1 562
Consumed within 12 Months	1 735	1 562
Total	1 735	1 562

11.4 ASSETS HELD FOR SALE

(a) Carrying amount

	2015 \$'000	2014 \$'000
Land	71	71
Buildings	24	24
Total	95	95
Settled within 12 Months	95	95
Settled in more than 12 Months	0	0
Total	95	95

(b) Fair value measurement of Assets held for sale (including fair value levels)

2015	Carrying value at 30 June \$'000	Fair value measurement at end of reporting period		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land	71	0	71	0
Buildings	24	0	24	0
Total	95	0	95	0

11.5 PROPERTY, PLANT AND EQUIPMENT

(a) Carrying amount

	2015 \$'000	2014 \$'000
Land		
Land at fair value	4 560	4 560
Total land	4 560	4 560
Buildings		
Buildings at net fair value	82 525	78 035
Less: Accumulated depreciation	0	(2 332)
Total	82 525	75 703
Leasehold Improvements at cost	7 258	6 569
Less: Accumulated depreciation	(1 513)	(1 194)
Total	5 745	5 375
Total buildings	88 270	81 078
Plant, equipment and vehicles		
At cost	8 095	7 355
Less: Accumulated depreciation	(2 889)	(1 864)
Total plant, equipment and vehicles	5 206	5 491
Work in progress		
Buildings	3 654	4 989
Plant, equipment and vehicles	424	152
Total work in progress	4 078	5 141
Total property, plant and equipment	102 114	96 270

THO-NW's land and building assets were revalued independently by the Valuer-General of Tasmania as at 30 June 2015 using an adjustment index of 1.0 (Land) and 1.03 (Buildings). This was based on market movement factors and building cost indices. This revaluation was in accordance with the Treasurer's Instruction 303 *Recognition and Measurement of Non-Current Assets* and the Australian Accounting Standard (AASB 116). Revaluations are shown on a net basis and will continue to be until the next full revaluation is performed. This is due to occur as at 1 July 2017.

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2015	Land Level 2	Buildings Level 3	Plant, equipment and vehicles	Works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	4 560	81 078	5 491	5 141	96 270
Additions - THO acquisition	0	0	0	4 907	4 907
Additions - DHHS capital grant	0	0	0	2 220	2 220
Revaluation increments (decrements)	0	2 405	0	0	2 405
WIP transfers	0	7 362	740	(8 102)	0
WIP expensed	0	0	0	(88)	(88)
Depreciation	0	(2 575)	(1 025)	0	(3 600)
Carrying value at 30 June	4 560	88 270	5 206	4 078	102 114

2014	Land Level 2	Buildings Level 3	Plant, equipment and vehicles	Works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	4 235	68 411	3 659	6 769	83 074
Additions - THO acquisition	0	190	273	3 714	4 177
Additions - DHHS capital grant	0	0	0	13 962	13 962
Disposals	0	0	(8)	0	(8)
Net transfers through restructuring	400	252	21	9	682
Impairment losses	(4)	(1 389)	0	0	(1 393)
Assets held for sale	(71)	(23)	0	0	(94)
Transfers between classes	0	0	0	(240)	(240)
WIP transfers	0	16 566	2 507	(19 073)	0
Depreciation	0	(2 929)	(961)	0	(3 890)
Carrying value at 30 June	4 560	81 078	5 491	5 141	96 270

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Valuation techniques used to measure fair value shall maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Agencies should make an assessment as to which fair value hierarchy level assets should be valued at, based on inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure the fair value to the extent that relevant observable inputs are not available.

(c) Level 3 significant valuation inputs and relationship to fair value

All THO Buildings are valued at Depreciated Replacement Cost. As such, they are categorised as Level 3 within the fair value hierarchy. The valuation method used for THO-NW's land was a market approach and therefore, land is categorised as Level 2.

Description	Fair Value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Buildings	82 525	A – Construction costs B – Age and condition of asset C – Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have remained stable over the last 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

(d) Asset where current use is not the highest and best use

THO-NW holds buildings. Unless there is an explicit Government policy to the contrary, the highest and best use of these buildings is the purpose for which they are currently being used/occupied. THO-NW considers that the highest and best use for these assets is the purpose for which they are currently occupied.

II.6 INTANGIBLES

Intangible assets with a finite useful life held by THO-NW principally comprise computer software.

(a) Carrying amount

	2015 \$'000	2014 \$'000
Capital Work in progress	0	2 910
Total Intangibles	0	2 910

(b) Reconciliation of movements

	2015 \$'000	2014 \$'000
Carrying amount at 1 July	2 910	2 671
Transfers between classes	0	239
WIP Expensed	(2 910)	0
Carrying amount at 30 June	0	2 910

The WIP balance in 2014 represents an investment in software which was developed locally, but since superseded. During 2015 the decision was made that there was no further economic benefit, and as such the balance of the WIP account was expensed.

II.7 OTHER ASSETS

(a) Carrying amount

	2015 \$'000	2014 \$'000
Prepayments	296	334
Total	296	334
Recovered within 12 months	296	334
Recovered in more than 12 months	0	0
	296	334

(b) Reconciliation of movements

	2015 \$'000	2014 \$'000
Carrying amount at 1 July	334	188
Additions	296	334
Utilised	(334)	(188)
Carrying amount at 30 June	296	334

NOTE 12 LIABILITIES

12.1 PAYABLES

	2015 \$'000	2014 \$'000
Creditors	3 767	2 749
Accrued Expenses	17 799	11 685
Total	21 566	14 434
Settled within 12 months	21 566	14 434
Total	21 566	14 434

12.2 EMPLOYEE BENEFITS

	2015 \$'000	2014 \$'000
Accrued salaries	5 184	3 894
Annual leave	10 600	9 875
Long service leave	16 243	15 156
Sabbatical leave	307	365
Other Employee Benefits	790	822
Total	33 124	30 112
Expected to settle wholly within 12 months	15 801	13 811
Expected to settle wholly after 12 months	17 323	16 301
Total	33 124	30 112

12.3 OTHER LIABILITIES

	2015 \$'000	2014 \$'000
Revenue received in advance		
Other revenue received in advance	622	600
Other Liabilities		
Employee benefits - on-costs	357	343
Other liabilities	0	6
Total	979	949
Settled within 12 months	757	735
Settled in more than 12 months	222	214
Total	979	949

13.1 SCHEDULE OF COMMITMENTS

13.1 SCHEDULE OF COMMITMENTS

	2015 \$'000	2014 \$'000
By Type		
<i>Operating Lease Commitments</i>		
Motor Vehicles	1 891	2 638
Medical Equipment	14	69
Rent on Buildings	71	287
Information Technology	1 933	322
Office Equipment	630	0
<i>Total Lease Commitments</i>	4 539	3 316
<i>Other Commitments</i>		
Miscellaneous Grants	576	924
Miscellaneous Goods and Services contracts	41 262	46 853
<i>Total Other Commitments</i>	41 838	47 777
Total	46 377	51 093
By Maturity		
<i>Operating Lease Commitments</i>		
One year or less	1 652	1 680
From one to five years	2 816	1 636
More than five years	71	0
<i>Total Operating Lease Commitments</i>	4 539	3 316
<i>Other Commitments</i>		
One year or less	18 019	20 444
From one to five years	21 937	27 333
More than five years	1 882	0
<i>Total Other Commitments</i>	41 838	47 777
Total	46 377	51 093

Vehicle Leases

THO-NW leases a number of vehicles. The terms of the lease are for 36 months or 60,000km, whichever comes first. The average age of leased vehicles is 15 months.

Medical Equipment (Operating lease)

THO-NW is party to a Master Facility Agreement. No restrictions, provisions for price adjustments or purchase options are contained in the lease agreement. Terms of leases are set for specific periods. The average period of a lease is six years with an option to renew for a period of twelve months or the initial term, whichever is the lesser.

Rent on Buildings (Operating lease)

THO-NW leases a range of properties/tenancies for service delivery purposes.

Information Technology

THO-NW is party to a number of IT related contracts to support clinical and non clinical IT systems.

Office Equipment

THO-NW is party to a number of contracts to support administrative costs.

Miscellaneous Grants

Grants covering service delivery in Palliative Care and Respite Care have been devolved to THO-NW.

Miscellaneous Goods and Services Contracts

THO-NW has contracts for the supply of various clinical and non clinical services, including Pathology Services, Radiology Services, Maternity services and Medical Services contracts.

13.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2015 \$'000	2014 \$'000
Quantifiable contingent liabilities		
<i>Contingent claims</i>		
Other legal claims	1 160	1 025
Total quantifiable contingent liabilities	1 160	1 025

At 30 June 2015, THO-NW had a number of legal claims against it for medical and other liability claims. These claims are reported at the net cost to THO-NW.

THO-NW manages its legal claims through the Tasmanian Risk Management Fund (TRMF). A \$50,000 excess remains payable for every claim. Amounts above that excess are met by the TRMF.

NOTE 14 RESERVES

14.1 RESERVES

2015	Land	Buildings	Total \$'000
Asset revaluation reserve			
Balance at the beginning of financial year	1 049	0	1 049
Revaluation increments/(decrements)	0	2 404	2 404
Balance at the end of financial year	1 049	2 404	3 453
2014	Land	Buildings	Total \$'000
Asset revaluation reserve			
Balance at the beginning of financial year	1 054	0	1 054
Revaluation increments/(decrements)	(5)	0	(5)
Balance at the end of financial year	1 049	0	1 049

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in Note 1.10 (f).

14.2 CONTRIBUTED CAPITAL RESERVE

	Note	2015 \$'000	2014 \$'000
Contributed capital reserve			
Balance at the beginning of financial year		60 848	62 267
Administrative restructure - net assets received/(net liabilities taken up)	(a)	0	(1 419)
Balance at the end of financial year		60 848	60 848

Capital Contributed Reserve

(a) Changes to the Capital Contributed Reserve records capital contributed on the transfer of Statewide and Mental Health Services on 1 July 2013.

NOTE 15 CASH FLOW RECONCILIATION

15.1 CASH AND DEPOSITS

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department on behalf of THO-NW, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2015 \$'000	2014 \$'000
Special Deposits and Trust Fund Balance		
T476 THO North West Patient Trust and Hospital Bequest Account	843	616
T532 THO - North West Operating Account	12 633	5 219
Total	13 476	5 835
Other cash held		
Other Cash equivalents not included above	7	7
Total	7	7
Total cash and deposits	13 483	5 842

15.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2015 \$'000	2014 \$'000
Net result from transactions (net operating balance)	(2 074)	11 842
Depreciation and amortisation	3 600	3 890
Capital grants income	(2 220)	(13 962)
WIP expensed	2 998	0
Doubtful debts	(56)	207
Transfer of assets due to restructure	0	(2 140)
Decrease (increase) in Receivables	322	(1 344)
Decrease (increase) in Other assets	(22)	(3 110)
Decrease (increase) in Inventories	(173)	(77)
Increase (decrease) in Employee entitlements	3 012	3 068
Increase (decrease) in Payables	7 132	6 184
Increase (decrease) in Other liabilities	30	376
Net cash from/(used by) operating activities	12 549	4 934

NOTE 16 FINANCIAL INSTRUMENTS

16.1 RISK EXPOSURES

(a) Risk management policies

THO-NW has exposure to the following risks from its use of financial instruments:

- ▶ credit risk;
- ▶ liquidity risk; and
- ▶ market risk.

The Governing Council and the CEO have responsibility for the establishment and oversight of THO-NW's risk management framework. Risk management policies are established to identify and analyse risks faced by THO-NW, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to THO-NW if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		
Loans and Receivables	Loans and Receivables are recognised at the nominal amounts due, less any provision for impairment. Collectability of debts is reviewed on a monthly basis. Provisions are made when the collection of the debt is judged to be less rather than more likely.	Receivables credit terms are generally 45 days.
Other financial assets	Other financial assets are recognised at the nominal amounts due, less any provision for impairment.	Other financial assets credit terms are generally 45 days.
Cash and deposits	Cash and deposits are recognised at face value.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

THO-NW does not hold any security instrument for its cash and deposits, other financial assets and receivables. No credit terms on any departmental financial assets have been renegotiated.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking into account any collateral or other security:

Analysis of financial assets at 30 June 2015 but not impaired				
	Not past due \$'000	Past due 30 – 120 days \$'000	Past due > 120 days \$'000	Total \$'000
Receivables	1 897	894	203	2 994
Other financial assets	4 515	0	0	4 515
Total	6 412	894	203	7 509

Analysis of financial assets at 30 June 2014 but not impaired				
	Not past due \$'000	Past due 30 – 120 days \$'000	Past due > 120 days \$'000	Total \$'000
Receivables	2 418	175	723	3 316
Other financial assets	4 455	0	0	4 455
Total	6 873	175	723	7 771

(c) Liquidity risk

Liquidity risk is the risk that THO-NW will not be able to meet its financial obligations as they fall due. THO-NW's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period equates to face value, when THO-NW becomes obliged to make future payments as a result of a purchase of assets or services.	Settlement is usually made within 30 days.
Other financial liabilities	Other financial liabilities are recognised at amortised cost, which due to the short settlement period equates to face value, when THO-NW becomes obliged to make payments as a result of the purchase of assets or services. THO-NW regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 30 days.

The following tables detail the undiscounted cash flows payable by THO-NW by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position.

2015								
	Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	21 566	0	0	0	0	0	21 566	21 566
Total	21 566	0	0	0	0	0	21 566	21 566

2014								
	Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	14 434	0	0	0	0	0	14 434	14 434
Total	14 434	0	0	0	0	0	14 434	14 434

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that THO-NW is exposed to is interest rate risk.

THO-NW currently has no financial liabilities at fixed interest rates.

16.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2015 \$'000	2014 \$'000
Financial assets		
Cash and cash equivalents	13 483	5 842
Other financial assets	7 509	7 771
Total	20 992	13 613
Financial Liabilities		
Financial liabilities measured at amortised cost	21 566	14 434
Total	21 566	14 434

THO-NW's maximum exposure to credit risk for its financial assets is \$21.0 million. It does not hold nor is a party to any credit derivatives and no changes have occurred to the fair value of its assets as a result of market risk or credit risk. While interest rates have changed during the financial year, the value of security held is significantly more than the value of the underlying asset and no loan advances are impaired. The value of receivables is not affected by changes in interest rates. THO-NW actively manages its credit risk exposure for the collectability of its receivables and outstanding loans.

16.3 RECLASSIFICATIONS OF FINANCIAL ASSETS

No reclassification of Financial Assets occurred during 2014-15.

16.4 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying Amount 2015 \$'000	Net Fair Value 2015 \$'000	Carrying Amount 2014 \$'000	Net Fair Value 2014 \$'000
Financial assets				
Other financial assets	20 992	20 992	13 613	13 613
Total financial assets	20 992	20 992	13 613	13 613
Financial liabilities (Recognised)				
Other financial liabilities	21 566	21 566	14 434	14 434
Total Financial liabilities (Recognised)	21 566	21 566	14 434	14 434

NOTE 17 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT

Account/Activity	Opening balance \$'000	Net transactions during 2014-15 \$'000	Closing balance \$'000
T476 THO-NW Patient Trust and Hospital Bequest Account	668	190	858



Independent Auditor's Report

To Members of the Tasmanian Parliament

Tasmanian Health Organisation - North West

Financial Statements for the Year Ended 30 June 2015

Report on the Financial Statements

I have audited the accompanying financial statements of Tasmanian Health Organisation — North West (the Organisation), which comprise the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Chair of the Governing Council and Acting Chief Executive Officer:

Auditor's Opinion

In my opinion the Organisation's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2015 and its financial performance, cash flows and changes in equity for the year then ended
- (b) are in accordance with the *Tasmanian Health Organisation Act 2011*, the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

The Responsibility for the Financial Statements

The Chair of the Governing Council and the Acting Chief Executive Officer are jointly responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, Section 34 of *Tasmanian Health Organisation Act 2011* and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Chair of the Governing Council and the Acting Chief Executive Officer's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chair of the Governing Council and the Acting Chief Executive Officer, as well as evaluating the overall presentation of the financial statements.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Organisation's financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. *The Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



H M Blake
Auditor-General

Hobart
15 September 2015

GLOSSARY

Acronym	Name in Full
ARSC	Audit and Risk Sub-Committee
Activity Based Funding (ABF)	Activity Based Funding (ABF) is the model of reimbursing a health care service for the cost of patient care. The ABF system provides payment for acute patients treated within hospitals. Hospitals are paid a set amount for each patient treated based on the relative cost of the group (DRG) to which the separation is allocated.
Acute admission	Acute care is care in which the primary clinical purpose or treatment goal is to: manage labour (obstetric), cure illness or provide definitive treatment of injury, perform surgery, relieve symptoms of illness or injury (excluding palliative care), reduce severity of an illness or injury, protect against exacerbation and/or complication of an illness and/or injury which could threaten life or normal function, perform diagnostic or therapeutic procedures.
Admission	<p>An admission is a process whereby a hospital accepts responsibility for a patient's care or treatment. Admission follows a clinical decision based upon specified criteria that a patient requires same-day or overnight (or multi-day) care or treatment. An admission may be formal or statistical.</p> <p>A formal admission is the administrative process by which a hospital records the commencement of treatment/care or accommodation of a patient.</p> <p>A statistical admission is the administrative process by which a hospital records the commencement of a new episode of care, with a new care type, for a patient within the one hospital stay.</p>
ATS	Australasian Triage Scale
Cost weight	A measure of the relative cost of a Diagnosis Related Group (DRG). Usually the average cost across all DRGs is chosen as the reference value, and given a weight of 1.
CERG	Consumer Engagement Reference Group
CHC	Community Health Centre
COPE	Commonwealth Own Purpose Expenditure
CSO	Community Sector Organisation
DCHSC	Devonport Community and Health Services Centre
DHHS	Department of Health and Human Services
Diagnosis Related Group (DRG)	DRGs are a patient classification system that provide a clinically meaningful way of relating the types of patients treated in a hospital to the resources required by the hospital. DRGs were developed for use in acute inpatient settings. The latest version of the Australian Refined-Diagnosis Related Group (AR-DRG) Classification (Version 6.0x is to be used from 1 July 2012)
ECO	Employee Contact Officer
ED	Emergency Department
Elective admission (Urgency status assigned)	<p>Elective admissions:</p> <p>If an admission meets the definition of elective below, it is categorised as elective, regardless of whether the admission actually occurred after 24 hours or more, or it occurred within 24 hours. The distinguishing characteristic is that the admission could be delayed by at least 24 hours.</p> <p>Scheduled admissions:</p> <p>A patient who expects to have an elective admission will often have that admission scheduled in advance. Whether or not the admission has been scheduled does not affect the categorisation of the admission as emergency or elective, which depends only on whether it meets the definitions above. That is, patients both with and without a scheduled admission can be admitted on either an emergency or elective basis.</p> <p>Admissions from elective surgery waiting lists:</p> <p>Patients on waiting lists for elective surgery are assigned a clinical urgency status which indicates the clinical assessment of the urgency with which a patient requires elective hospital care. On admission, they will also be assigned an urgency of admission category, which may or may not be elective.</p> <p>Patients who are removed from elective surgery waiting lists on admission as an elective patient for the procedure for which they were waiting, are assigned an admission urgency status code N code of 2. In that case, their clinical urgency category could be regarded as further detail on how urgent their admission was.</p> <p>Patients who are removed from elective surgery waiting lists on admission as an emergency patient for the procedure for which they were waiting, are assigned an admission urgency status code N code of 1.</p>

Acronym	Name in Full
Emergency (Urgency of admission status)	<p>Emergency admission:</p> <p>The following guidelines may be used by health professionals, hospitals and health insurers in determining whether an emergency admission has occurred. These guidelines should not be considered definitive.</p> <p>An emergency admission occurs if one or more of the following clinical conditions are applicable such that the patient required admission within 24 hours.</p> <p>Such a patient would be:</p> <p>At risk of serious morbidity or mortality and requiring urgent assessment and/or resuscitation; or</p> <p>Suffering from suspected acute organ or system failure; or</p> <p>Suffering from an illness or injury where the viability or function of a body part or organ is acutely threatened; or</p> <p>Suffering from a drug overdose, toxic substance or toxin effect; or</p> <p>Experiencing severe psychiatric disturbance whereby the health of the patient or other people is at immediate risk; or</p> <p>Suffering severe pain where the viability or function of a body part or organ is suspected to be acutely threatened; or</p> <p>Suffering acute significant haemorrhage and requiring urgent assessment and treatment; or</p> <p>Suffering gynaecological or obstetric complications; or</p> <p>Suffering an acute condition which represents a significant threat to the patient's physical or psychological wellbeing; or</p> <p>Suffering a condition which represents a significant threat to public health.</p> <p>If an admission meets the definition of emergency above, it is categorised as emergency, regardless of whether the admission occurred within 24 hours of such a categorisation being made, or after 24 hours or more.</p>
FTE	Full-Time Equivalent
HOA	Heads of Agreement
HSO	Health Service Officer
IHPA	Independent Hospital Pricing Authority
KIHHC	King Island Hospital and Health Centre (aka KIDH)
KPI	Key Performance Indicator
Leave days	<p>Leave is a temporary absence from hospital, with medical approval for a period no greater than seven consecutive days. Leave days are calculated as the date returned from leave minus the date went on leave. Total leave days are the sum of the leave days for all leaves within a hospital stay.</p>
Length of Stay / LOS	<p>The Length of Stay (LOS) of a patient is measured in patient days. A same day patient should be allocated a LOS of one patient day. The LOS of an overnight stay patient is calculated by subtracting the date the patient is admitted from the date of separation and deducting total leave days. Total contracted patient days are included in the LOS. The average of these for any particular group of patients is reported as the Average Length of Stay (ALOS).</p>
LGH	Launceston General Hospital
MCH	Mersey Community Hospital
MHS	Mental Health Services
Mortality	Mortality refers to the death of a patient.
National Average Length of Stay	<p>The National Average Length of Stay is provided for each DRG, for each AR-DRG Version and is derived from the information provided from hospitals around Australia that participate in the costing study.</p>
National Partnership Agreement	<p>On 29 November 2008, the Council of Australian Government (COAG) launched the National Partnership Agreement on Preventive Health (NPAPH). On 28 June 2015, the NPAPH was extended by three years to June 2018. The NPAPH provides \$932.7 million over nine years from 2009-10. It builds on the COAG Australian Better Health Initiative and the National Reform Agenda's Type II Diabetes Initiative, and supplements the National Health Care Agreement. A key feature of the NPAPH is the establishment of infrastructure required to monitor and evaluate the progress of interventions.</p>

Acronym	Name in Full
National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit, against which the national efficient price (NEP) is paid. It provides a way of comparing and valuing each public hospital service (whether it is an admission, emergency department presentations or outpatient episode), by weighting it for its clinical complexity.
National Emergency Access Targets (NEAT)	<p>By 2015, 90 per cent of all patients will leave the emergency department (ED) within four hours: either, discharged, admitted to hospital or transferred to another hospital for treatment.</p> <p>The target does not overrule clinical judgement.</p> <p>The target is being staged incrementally.</p> <p>All ED patients are included in the target.</p> <p>NEAT is measured from first patient contact in the ED, and should be recorded by the clinician carrying out the initial triage/assessment or ED reception - whichever is earlier. The clock stops when the patient physically leaves the ED, whether they are admitted, transferred, or discharged home.</p>
NHRA	National Health Reform Agreement
NPA - IHST	National Partnership Agreement on Improving Health Services in Tasmania
NWRH	North West Regional Hospital
Occupancy	The occupancy rate is calculated by dividing total bed days in a period by the product of the available beds and the days in the period – e.g. if in a non-leap year patients accumulated 33 000 bed days in a hospital with 100 overnight-stay beds, the occupancy rate = $33\,000 / (365 \times 100) = 90.4$ per cent. N.B. Occupancy rates calculated for same-day beds could exceed 100 per cent.
Occupied bed days	The number of occupied beds available for admitted care.
Outlier	A patient who is admitted to a bed outside their designated specialty ward.
Outpatient Occasion of Service (OOS)	An interaction between one or more health care professionals with one or more non-admitted patients, for assessment, consultation and/or treatment intended to be unbroken in time. A service event means that a dated entry is made in the patient/client's medical record.
Over boundary	<p>A patient is considered to be over boundary when the number of days on the waitlist exceeds the clinically recommended time for their urgency category as defined in the National Access Guarantee.</p> <p>Current days waiting is calculated as: the number of days is calculated by subtracting the listing date for care from the removal date, minus any days when the patient was 'not ready for care' and also minus any days the patient was waiting with a less urgent clinical urgency category than their clinical urgency category at removal.</p>
Patient care days/bed days	A day of patient care is a day, or part of a day, that a patient is admitted to hospital to receive treatment or care. Days of patient care are the total number of days spent in hospital by all patients who were discharged from hospital during the reported period. The bed day (or 'patient care day') is the unit of measurement for the length of stay of an episode of care.
PCEHR	Personally Controlled Electronic Health Record
Presentation	When a patient arrives at an ED for treatment. As a person may visit an ED in a hospital more than once in a year, the number of presentations is not the same as the number of people seen by the department.
QSSC	Quality and Safety Sub-Committee
Raw separation	Raw separations is a count of discharged inpatient episodes whereby no class of patients have been excluded.
RHH	Royal Hobart Hospital
RJRP	Right Job Right Person
SDH	Smithton District Hospital
Separation	<p>Separation is the process by which an episode of care for an admitted patient ceases. A separation may be formal or statistical.</p> <p>Formal separation: the patient leaves the hospital.</p> <p>Statistical separation: the patient is shifted to a different level of care, so a new episode is opened.</p>
SIIRP	The Structured Infrastructure Investment Review Process (SIIRP) is a Department of Treasury and Finance process that ensures infrastructure projects funded by the State Budget appropriately meet the needs of the community, have been appropriately scoped and planned and are based on reliable for realistic cost estimates.

Acronym	Name in Full
SRLS	Safety Reporting and Learning System
Sub-acute activity	Sub-acute care in this data set specification is identified as admitted episodes in rehabilitation care, palliative care, geriatric evaluation and management care and psychogeriatric care whereas maintenance care is identified as non-acute care. The scope of the collection is: 1) Same day and overnight sub-acute and non-acute care episodes in designated sub-acute and non-acute care units, programs or hospitals. 2) Admitted public patients provided on a contracted basis by private hospitals in designated sub-acute and non-acute care units, programs or hospitals. 3) Admitted patients in rehabilitation care, palliative care, geriatric evaluation and management, psychogeriatric and maintenance care designated programs treated in the hospital-in-the-home.
Tasmanian Health Organisations / THOs	Three Tasmanian Health Organisations (THOs) were established under the national health reforms to provide hospital, primary and community health services to Tasmanians.
Tasmanian Health Service / THS	The Tasmanian Health Service (THS) will be established on 1 July 2015 under the One State, One Health System, Better Outcomes reforms that will see hospitals working together to provide access to better care and higher quality services.
THO—North West	Tasmanian Health Organisation — North West
TML	Tasmania Medicare Local
Transfer	A transfer is when the physical location of the patient changes. Patient can be transferred between health care facilities, between wards or from bed to bed within a ward. Within these KPIs transfers between wards are counted only.
Waitlist clinical urgency categories	Category 1 - Urgent patients who require surgery within 30 days. Category 2 - Semi-urgent patients who require surgery within 90 days. Category 3 - Non-urgent patients who need surgery at some time in the future. For reporting purposes, these patients are counted as requiring surgery within 365 days.
WCDH	West Coast District Hospital
Weighted cost	Is the cost weight multiplied out by the average cost of patient care.
Weighted separation	The aggregate number of DRGs in any time period, multiplied by the cost weight of each, results in a number called a weighted separation.
WHS	Workplace Health and Safety

NOTES

CHAPTER 3
TASMANIAN HEALTH ORGANISATION — SOUTH
ANNUAL REPORT 2014-15



FACTS AND FIGURES

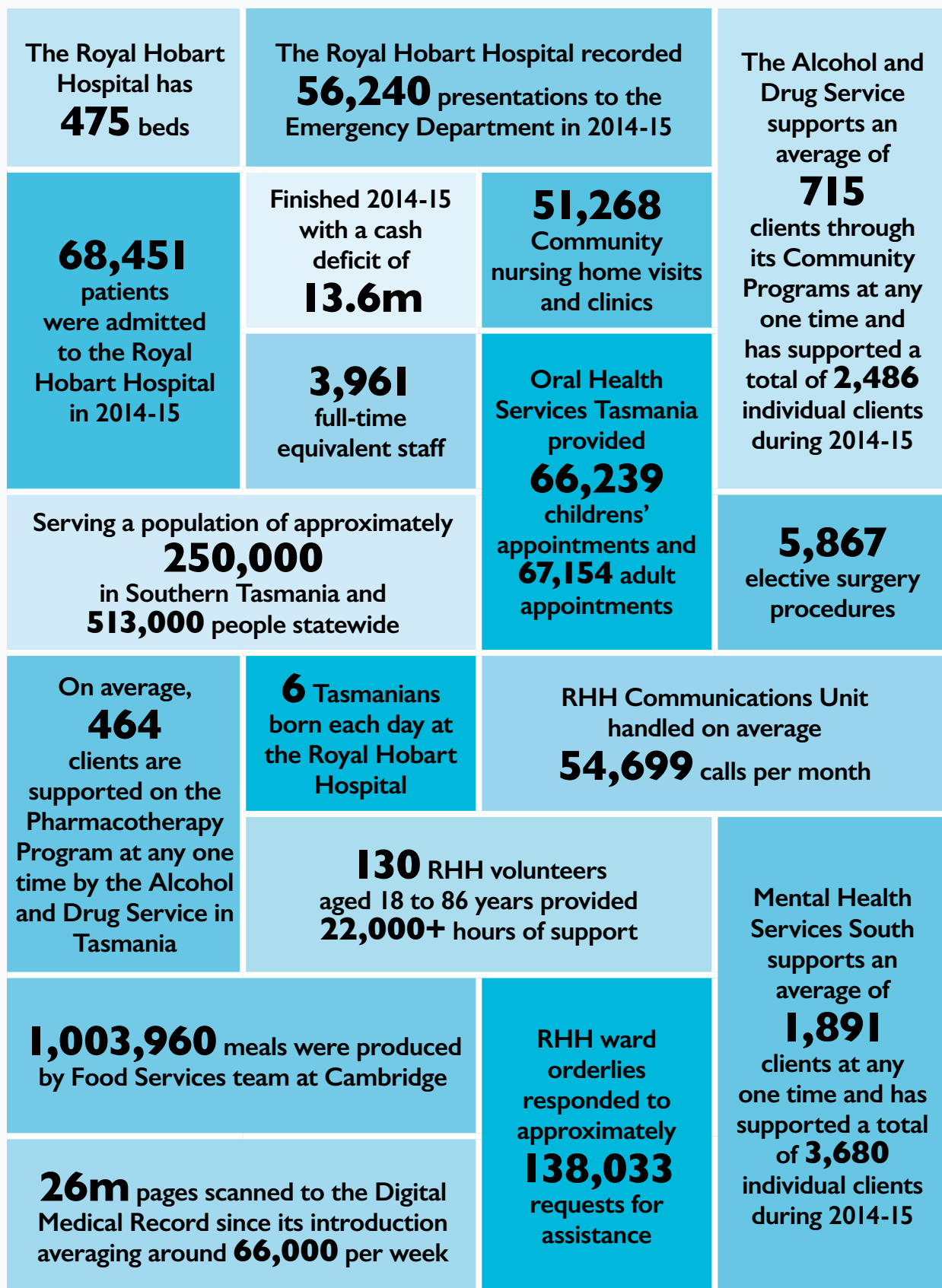


TABLE OF CONTENTS

INTRODUCTION 252

Year in Review 252

GOVERNING COUNCIL 255

Governing Council Members 255

Governing Council Member
Attendance Record 257

Governing Council Member
Remuneration Report 257

Governing Council Sub
Committee Reports 258

Safety and Quality Sub Committee 258

Audit and Risk Sub Committee 259

PART 1 - OVERVIEW 260

Organisational Chart 260

Executive Management Team 261

Our Locations 263

Our Community and Volunteers 267

Our Workforce 272

Awards and Agreements 272

Our Performance 275

Education 278

Research 279

PART 2 - SUPPLEMENTARY INFORMATION 290

Climate Change 290

Risk Management 291

Capital Works and
Asset Management 292

Consultancies, Contracts
and Tenders 295

Right to Information 300

Human Resources Statistics 302

Work Health and Safety 306

Publications 307

Ministerial Directions and
Performance Escalations 319

PART 3 - FINANCIAL STATEMENTS 321

Statement of Certification 322

Financial Statements 323

Audit Report 370

GLOSSARY 372

INTRODUCTION

YEAR IN REVIEW

THO—South has progressed a significant reform agenda across the 2014-15 year. This has only been achieved through the commitment of our dedicated staff who continue to strive for excellence in service provision and maintain a strong focus on improving our clients' experience and their journey across the health system.

The key priority areas for the organisation have centred on: financial sustainability, clinical governance, organisational culture and the Royal Hobart Hospital (RHH) Redevelopment. The organisation concluded last financial year with a significant budget deficit which has required the development and implementation of a rigorous financial management plan. This plan has guided the organisation to finish the year in a more sustainable financial position, concluding with a much reduced cash deficit. Whilst further gains are to be made, the size of the budget management task at the beginning of the year was considerable and the success achieved in reducing this in 12 months cannot be underestimated.

Our organisation continues to deliver high quality services in an environment of limited resources and increasing demand. This has necessitated reviewing models of care and building upon strategic partnerships to ensure our clients receive the right service in the right place at the right time. As an example, models of care across our palliative care, community nursing and renal services have been reviewed to respond to the needs of our clients.

The Australian Government funded the Australian Primary Health Care Research Institute (APHCRI) to pilot a community nurse in-reach model of care at the RHH. The purpose of the community nurse in-reach role was to enhance transfer of care for clients, strengthen the interface between professionals in the acute and primary care settings and support timely discharge and hospital avoidance, where clinically appropriate.

Preliminary outcomes reflect the pilot has contributed to reductions in length of stay and improved interdisciplinary collaboration.

The University of Tasmania was appointed by the Australian Government to work with the State and help implement a program of Clinical Redesign in the Tasmanian hospital system from 2013 to 2016. Health Services Innovation Tasmania (HSI Tas) was established by the University of Tasmania Faculty of Health in order to independently manage the program, to provide an evidence-based structure for Clinical Redesign, and to support improvement through educational, research and technical expertise. A number of strategic projects have been identified and progressed as priorities for THO—South to enhance service delivery to our clients and improve performance of our health system; these projects include Emergency Department Access and Hospital Flow, Medical Patient Journey inclusive of the Older Persons Journey, Surgical Program which includes Theatre Planning and Productivity and Hips and Knees Arthroplasties, and a Specialist Outpatient Clinics Program.

Demand for our emergency (unplanned) health services continues to grow and as a result our system has faced challenges in terms of timely service provision. Our staff have continued to look for innovative responses to these demands, such as implementing workforce reform and looking to technology as a key enabler to support efficient and effective care.

THO—South has invested in our statewide services including Oral Health through capital projects such as the new dental surgery in Ravenswood. The 2014-15 financial year saw a growth in the amount of public dental services provided to the Tasmanian community, due primarily to Tasmania's involvement in the National Partnership Agreement for Treating More Public Dental Patients. The volume of general dental care provided to public patients

has almost doubled in the current financial year compared to the same period last financial year with 11,438 occasions of service provided. The volume of denture occasions of service has increased by 29 per cent over the same period.

In April 2015 the Mental Health and Statewide Services released a Strategic Directions document to help guide the delivery of all its services. The Mental Health Specialist Workforce and Service Development Unit developed a training calendar which is available to internal staff and external clinicians that offers a range of professional development opportunities for clinicians. Part of the aim of this initiative is to further collaborative practice with other community services to improve patient outcomes.

Our partnerships with health service providers across the State in both the public and private sectors are valued by us. This year we saw these relationships further strengthened through the delivery of State and Commonwealth funded elective surgery reform packages to support some long waiting patients receive their elective surgery.

Accreditation against the National Safety and Quality Health Service Standards (NSQHS), provides government and the community with assurance that health services meet minimum standards of practice. The Royal Hobart Hospital is accredited by the Australian Council on Healthcare Standards until February 2016, with an accreditation review scheduled for November 2015 under the NSQHS. A significant amount of work is being done to ensure a successful accreditation in 2015-16.

Progress with the Royal Hobart Hospital Redevelopment

The Royal Hobart Hospital (the RHH) has been serving Tasmanians for almost 200 years. Redeveloping and expanding the site is integral to ensuring the hospital can continue to meet the changing health needs of our community. On 7 May 2014, in a Ministerial Statement to Parliament, the Minister for Health announced the formation of the RHH Redevelopment Rescue Taskforce (the Taskforce).



The role of the Taskforce was to undertake a process of review, investigation and refinement of the RHH Redevelopment Project and provide advice and recommendations to the Minister for Health on its future. The Taskforce submitted their final report to the Tasmanian Government and all 13 recommendations made by the Taskforce were accepted, including:

- ▶ the addition of a crucial helipad on the roof of the new inpatient facility (known as K-Block)
- ▶ a re-design of levels 2 and 3 of K-Block to enable contemporary standards of care and access to outdoor areas for mental health patients
- ▶ an improved design for the maternity ward that will increase the number of single bed rooms for women who have had caesareans or complex births and
- ▶ the accelerated replacement of the Hyperbaric Chamber which is approaching the end of its functional life.

Early demolition works have now commenced and decanting and refurbishment works are underway. A temporary facility will be located in the Liverpool Street forecourt to house our acute mental health patients on-site during the construction of K-Block. The facility is being built off-site and is expected to be installed by the end of 2015. The demolition of B-Block (located on Campbell Street) will commence in April 2016 and will take approximately three months. Following the demolition of B-Block, the construction of K-Block can commence with construction of K-Block expected to be completed by the end of 2018.

This year brings to a close THO—South as an entity as we see in a new single statewide entity known as the Tasmanian Health Service commence in 2015-16. Whilst this will see changes to governance and provides an opportunity to ensure we are providing clients with access to better care, our clients will continue to remain at the forefront of our operations.



GOVERNING COUNCIL

GOVERNING COUNCIL MEMBERS



MR GRAEME HOUGHTON (CHAIR - 2012 to JANUARY 2015)

Mr Graeme Houghton continued in his role as Chair, Tasmanian Health Organisations until January 2015.

Graeme holds a BSc and Master of Health Administration, and is a Fellow of the Australian College of Health Service Management, and Fellow of the Australian Institute of Company Directors.

Previous appointments include Chief Executive Officer of Fairfield Hospital, Austin Hospital, the Repatriation General Hospital (Daw Park) and The Royal Victorian Eye and Ear Hospital. He also has experience in the private hospital sector and as Hospital Standards and Accreditation Advisor to the National Department of Health in Papua New Guinea.

Graeme is an accreditation surveyor for the Australian Council of Healthcare Standards, an Adjunct Associate Professor in the School of Public Health at La Trobe University and a member of the Boards of Management of Mayfield Education Centre and Guide Dogs Victoria.



MR JOHN RAMSAY (CHAIR - COMMENCING JANUARY 2015)

John Ramsay was a Department Secretary in Tasmania for 23 years. During his time as Secretary of the Tasmanian Department of Health and Human Services, 1999-2005, he was Deputy Chair and subsequently Chair of the Australian Health Ministers Advisory Council (AHMAC), and chaired the AHMAC Health Workforce Committees. He was also a member of the Australian Medical Workforce Advisory Committee, a member of the 2002 National Review of Nursing Education, and a member of the Australian Medical Council.

Since 2005, John has continued to work in health related areas in a consultancy capacity, including work for the AHMAC, the Australian Commission on Safety and Quality in Health Care and in environment and natural resources, working for the Tasmanian and Australian Governments.

He is a Fellow of the University of Tasmania and an Honorary Member of the Planning Institute of Australia. While not practising as a lawyer, John was admitted to practice in the Supreme Court of Tasmania in 1976. John commenced his role as the Chair, Tasmanian Health Organisations on 17 January 2015.



Governing Council Members (from left) Lyn Cox, Suzanne Baker, Michael Ashby, Lisa Wardlaw-Kelly

MR LYN COX

Fellow of the Institute of Chartered Accountants and the Australian Institute of Company Directors. Vice Chairman and former Chairman Tasmanian financial institution B&E Ltd. Former Chairman and Director Tasmanian Development Board and Director and State President of Australian Institute of Company Directors. Over 40 years of business experience including over 10 years as Managing Partner Tasmania for Deloitte.

PROFESSOR MICHAEL ASHBY

Michael Ashby is Director of Palliative Care, Royal Hobart Hospital and Tasmania Health Organisation South. Holds a conjoint position as Professor of Palliative Care, Faculty of Health Sciences, University of Tasmania, and teaches bioethics, palliative care and grief and loss in the MBBS course. Chairman of the Clinical Ethics Committee of RHH/THO—South. Past President of the Australia and New Zealand Society for Palliative Medicine (ANZSPM) and past Chairman of the Chapter of Palliative Medicine at the Royal Australasian College of Physicians. In 2013 was named as a member of the Tasmanian Lead Clinicians Group, and was admitted as a member of the International Working Group on Death Dying and Bereavement (IWG) and elected Vice-President of the Australian Centre for Grief and Bereavement (ACGB).

MS LISA WARDLAW-KELLY

Currently National Director of Strategy and Research at the Australian Health Practitioner Regulation Agency which administers the National Registration and Accreditation Scheme for health professionals. Previously held a number of senior executive roles in national organisations including Tasmanian State Manager of the Australian Health Practitioner Regulation Agency and the Department of Health and Ageing, and Tasmanian Regional Director of the Australian Bureau of Statistics. Has a long-standing interest in the application of data and evidence to improve clinical practice and was previously Director of Evidence Based Strategies in the Commonwealth Department of Health and Ageing. Chair of THO—South Quality Sub-Committee. Graduate Certificate in Public Administration, Master of Public Health and a Graduate of the Australian Institute of Company Directors.

MS SUZANNE BAKER

Sue is a Professional Non-Executive Director. She is Chair and member of several Boards and Audit and Risk Committees, and a former Director of Australian Health Management Limited. Sue has over 25 years' experience in accounting and finance in the private and public sectors. Fellow of the Australian Institute of Company Directors and CPA Australia.

GOVERNING COUNCIL MEMBER ATTENDANCE RECORD

Board Member	21 Jul 2014	18 Aug 2014	15 Sep 2014	20 Oct 2014	17 Nov 2014	15 Dec 2014	16 Feb 2015	16 Mar 2015	20 Apr 2015	18 May 2015	15 Jun 2015
Graeme Houghton (Chair)	✓	✓	Leave of absence	✓	✓	✓	Term expired				
John Ramsay (Chair)	Not a member at the time of the meeting						✓	✓	✓	✓	✓
Suzanne Baker	✓	✓	✓	Leave of absence	✓	✓	✓	✓	✓	✓	✓
Lyn Cox	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lisa Wardlaw-Kelly	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Michael Ashby	✓	Apology	✓	✓	✓	✓	✓	✓	✓	✓	✓

AUDIT AND RISK SUB-COMMITTEE ATTENDANCE REPORT

Members	11 Aug 2014	20 Nov 2014	23 Feb 2015	25 May 2015
Suzanne Baker	✓	✓	✓	✓
Lyn Cox	✓	✓	✓	✓

QUALITY SUB-COMMITTEE ATTENDANCE REPORT

Members	25 Aug 2014	24 Nov 2014	19 Feb 2015	28 May 2015
Lisa Wardlaw-Kelly	✓	✓	✓	✓
Prof. Michael Ashby	✓	✓	✓	✓

GOVERNING COUNCIL MEMBER REMUNERATION REPORT

Band	Number of Committee Members	Aggregate Directors' Fees	Committee Fees	Superannuation	Other	Total
> \$50,000	1	52,230	0	4,831	0	57,061
≤ \$50,000	4	98,883	27,111	11,943	530	138,467

GOVERNING COUNCIL SUB-COMMITTEE REPORTS

THO—SOUTH QUALITY AND SAFETY SUB-COMMITTEE



The THO—South Quality Sub-Committee met four times in its third year of operation. The committee continued to structure its program around a Quality Framework based on the first two of the National Safety and Quality Health Service Standards: Governance for Safety and Quality, and Partnering with Consumers. This framework enabled the Committee to focus on key issues for the THO. Each meeting focused on a different standard and incorporated a report or presentation on relevant activities undertaken within the THO.

At the final meeting on 28 May 2015 the Sub-Committee reflected on the last two and half years' experience of monitoring safety and quality on behalf of the Governing Council.

A number of recommendations for actions most likely to be of benefit to patients of the THS, were put forward for the incoming THS Governing Council to consider.

Lisa Wardlaw-Kelly

Chair, Quality Sub-Committee

THO—SOUTH AUDIT AND RISK SUB-COMMITTEE



The THO—South Audit and Risk (A&R) Sub-Committee met four times in its third year of operation. The A&R Sub-Committee worked on behalf of the THO—South Governing Council to provide detailed review and analyses aimed at identifying and addressing policy and procedural gaps and deficiencies.

The DHHS provides internal audit services for testing compliance and continuous improvement for the corporate operations of THO—South, based on an annual Strategic Internal Audit Plan. This provided a continuous audit program as well as audits of specific high-risk corporate activities.

At the final meeting on 25 May 2015 the Sub-Committee tabled a number of outstanding actions and key projects for referral to the THS Governing Council Audit and Risk Committee, to ensure that adequate monitoring controls are implemented state-wide.

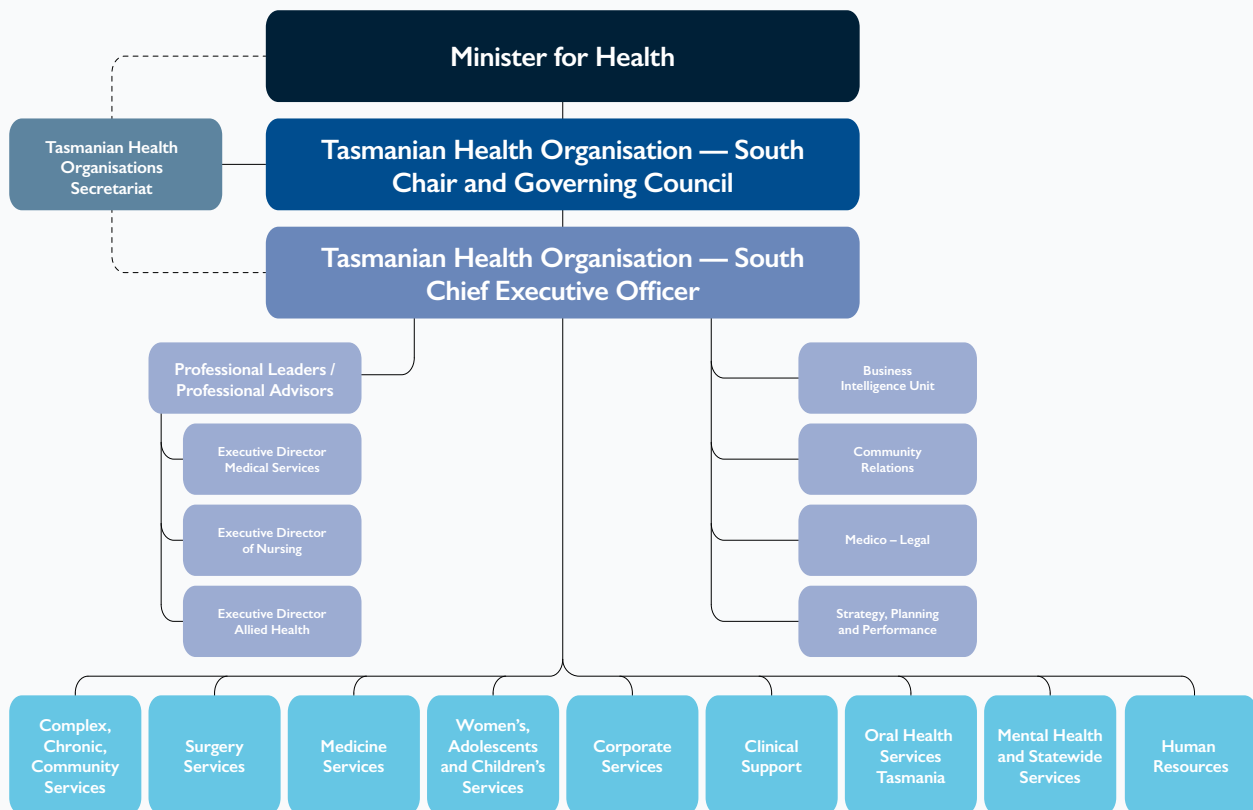
The Chairs of the Governing Council Sub-Committees for THO—South, extend their thanks to members for their support and input over the past year; and wish the THS Governing Council members every success in helping to create a health system which will deliver the best possible health outcomes for all Tasmanians in the year ahead.

Suzanne Baker

Chair, Audit and Risk Sub-Committee

PART I - OVERVIEW

ORGANISATIONAL CHART



EXECUTIVE MANAGEMENT TEAM

- ▶ Acting Chief Executive Officer - *Mr Craig Watson* (from May 2015)
- ▶ Director Clinical Operations - *Ms Adrienne Belchamber*
- ▶ Executive Director Medical Services, *Dr Tony Xabregas*
- ▶ Executive Director of Nursing - *Associate Professor Coral Paton*
- ▶ Executive Director Allied Health and Group Manager Clinical Support Services - *Ms Wendy Rowell*
- ▶ Group Manager Women's Adolescents and Children Services - *Ms Sue McBeath*
- ▶ Group Manager Complex, Chronic, Community Service - *Mr Bruce Edwards*
- ▶ Group Manager Oral Health Services Tasmania - *Ms Emma Bridge*
- ▶ Clinical Director Oral Health Services Tasmania - *Dr Chris Handbury*
- ▶ Group Manager Mental Health and Statewide Services - *Mr Umit Agis*
- ▶ Clinical Director Mental Health and Statewide Services - *Dr Jim Blacket*
- ▶ Group Manager Corporate Services - *Mr Scott Adams*
- ▶ Director Strategy, Planning and Performance - *Ms Bridget Jones*
- ▶ Director Human Resources Reform - *Mr Matthew Double*
- ▶ Clinical Director Medical Services - *Dr John Burgess*
- ▶ Clinical Representative Women's Adolescents and Children Services
- *Associate Professor John Daubenton*
- ▶ Clinical Representative Surgery - *Associate Professor Marcus Skinner*
- ▶ Clinical Representative Complex, Chronic, Community Services
- *Associate Professor Rosemary Harrup*

OUR SERVICES

THO—South is responsible for providing a wide range of health services in both hospital and community settings including acute and sub-acute care, rehabilitation, palliative care, oral health, mental health, secondary and primary health care, and health promotion and disease prevention.

In Southern Tasmania, acute care is provided at the Royal Hobart Hospital (RHH), Tasmania's busiest and oldest hospital and the major teaching hospital of the University of Tasmania. The RHH has approximately 475 beds and provides all general and specialty medical and surgical services excluding organ transplant, complicated spinal cord trauma and paediatric cardiac surgery.

As the tertiary referral hospital for Tasmania, the RHH draws activity from across the state and provides a significant number of statewide

services including cardiothoracic surgery, vascular surgery, neurosurgery, burns, hyperbaric and diving medicine, neonatal and paediatric intensive care, and high-risk obstetrics.

Sub-acute care is provided in rural hospitals and multi-purpose centres, and at the RHH. Rural hospitals also offer emergency care and primary health services, and some offer residential aged care as well. Services provided at a community level include access to general practitioners and outreach medical specialists, emergency response, allied health professions, nursing and midwifery, aged and palliative care, community care, aids and appliances, and disease prevention programs. The RHH also supports rural hospitals and health centres in the form of clinical expertise, staff training and professional development.



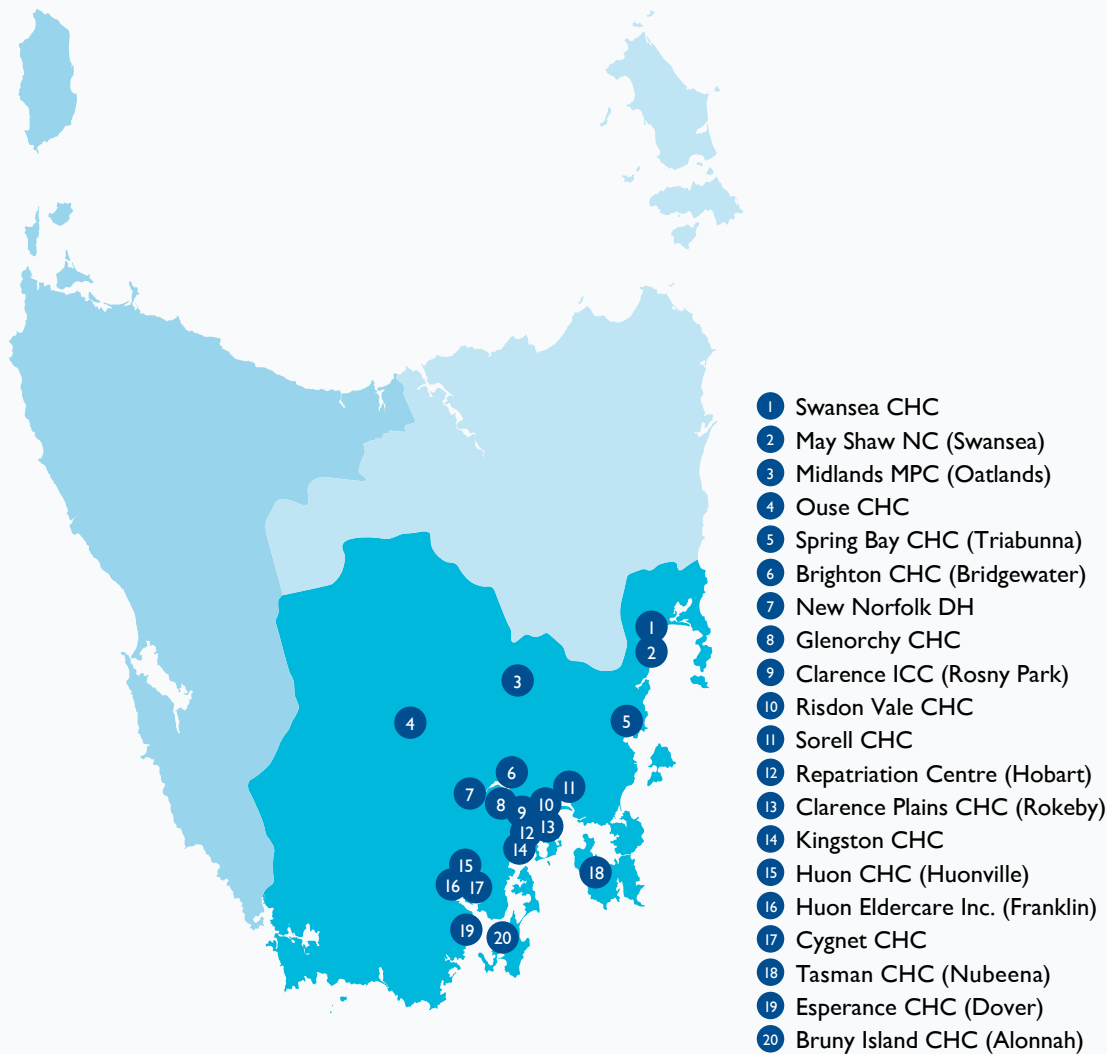
OUR LOCATIONS

THO—SOUTH SOUTHERN REGION CENTRES:

THO—South provides services to the population of Southern Tasmania (approx. 250,000 people) as well as statewide services (approx. 513,000 people).

The catchment area of THO—South encompasses the following Local Government Areas:

- ▶ Brighton
- ▶ Central Highlands
- ▶ Clarence
- ▶ Derwent Valley
- ▶ Glamorgan/Spring Bay
- ▶ Glenorchy
- ▶ Hobart
- ▶ Huon Valley
- ▶ Kingborough
- ▶ Sorell
- ▶ Southern Midlands
- ▶ Tasman



THO—SOUTH SITES:

Name	Address	# of Buildings	Use
Abbeyfield House	7 Hull Street, Glenorchy	1	Aged Accommodation
Ash Cottage	6899 Lyell Highway, Ouse	1	Nurse Accommodation
Bridgewater Oral Health Clinic	Eddington Street, Bridgewater	1	Community Dental Centre
Brighton CHC	27 Green Point Road, Brighton	2	Community Care Facility, Adult Mental Health Service
Bruny Island CHC	16 School Road, Alonnah	1	Community Care Facility
Bruny Island Nurses Accommodation	21 William Carte Drive, Alonnah	1	Accommodation
Bruny Island Pharmacy	3895 Main Road, Alonnah	1	Rural Support Facility
BUPA Tenancy	25 Argyle Street, Hobart	1	Offices
Burnie Adult and Community Mental Health Service	Ground Floor and First Floor, Parkside Building, Burnie	1	Community Health Facility, Older persons Mental Health Service
Burnie Child and Adolescent Mental Health Service	5th Floor, Reece House, Burnie	1	Community Health Facility
42 Canning Street	42 Canning Street, Launceston	1	Sexual Health Unit
60 Collins Street	60 Collins Street, Hobart	1	Sexual Health Clinic
Central Highlands Accommodation Units	6896 Lyell Highway, Ouse	4	Independent Living Units
Central Highlands CHC	6896 Lyell Highway, Ouse	3	Community Care Facility
Centre For Wellbeing	56 Collins Street, Hobart	1	Offices
Clare House - Child and Adolescent Mental Health Service	26 Clare Street, New Town	1	Community Health Facility
Clarence Integrated Care Centre	16 Bayfield Street, Bellerive	1	Integrated Care Centre, Older Persons Mental Health Service
Clarence Plains CHC	4 Hart Place, Rokeby	1	Community Care Facility
Colebrook Online Access Centre	22 Richmond Street, Colebrook	1	Day Care Centre
Coles Bay Community Health & Ambulance Centre	60 Harold Street, Coles Bay	1	Support Service
Cygnets CHC	1 Fredrick Street, Cygnets	2	Community Care Facility
Doctors Residences	Various sites, Hobart CBD	3	Accommodation
Esperance Multi-purpose Health Centre	15 Chapman Avenue, Dover	1	Multi-purpose Health Care Centre
Gavitt House, Midwifery Group Practice	329 Main Road, Glenorchy	1	Midwifery Services
Glenorchy CHC	2 Terry Street, Glenorchy	1	Community Care Facility, Adult Mental Health Service
Glenorchy Oral Health Clinic	Continental Road, Glenorchy	1	Community Dental Centre

Name	Address	# of Buildings	Use
Hobart Private Hospital	33 Argyle Street, Hobart	1	Hospital leased to private operator
Huon CHC	7-9 Sale Street, Huonville	1	Community Care Facility, Adult Mental Health Service
Kings Meadows Oral Health Clinic	86C Hobart Road, Kings Meadows	1	Community Dental Centre
Kingston CHC	29 John Street, Kingston	2	Community Care Facility, Adult Mental Health Service
Latrobe Oral Health Clinic	23 Lewis Street, Latrobe	1	Community Dental Centre
Launceston Adult and Community Mental Health Services	52 Frankland Street, Launceston	1	Community Health Facility, Older persons Mental Health Service
Launceston Child and Adolescent Mental Health Service	46 Cameron Street, Launceston	1	Community Health Facility
Lindsay Millar Alcohol and Drug Services	13 Mulgrave Street, Launceston	1	Mental Health Office
May Shaw Nursing Centre	37 Wellington Street, Swansea	1	Aged Accommodation
Mental Health Area Management Unit	5th Floor, Parkside Building, Burnie	1	Office
Midlands Multi-purpose Health Centre	13 Church Street, Oatlands	1	Multi-purpose Health Care Centre
Millbrook Rise Centre	3 Hobart Road, New Norfolk	1	Inpatient Facility
Mistral Place	4 Liverpool Street, Hobart	1	Inpatient Facility
Mowbray Oral Health Clinic	Cnr Beaty & Jellico Sts, Mowbray, Launceston	1	Community Dental Centre
New Norfolk District Hospital	3 Richmond Street, New Norfolk	2	District Hospital, Adult and Community Mental Health Service
New Norfolk Doctors Clinic	11-13 Burnett Street, New Norfolk	2	Offices/Clinics
Northern Dental Centre	3 Kelham Street, Launceston	1	Oral Health Facility
Oral Health Clinic	Thorne Street, Acton	1	Community Dental Centre
Oral Health Store	Montagu Road, Smithton	1	Community Dental Centre
Orthotic Prosthetics Services - North	Launceston General Hospital	1	Support Service
Orthotics & Prosthetics Service Tas	94 Davey Street, Hobart	1	Support Service
Peacock Centre Adult and Community Mental Health Service	10 Elphinstone Road, North Hobart	1	Community Health Facility
Podiatry Services	6 Bayfield Street, Bellerive	1	Support Services
Repatriation Centre - A, C, D, E, H & J Blocks	90 Davey Street, Hobart	6	Sub-acute Facility, Clinics, Older Persons Mental Health Service, Offices Storage, Workshops

Name	Address	# of Buildings	Use
RHH Kitchen Facility	Loop Road, Cambridge	1	Support Service
Risdon Vale CHC	32 Sugarloaf Road, Risdon Vale	1	Community Care Facility
Ronald McDonald House	62 Collins Street, Hobart	1	Family/Carers Accommodation
Roy Fagan	54 Kalang Avenue, Lenah Valley	1	Inpatient Facility
Royal Hobart Hospital	48 Liverpool Street, Hobart	8	Acute Care Facility, Psychiatry Medicine
Sorell CHC	47 Cole Street, Sorell	1	Community Care Facility
Southern Dental Centre	2 Archer Street, New Town	4	Oral Health Facility
Spring Bay/Triabunna CHC	3 Melbourne Street, Triabunna	1	Community Care Facility
St Johns Park	St John's Avenue, New Town	4	Renal/Mental Health Area Management Unit Office, Accommodation/Offices/ Kitchen Facilities/ Support Services
Swansea CHC	9 Schouten Street, Swansea	1	Community Care Facility
Tasman Multi-purpose Service	1614 Nubeena Road, Nubeena	1	Multi-purpose Health Care Centre
Telstra Tenancy	68-80 Collins Street, Hobart	1	Offices
Tolosa Street	108 Tolosa Street, Glenorchy	1	Inpatient Facility
Ulverstone Oral Health Clinic	James Street, Ulverstone	1	Community Dental Centre
Warrane Senior Citizens Club	10 Binnalong Road, Warrane	1	Day Care Centre - Seniors
Wellington Centre	46 Argyle Street, Hobart	1	Offices/Clinics
Wellington Street	10 Wellington Street, Oatlands	1	Student Accommodation

OUR COMMUNITY AND VOLUNTEERS

Partnering with our consumers is integral to the organisation to ensure the needs of our community are being met. Consumers work with us to provide safe and compassionate patient care founded on excellence in practice, teaching and research, within the bounds of the resources entrusted to us by the community. The organisation is fortunate to have a Consumer Engagement Committee (CEC) which comprises of a cross section of the community with representation from Men's Health; Women's Health; Lesbian, Gay, Bisexual, Transgender and Intersex; Mental Health; Disability Services; CALD community; Rural and Remote Communities.

The Committee has worked in partnership with us to develop the Consumer and Community Engagement Framework which provides guidance to staff to ensure we effectively engage with consumers in all aspects of care, including planning, delivery and evaluation of our services

The Framework:

- ▶ Describes governance that clearly outlines individual and health care service responsibilities for consumer and community engagement
- ▶ Promotes consistency in the approach to consumer and community engagement across the organisation
- ▶ Clarifies the meaning and intentions of partnering and/or engaging with consumers in healthcare
- ▶ Ensures compliance with the National Safety and Quality Health Service Standards (NSQHS)

In addition, the Committee has implemented a consumer satisfaction survey which complements existing service based surveys, to assist in identification of satisfaction levels and further ways to improve the services provided to the community. To date there have been over 400 people surveyed, with 92 percent of people stating that the service provided to them was good or above. The CEC had identified from this survey that additional work is required to ensure consumers understand their rights, as only 60 percent of those surveyed indicated that they were aware of their rights as a consumer.

The Committee has also been involved in the review, development and implementation of:

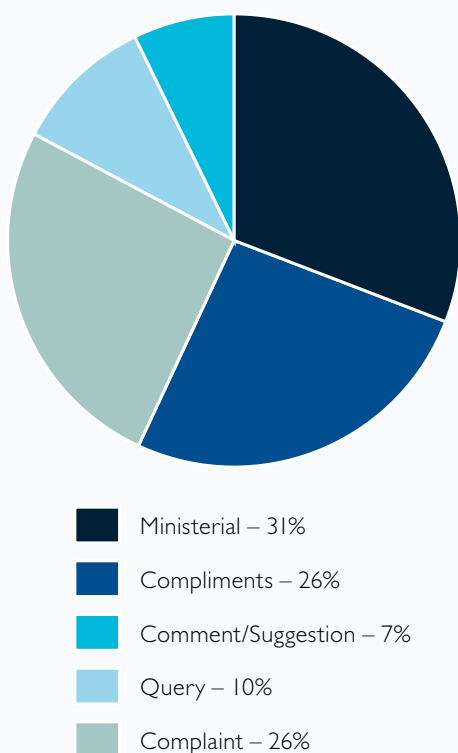
- ▶ A new orientation package for consumers and volunteers who assist the organisation.
- ▶ A process for review of any consumer information publications
- ▶ Consumer support services including: Emergency Department Volunteer Support Program; Paediatric Carer Support Service (whilst children are undergoing surgery); Neonatal Paediatric Intensive Care Unit Cuddles Program
- ▶ The Arts in Health Program - including 3 performances provided by the Tasmanian Symphony Orchestra

Committee members have also provided valuable input into the Royal Hobart Hospital redesign; supported training and education programs and participated in governance committees and selection panels.

During the last financial year the organisation received over 1500 enquiries, complaints and commendations.

The following shows the category of concern that Consumers raised:

Consumer Feedback by Percentage



Consumer feedback is vital in providing further insight into care delivery and has enabled THO—South to identify system improvement opportunities including:

- ▶ Triage system for gastroenterology referrals
- ▶ After hours discharge policy to assist patients being discharged
- ▶ Departmental review of Spectacle & Intra Ocular Assistance Scheme
- ▶ Introduction of a protocol pertaining to removal of accessories when caring for infants and young children

Of note, the organisation received exactly the same number of compliments in this period as complaints.

COMPLIMENTS FROM THE PUBLIC

"I would like to pass on my heartfelt thanks to all involved in looking after our baby daughter after arriving via ambulance on New Year's day with breathing difficulties. From arrival to the care in the Emergency Department and then our overnight stay in the Children's Ward, we were treated wonderfully. The professional, kind, caring staff made a very traumatic time slightly bearable. Our thanks to all involved"

"I just wanted to send a huge thank you to all the staff that helped me out after injuring myself during my holiday to Tasmania. Everyone - I mean EVERYONE from triage to x-ray, doctors, orderlies and even the cleaner who recognised me and said hi every visit. The doctor in the Emergency Department was so amazing during my first day in emergency making my visit there relatively comfortable and almost enjoyable. Quite honestly my best ever experience at hospital. I would almost move to Tassie so RHH was my local medical establishment! Thank you everyone."

"Thank you to the wonderfully caring staff at the Bruny Island Community Health Centre, the ambulance paramedics who drove us so carefully and considerately to and from Hobart and all the supremely caring staff at Royal Hobart Hospital who made my wife's final hours the very best they could have been."

"I have just spent seven weeks in hospital. I cannot praise the Royal Hobart Hospital and Peacock Rehab enough for their wonderful compassionate treatment. I had a broken pelvis that was very painful and nothing was too much trouble for them. Every staff member from the kitchen staff, nurses and doctors could not do enough to make me comfortable during my recovery. My heartfelt thanks."



THE ROYAL HOBART HOSPITAL (RHH) VOLUNTEER SERVICE

The RHH Volunteer Service consists of 130 volunteers who provide over 26 individual services to support consumers and staff of the State's largest hospital, the RHH.

The RHH Volunteers provides a compassionate and empathetic service committed to the needs of the Tasmanian community and staff. In 2014-15 they provided over 20,000 voluntary hours to the organisation. This year a number of new services have been implemented including The Emergency Department (ED) Concierge Service. This role provides consumers of ED with a support person in an often daunting environment; assists to provide clear communication to those seeking updates on the location of family and friends; and updates consumers on wait times through liaising with the Triage Clerk. This service has resulted in reducing consumer anxiety whilst at the same time assisting staff to work with consumers in a calmer and therefore more effective manner.

CELEBRATING THE RHH'S VALUED VOLUNTEERS

As part of National Volunteer Week, the Royal Hobart Hospital (RHH) celebrated the loyal service of its 96 volunteers at a special morning tea and certificate presentation in May. National Volunteer Week recognises the generosity and commitment of thousands of volunteers across the country. Our Volunteers range from 18 to 86 years of age and are an integral part of hospital life. Among the 96 volunteers to be recognised, 74-year-old Joan Nelson has accrued 25 years of loyal service. Joan began volunteering in 1989, and now works predominantly in customer service to ensure patients are greeted and supported each time they enter the hospital. Joan said her time at the RHH has been wonderful, and she thrives by helping others. "It's such a great feeling knowing that I've helped so many people. It means a lot knowing I've left a positive impact for more than 20 years."



RHH volunteers
 Ann Bailey and
 Joan Nelson.

DONATIONS:

Public support makes an enormous difference to the lives of THO—South patients and their families. A breakdown of donations received during 2014-15 is listed below. The contributions from the Tasmanian community and our corporate supporters is greatly valued as they help with improving the delivery and quality of care and services provided to patients.

THO—South Recipient	Donations
Complex, Chronic Community Services	\$50,327
Surgery	\$2,249
General	\$50
Medicine	\$11,425
Women's and Children's Services	\$464,227
Total	\$528,278

GIVE ME 5 FOR KIDS APPEAL

Once again the local Hobart radio station **Heart 107.3** and the Hobart Community showed its generous support of the Royal Hobart Hospital and our patients and raised a record breaking \$466,222.00 for the 12th Give Me 5 for Kids Appeal. Funds raised will enable continuing support for the Paediatric, Maternity and Neonatal and Paediatric Intensive Care Units. Matthew Daly, Acting CEO, had the pleasure of accepting the cheque on behalf of the RHH and said that he was “speechless” at the amazing amount of money raised and the “generosity” of our local community. This incredible donation, which exceeded last year’s donation of \$255,077.33, is the biggest community donation the Royal Hobart Hospital has ever received.



'HEAR ME' - THE IMPORTANCE OF PATIENT CENTRED CARE

Over 150 staff members attended the moving performance 'Hear Me' at the RHH on 23 June 2015. 'Hear Me' is an intense 30 minute play which explores the life and death importance of patient centred care following a medication error. It was written specifically for the healthcare industry by nationally renowned playwright Alan Hopgood, in collaboration with Dr Catherine Crock from the Australian Institute for Patient and Family Centred Care, and the Centre for Health Communication at the University of Technology, Sydney.

This is the second year the play has been held at the RHH as it promotes support of the strategic pillar of moving toward patient centred care and practice. The plays have been very well received but were noted to be provocative and challenging to some. The audience (staff and consumers) responded well to being provided the opportunity to think and openly reflect on current practices within our healthcare system.



(L-R Back) Dr Kristina McDonnell (General Medicine Registrar), Dr Helen Harris (Deputy Executive Director Medical Services), Dr Kylie Butcherine (Senior Medical Registrar), Alan Hopgood (Cast), Dr Catherine Crock (AIPFCC)
(L-R Front) Jenny Seedsman (Cast), Marcella Russo (Cast), Lee Mason (Cast)

OUR WORKFORCE

THO—South recognises that in order to continue to provide high quality safe services, it must endeavour to recruit, retain and continuously develop a dynamic well motivated workforce.

To support this objective, THO—South has a Human Resources Strategy. The key features of the strategy include strategic staffing, being well placed to attract, recruit and develop quality staff, as well as developing strategies to retain key personnel. Workforce planning is helping future-proof Nursing and Allied Health professions and we have introduced a Medical Workforce Unit aimed at attracting and developing our medical workforce.

In addition, the organisation has continued to foster and encourage participants in leadership development, in particular the Positively Managing People program, aimed at frontline leaders, with a key focus on performance and developing a positive workplace culture.

AWARDS AND AGREEMENTS

The awards and agreements established to cover the range of disciplines within THO—South are detailed below:

▶ **Allied Health Professionals**

Allied Health Professionals
(Tasmanian State Service) Agreement 2014
Radiation Therapists (State Service)
Union Agreement 2013

▶ **Medical Practitioners**

Medical Practitioners (Public Sector) Award
Rural Medical Practitioners (Public Sector)
Agreement 2011
Salaried Medical Practitioners (Australian
Medical Association Tasmania/DHHS)
Agreement 2009
Tasmanian Visiting Medical Practitioners
(Public Sector) Agreement 2013

▶ **Nurses**

Nurses (Tasmanian State Sector) Award 2013
Nurses and Midwives Interim Agreement 2013

▶ **Administrative and Operational**

Health and Human Services (Tasmanian State
Service) Award
Public Sector Unions Wages Agreement 2013
Central Sterilising Department Shift Workers
Length of Shift Agreement 2010
Department of Health and Human Services
- Roy Fagan Centre Shift Work Arrangement
Agreement 2003
Department of Health and Human Services
- Wilfred Lopes Centre - Care Assistant Shift
Arrangements 2006
Royal Hobart Hospital Core Laboratory
Roster Agreement 2003

TABLE 1: THO—SOUTH AVERAGE PAID FTE BY AWARD CLASS

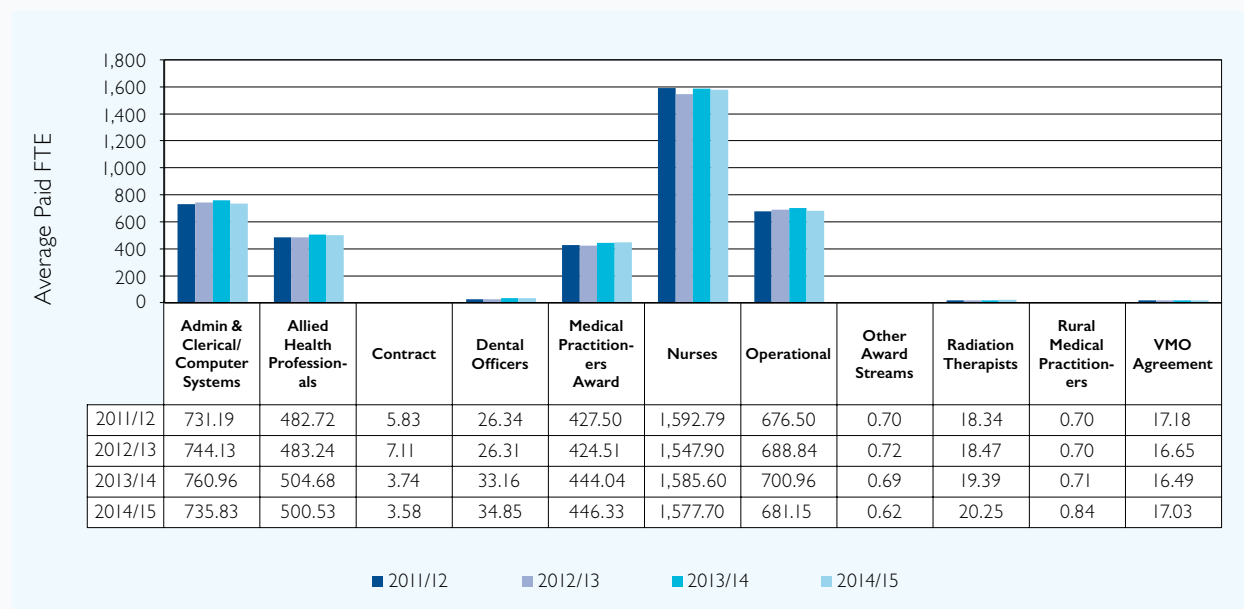


TABLE 2: THO—SOUTH AVERAGE PAID FTE BY GROUP

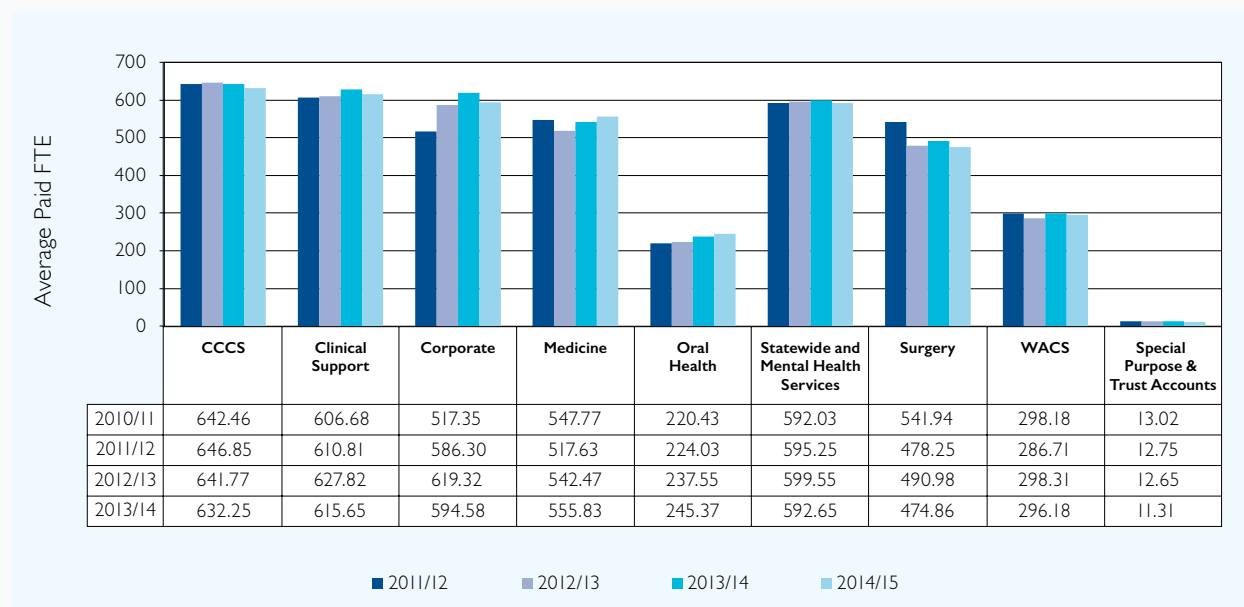


TABLE 3: THO—SOUTH TOTAL PAID FTE

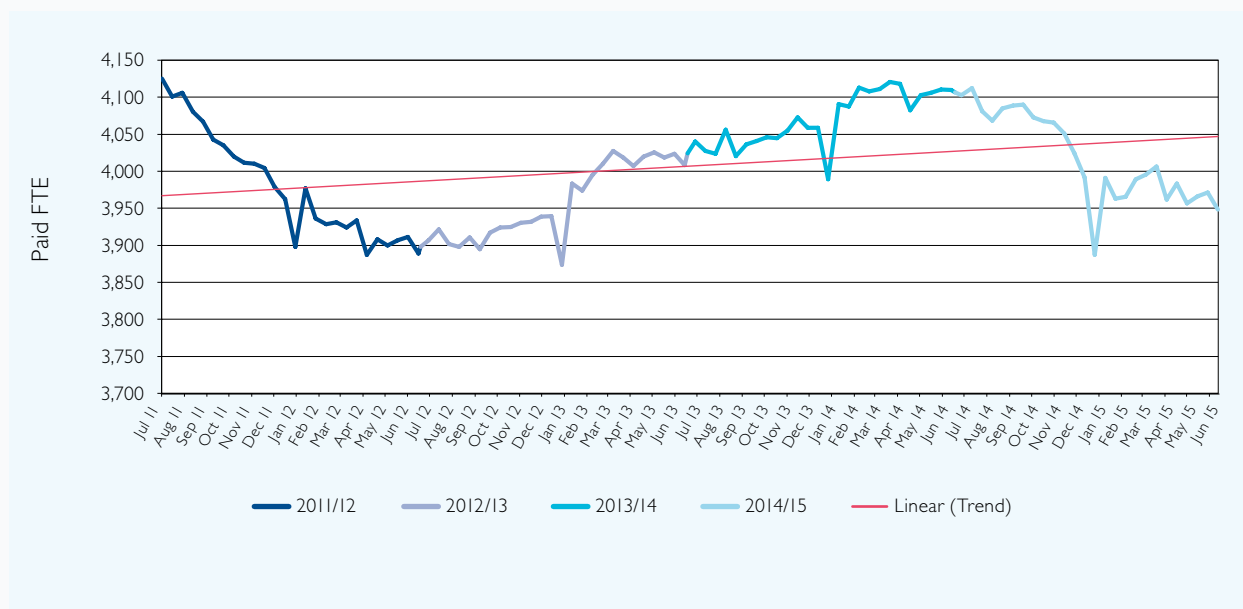
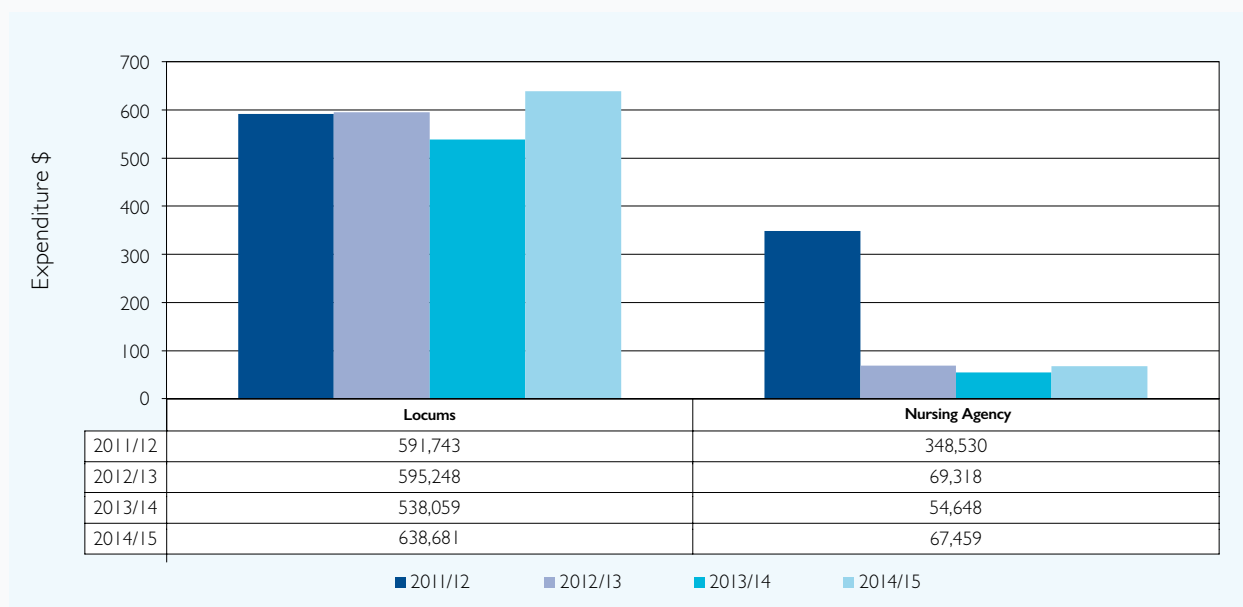


TABLE 4: THO—SOUTH MEDICAL PRACTITIONERS LOCUM AGENCY NURSING EXPENDITURE



OUR PERFORMANCE

In accordance with Section 44 of the *Tasmanian Health Organisations Act 2011* the Service Agreement between the Minister for Health and the THO—South Governing Council clearly sets out the service delivery and performance expectations for the funding provided to THO—South for the 2014-15 financial year. As such, the Service Agreement is the key accountability agreement between the Minister for Health and the THO.

The 2014-15 Service Agreement for THO—South consisted of six (6) parts:

- A. An overview of the service profile of THO—South.
- B. An outline of the quality and service standards against which THO performance would be monitored and assessed.
- C. Reconciliation between the THO—South 2014-15 accrual budget allocation to funding model, and application of funds to funding model streams.
- D. An outline of the Minister's Direction to the THO regarding its relationship with the System Purchasing and Performance Group of the Department and the service manuals that were to be issued by the Group during 2014-15.
- E. Detail on the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST) as it relates to the 2014-15 Service Agreement.
- F. National Weighted Activity Unit (NWAU) estimates as per the State's obligations under the National Health Reform Agreement.



The following tables provide an overview of THO—South's performance against the Quality and Service Standards and the Activity targets.

Budget Management	Standard	Performance	Standard Achieved
Variation from budget	\$0 Variation	(\$18.4m)*	X
Cash liquidity		\$34.9m +	X

* The variation to budget reflects delivery of approximately \$13m of services above the agreed service level target, together with approximately \$6m in additional employee separation costs

+ The final cash position reflects \$28.6m in additional funding received to cover activity above the SLA budget, future cross border and other cash commitments. In addition THO—South received a \$5m loan to assist with the cost of employee separation payments.

Safety and Quality*	Standard	Performance	Standard Achieved
Hand Hygiene Compliance (RHH)	70%	79%	✓
Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate (RHH)	2.0 per 10,000 bed days	Rate 0.8%	✓

Activity	Standard / Volume	Performance	Standard Achieved	Variance
Acute Admitted Raw Separations	43,598	47,307	X	3,709
Acute Admitted Inlier Weighted Units	51,475	54,859	X	3,384
Admitted Patient Episode Coding - timeliness (*Data is for March 2015 as EOY data is not yet available)	100% coded within 42 days of separation	100%	✓	
Admitted Patient Episode Coding - accuracy (*Data is for March 2015 as EOY data is not yet available)	100% corrected within 30 days of advice	100%	✓	
Emergency Department				
Percentage of Triage 1 emergency department presentations seen within recommended time	100%	100%	✓	
Percentage of Triage 2 emergency department presentations seen within recommended time	80%	83%	✓	
Percentage of all emergency department presentations seen within recommended triage time	80%	64%	X	
Percentage of emergency department 'did not wait' presentations	≤5%	4%	✓	
Time until most admitted patients (90%) departed the emergency department	8 hours	16 hours	X	
Ambulance Offload Delay - % of care transferred within 15min	85%	92%	✓	
Ambulance Offload Delay - % of care transferred within 30min	100%	95%	X	

Activity	Standard / Volume	Performance	Standard Achieved	Variance
Elective Surgery **				
Elective surgery admissions	6,102	5,867	X	235
Percentage of Category 1 patients seen within the clinically recommended time	100%	65%	X	
Number of over boundary, category 1 patients on the waiting list	0	96	X	
Number of over boundary, category 2 patients on the waiting list	810	1260	X	
Number of over boundary, category 3 patients on the waiting list	120	271	X	
Number of patients on the waiting list waiting longer than 365 days	145	504	X	
Mental Health				
28 day admission rate (June 2015)	≤14.7%	7%	✓	
Acute 7 day post discharge community care (June 2015)	75%	51%	X	
Seclusion rates (June 2015)	<9.6 per 1,000 patient days	23	X	
Oral Health				
Number of Dental Weighted Activity Units (DWAUs) delivered between 20 December 2012 and 30 June 2015	111,868	122,933	✓	
Proportion of 'emergency' clients managed on the same day that they are triaged (June 2015)	75%	98%	✓	
Primary Health				
Aged Care Assessment Team (ACAT) priority 1 clients seen on time in all settings	>85%	100%	✓	
Aged Care Assessment Team (ACAT) priority 2 clients seen on time in all settings	>85%	99.9%	✓	
Aged Care Assessment Team (ACAT) priority 3 clients seen on time in all settings	>85%	93.9%	✓	

* Data is for March 2015 as End of Year data is not available at 30 June 2015

** Only Regular List / non-outside referred patients

EDUCATION

MEDICAL EDUCATION AND RESEARCH

As the Tasmanian Tertiary Referral hospital, the Royal Hobart Hospital's medical education and research program is vital. Staff employed by THO—South have contributed to the publication of clinical and basic medical sciences research through collaboration with local, national and international partners during the past year.

THO—South's clinical placement capacity for undergraduate medical education has supported experiential and structured learning opportunities for the clinical training of medical students in the University of Tasmania Medicine (MBBS) Program. Clinical placements were undertaken in a variety of hospital-based disciplines including Surgery, Medicine, Obstetrics and Gynaecology, Paediatrics, Psychiatry, Emergency Medicine and Critical Care.

Many clinicians provide ward-based and didactic teaching, as well as performing work-based assessments and feedback. The Southern Simulation Centre, a joint project between the Royal Hobart Hospital and the University of Tasmania (UTas) gives priority to undergraduates for high-fidelity simulated learning activities.

The Royal Hobart Hospital maintained accreditation by a broad range of specialist Colleges for providing postgraduate Specialist training in fields including Anaesthetics, Anatomical Pathology, Cardiology, Cardiothoracic Surgery, Chemical Pathology, Dermatology, Endocrinology, Gastroenterology, General Medicine, General Surgery, General Pathology, Haematology, Infectious Diseases, Medical Administration, Microbiology, Nephrology, Neurology, Neurosurgery, Obstetrics and Gynaecology, Medical Oncology, Orthopaedics, Paediatrics, Plastic Surgery, Radiology, Rheumatology, and Vascular Surgery.

THO—South provides a wide range of on-site training initiatives such as Grand Rounds, staff development sessions, e-learning packages, and targeted professional development activities, as well as staff support to attend external education and training opportunities.

RESEARCH

Health System Research, which incorporates all aspects of clinical research as well as evidence-based healthcare, underpins decision making and clinical care advances. THO—South participates and encourages clinical research in its many facets.

THO—South has many committed contributors to the field of medical education and research. Medical students and established clinicians contributed to research utilising a variety of teaching modalities as a part of our routine day-to-day running. The contribution made by many of senior clinicians throughout the organisation is significant. It is that commitment to teaching and medical research which helps attract senior and skilled clinicians to build the organisation's ability to provide the best and most contemporary medical care.



CLINICAL TRIALS AND RESEARCH 2014-15

ANAESTHETICS AND PERIOPERATIVE MEDICINE

LMA ENDO The purpose of this novel study is to test the utility of a modified laryngeal mask airway for upper gastrointestinal endoscopic procedures.

SLOWS To determine whether the use of supra low dose oxytocin (0.5IU) will be non-inferior to standard dose (5IU) with respect to 24-hour gravimetrically measured blood loss in women undergoing elective caesarean delivery.

Oxytocin (syntocinon®) practices to prevent haemorrhage at elective caesarean section: a survey of anaesthetists in Australia and New Zealand The purpose of the survey is to determine the current practices in Australia and New Zealand with regard to the use of oxytocin to prevent haemorrhage at elective caesarean.

BALANCED anaesthesia study This international multicentre trial will definitely answer the question of whether light anaesthesia results in better long-term outcomes than deep anaesthesia in elderly patients having major surgery.

RELIEF This international multicentre trial will examine whether a restrictive fluid regimen for adults undergoing major abdominal surgery leads to reduced complications and improved disability-free survival when compared with a liberal fluid regimen.

METS This international, multicentre cohort study to first determine if the "gold standard" measure of functional capacity, cardiopulmonary exercise testing (CPET), performs better than the usual clinical approach (subjective assessment) in predicting cardiac risk after major non-cardiac surgery.

ISOS The international surgical outcome study will confirm the incidence of 30-day in-hospital complications following elective inpatient surgery. This is important as over 230 million patients undergo surgery worldwide each year and complications following surgery are a leading cause of mortality and morbidity leading to reductions in functional independence and long term survival.

Ultrasound imaging of the cricothyroid membrane in non-obese and morbidly obese parturients This study will determine whether the skin to cricothyroid membrane (CTM) distance is greater in morbidly obese parturients compared to non-obese, as measured with ultrasonography. This is an important determinant of a failed cannula cricothyroidotomy procedure, and may help further define emergency infraglottic airway management guidelines.

Effect of analgesia modalities on oxygenation in labour study

EPISONAT Ultrasound Characterisation of the Epidural Space in Morbidly Obese Parturients.

CARDIOLOGY RESEARCH

TAUSSIG A Multicenter, Open-label Study to Assess the Long-term Safety, Tolerability, and Efficacy of AMG 145 on LDL-C in Subjects With Severe Familial Hypercholesterolemia.

FOURIER (AMGEN) A Double-blind, Randomized, Placebo-controlled, Multicenter Study Assessing the Impact of Additional LDL-Cholesterol Reduction on Major Cardiovascular Events When AMG 145 is Used in Combination With Statin Therapy in Patients with Clinically Evident Cardiovascular Disease.

CANTOS A randomized, double blind, placebo-controlled, event driven trial of quarterly subcutaneous canakinumab in the prevention of recurrent cardiovascular events among stable post-myocardial infarction patients with elevated hsCRP.

COMPASS A randomised controlled trial of Rivaroxaban for the prevention of major cardiovascular events in patients with coronary or peripheral artery disease.

GEMINI A Randomized, Double-blind, Double-dummy, Active-controlled, Parallel-group, Multicentre Study to Compare the Safety of Rivaroxaban vs Acetylsalicylic Acid in Addition to Either Clopidogrel or Ticagrelor Therapy in Subjects with Acute Coronary Syndrome.

PIONEER An Open Label, Randomised, Controlled, Multicentre Study Exploring Two Treatment Strategies of Rivaroxaban and a Dose Adjusted Oral Vitamin K Antagonist Treatment Strategy in Subjects With Atrial Fibrillation Who Undergo Percutaneous Coronary Intervention.

ODYSSEY A Randomized, Double-Blind, Placebo-Controlled, Parallel-Group Study to Evaluate the Effect of Alirocumab (SAR236553/ REGN727) on the Occurrence of Cardiovascular Events in Patients who have Recently Experienced an Acute Coronary Syndrome.

GARFIELD Prospective, multicentre, International, registry of male and female patients newly diagnosed with atrial fibrillation. A Clinical Outcomes Study to Compare the Incidence of Major Adverse Cardiovascular Events in Subjects Presenting with Acute Coronary Syndrome Treated with Losmapimod Compared to Placebo.

COMMANDER Randomized, Double-blind, Event-driven, Multicenter Study Comparing the Efficacy and Safety of Rivaroxaban with Placebo for Reducing the Risk of Death, Myocardial Infarction or Stroke in Subjects with Heart Failure and Significant Coronary Artery Disease Following an Episode of Decompensated Heart Failure.

CONCORDANCE Cooperative National Registry of Acute Coronary care, Guideline adherence and Clinical Events.

SYMPPLICITY Renal Denervation in Patients with Chronic Heart Failure & Renal Impairment.

PULMONARY ARTERIAL HYPERTENSION/ CARDIOLOGY

ARENA A Randomized, Double-blind, Parallel-group, Placebo-controlled Phase 2 Trial of APD811, an Oral IP Receptor Agonist, in Patients with Pulmonary Arterial Hypertension.

ARENA An Open-Label Extension Study of APD811-003 in Patients with Pulmonary Arterial Hypertension.

COMMANDER A Randomised, Double-blind, Event Driven, Multicentre Study Comparing the Efficacy and Safety of Rivaroxaban with Placebo for Reducing the Risk of Death, Myocardial infarction or Stroke in Subjects with Heart Failure and Significant Coronary Artery Disease Following an Episode of Decompensated Heart Failure.

GRIPHON A multicenter, double-blind, placebo-controlled Phase 3 study to demonstrate the efficacy and safety of ACT-293987 in patients with pulmonary arterial hypertension.

GRIPHON_OL Long-term single-arm open-label study, to assess the safety and tolerability of ACT-293987 in patients with pulmonary arterial hypertension.

SPHInX A Multi-Centre Double-Blind Randomised Placebo-Controlled Trial of Oral Anticoagulation with Apixaban in Systemic Sclerosis-Related Pulmonary Arterial Hypertension. Scleroderma-Pulmonary Arterial Hypertension Intervention with Apixaban: The SPHInX Study.

SOCRATES REDUCED Title: Phase IIb safety and efficacy study of four doses regimens of BAY1021189 in patients with worsening HF and reduced EF.

SOCRATES PRESERVED Title: Phase IIb safety and efficacy study of four doses regimens of BAY1021189 in patients with worsening HF and preserved EF.

TDE-PH-310 Protocol TDE-PH-310: A Phase III, International, Multi-Centre, Randomized, Double-Blind, Placebo-Controlled, Clinical Worsening Study of UT-I5C in Subjects with Pulmonary Arterial Hypertension Receiving Background Oral Monotherapy.

TDE-PH 311 Protocol TDE-PH-311: An Open-Label Extension Study of UT-I5C in Subjects with Pulmonary Arterial Hypertension - A Long-Term Follow-Up to Protocol TDE-PH-310.

CRITICAL CARE MEDICINE

ADRENAL / ADRENAL Consent: A phase 3, randomised, blind, placebo-controlled trial of the effect of Hydrocortisone on mortality in critically ill patients with septic shock.

BLING II A phase Ib, randomised, controlled trial of continuous beta-lactam infusion compared with intermittent beta-lactam dosing in critically ill patients.

ICON Audit Intensive Care Over Nations (ICON) audit.

ICU Liaison Nurse Project ICU liaison nurse practice variation study.

ICU Outcomes Long-term outcomes after intensive care - A prospective observational study.

INTERNATIONAL NUTRITION STUDY

IOSWEAN An international prospective observational study of practice pattern variation in discontinuing mechanical ventilation in critically ill adults.

POINT PREVALENCE PROGRAM

SPICE III: RCT: A prospective, multi-centre, randomised, controlled trial of early goal-directed sedation compared with standard care in mechanically ventilated critically ill patients.

TRANSFUSE A multi-centre, randomised, double-blind, phase 3 trial of the effect of standard issue red blood cell blood units on mortality compared to freshest available red blood cell units. Use of m-ASPECT Score in OHCA Study: Use of mASPECT score in prognostication of outcome in out of hospital cardiac arrest (OHCA).

NEONATAL INTENSIVE CARE UNIT

OPTIMIST Administration of exogenous surfactant using a minimally invasive technique to improve outcomes in preterm infants gestational age of between 25 - 28 weeks.

SANTO This trial is a Study of Automated neonatal Targeting of Oxygen (SANTO-A) which aims to compare techniques for providing targeted oxygen therapy in premature babies treated within a neonatal intensive care unit

SNOOT Study of Neonatal Oximetry and Oxygen therapy.

ASTEROID Australasian Antenatal study to evaluate the role of intramuscular dexamethasone versus betamethasone prior to preterm birth to increase survival free of childhood neurosensory disability.

MAGENTA Trial is a multicentre, randomised, controlled trial to assess whether giving magnesium sulphate compared with placebo to women immediately prior to preterm birth between 30 and 34 weeks gestation reduces the risk of death or cerebral palsy in their children at two years corrected age.

PROPREMS NEURO Investigating the effects of probiotics on the neurodevelopmental outcomes of preterm infants.

NEST A randomised controlled trial comparing the treatment of electrographic and clinical seizures, to the treatment of clinical seizures alone, in term or near-term encephalopathic infants and measuring the impact on death and neurodevelopment at 2 years.

REGN2222 A phase 3 Randomized double blind placebo controlled study evaluating the efficiency and safety of a human monoclonal antibody, Regn2222 for the prevention of medically attended RSV infection in preterm infants.

DEPARTMENT OF NEUROLOGY

CAMMS03409:- An Extension Protocol for Multiple Sclerosis Patients who have participated in Genzyme -Sponsored Studies of Alemtuzumab.

TOPAZ: A long term follow up study for Multiple Sclerosis patients who have completed the alemtuzumab Extension Study (CAMMS03409).

ORATORIO: A Phase III , multicentre, randomised, parallel-group, double blinded placebo controlled study to evaluate the efficacy and safety of Ocrelizumab in Adults with Primary progressive Multiple Sclerosis.

LEMTRADA PASS A prospective, multicentre, observational, post - authorization safety study (PASS) to evaluate the long term safety profile of Lemtrada (alemtuzumab) treatment in patients with relapsing remitting Multiple Sclerosis.

PrevANZ Phase IIb, randomised, double blind, placebo - controlled, dose ranging trial of Vitamin D in patients with a first demyelinating event.

ONCOLOGY CLINICAL TRIALS

BRAIN

GBM MI4-483 ABT-414 alone or ABT-414 plus temozolomide versus lomustine or temozolomide for recurrent glioblastoma.

The AGOG Epidemiology Study AGOG is an established research resource with specific focus on clinical care patterns, functional genomics and epidemiology of glioma, the most common form of primary brain tumour in adults.

CATNON Phase III trial on Concurrent and Adjuvant Temozolomide chemotherapy in non-1p/19q deleted anaplastic glioma.

BREAST

The Tabitha study registry for prospective data collection of HER2 positive (HER2+) metastatic breast cancer (MBC) patients.

MI2-914 A Phase 3 study, MI2-914, in BRCA mutation carriers with metastatic or locally advanced, unresectable breast cancer.

METRIC A randomised multicenter pivotal study of CDX-011 (CR011-vcMMAE) in patients with metastatic, GPNMB over-expressing, triple-negative breast cancer; Protocol No. CDX011-04.

STARS: Study of Anastrozole and Radiotherapy Sequencing for post-menopausal women.

GASTRO-INTESTINAL/COLORECTAL

Drug Transporters in Colorectal Cancer

A Pilot Study - Profiling and Functional Studies of Drug Transporters in Colorectal Cancer in Tasmanian patients. (Collaboration between The Menzies Research Institute and RHH Oncology Clinical Trials Unit.

ASCOLT. Randomised Placebo Controlled Phase III Trial - ASPIRIN FOR DUKES C AND HIGH RISK DUKES B COLORECTAL CANCERS.

DOCTOR A Randomised Phase II Trial of Pre-operative Cisplatin, 5 Fluorouracil and Docetaxel or Cisplatin, 5 Fluorouracil, Docetaxel plus Radiotherapy based on poor early response to standard chemotherapy for resectable adenocarcinoma of the oesophagus and/or OG Junction.

ICE CREAM Randomised Phase II study of Cetuximab alone or in combination with Irinotecan in patients with metastatic CRC with either KRAS WT or G13D mutation.

TOP GEAR A randomised phase II/III trial of preoperative chemoradiotherapy versus preoperative chemotherapy for resectable gastric cancer.

PANCREATIC

MAESTRO A Randomized, Double-Blind, Phase III Study of the Efficacy and Safety of Gemcitabine in Combination With TH-302 Compared With Gemcitabine in Combination With Placebo in Previously Untreated Subjects With Metastatic or Locally Advanced Unresectable Pancreatic Adenocarcinoma.

RENAL

METEOR A phase 3, randomised, controlled study of Cabozantinib (XL184) vs. Everolimus in patients with Metastatic Renal Cell Carcinoma that is refractory to or has progressed after prior VEGFR Tyrosine Kinase Inhibitor Therapy.

GYNAE Malignancies

OVAR 2.2I A prospective randomized Phase III trial of carboplatin/gemcitabine/ bevacizumab vs. carboplatin/pegylated liposomal doxorubicin/ bevacizumab in patients with platinum-sensitive recurrent ovarian cancer.

PARAGON Phase II study of aromatase inhibitors in women with potentially hormone responsive recurrent/metastatic gynaecological neoplasms:

LUNG

PlvOTAL study. Global treatment Patterns, resource utilization and bIOMarker Testing in Advanced non-small cell Lung cancer.

MI4-359 A Randomized, Open-Label, Multicenter, Phase 2 Trial Comparing Veliparib Plus Carboplatin and Paclitaxel Versus Investigator's Choice of Standard Chemotherapy in Subjects Receiving First Cytotoxic Chemotherapy for Metastatic or Advanced Non-Squamous Non-Small Cell Lung Cancer (NSCLC) and Who Are Current or Former Smokers.

ENSPIRIT A Multinational, Randomized, Open-Label Phase III Study of Custirsen (TV-1011/OGX-011) In Combination With Docetaxel Versus Docetaxel As A Second-Line Treatment In Patients With Advanced or Metastatic (Stage IV) Non-Small Cell Lung Cancer.

The OPAL Study is a national, patient-randomised controlled trial which will compare the relative effectiveness of different types of support and information from a trained oncology nurse consultant for patients recently diagnosed with lung cancer.

MAPLE A Randomized, Double Blind, Phase 3 Study of ABP 215 (Biosimilar) Efficacy and Safety Compared with Bevacizumab (Avastin®) in Subjects with Advanced Non small Cell Lung Cancer.

MELANOMA

WBRTMe1 Whole Brain Radiotherapy following local treatment of intracranial metastases of melanoma - a randomised phase III trial.

MISCELLANEOUS

BEP study Randomised trial of accelerated vs standard initial **BEP** chemotherapy for intermediate and poor-risk advanced germ cell tumours.

TRACC Registry Prospective Study of Clinical Outcomes and Analysis of Bevacizumab use in Metastatic Colorectal Cancer.

PROSTATE

ENZAMET A trial to determine the effectiveness of adding enzalutamide to an LHRHA as part of first line androgen deprivation therapy for metastatic prostate cancer.

ENZARAD Randomized phase 3 trial of radiation plus androgen deprivation therapy with or without enzalutamide for high risk, clinically localized, prostate cancer.

SPARTAN A Multicenter, Randomized, Double-Blind, Phase III Study of ARN-509 in Men with Non-Metastatic (M0) Castration-Resistant Prostate Cancer.

HAEMATOLOGY CLINICAL TRIALS

LEUKAEMIA

BLAST A Phase 2, Randomized, Double-Blind, Placebo-Controlled Study of Azacitidine with or without An IAP Antagonist with a Single Arm Open-Label Run-In Phase in Subjects with Higher Risk Myelodysplastic Syndrome or Chronic Myelomonocytic Leukemia.

PINNACLE CMLII Phase II study of nilotinib plus pegylated interferon alfa-2b as first-line therapy in chronic phase CML aiming to maximize CMR and MMR.

MURANO A multicentre, phase III, open-label, randomised study in Relapsed/Refractory patients with Chronic Lymphocytic Leukaemia to evaluate the benefit of GDC-0199 (ABT-199) plus Rituximab compared with Bendamustine plus Rituximab.

QUAZAR CC-486-AML-001 A phase 3, randomised, double-blind, placebo-controlled study to compare efficacy and safety of oral Azacitidine plus best supportive care vs best supportive care as maintenance therapy in subjects with Acute Myelogenous Leukaemia in complete remission.

CLL6 RESIDUUM A Phase III, Multicentre, Randomised Trial Comparing Lenalidomide Consolidation Vs No Consolidation in Patients with Chronic Lymphocytic Leukaemia and Residual Disease Following Induction Chemotherapy.

AML M16 Sorafenib in combination with intensive chemotherapy for previously untreated adult FLT3-ITD Positive AML: A Phase 2 randomised double-blind placebo controlled multi-centre study.

LYMPHOMA

CONTRALTO (BO 29337). A Phase II, open-label, randomized study evaluating the safety and efficacy GDC-0199 (ABT-199) plus Rituximab (r) or Bendamustine plus Rituximab (br) in comparison with BR alone in patients with Relapsed and Refractory Follicular Non-Hodgkin's Lymphoma.

PCYC-CA-1130 A Randomized, Multicenter, Open-label, Phase 3 Study of the Bruton's Tyrosine Kinase Inhibitor Ibrutinib in Combination with Obinutuzumab versus Chlorambucil in Combination with Obinutuzumab in Patients with Treatment-Naive Chronic Lymphocytic Leukemia or Small Lymphocytic Lymphoma.

REPLY NHL 26 A Phase 2 Study of patients treated for relapsed Follicular Lymphoma: with Revlimid® consolidation added to Rituximab maintenance therapy in those remaining PET positive.

NHL 24 Rituximab in primary central nervous system Lymphoma.

ECHELON C25003. Hodgkins Lymphoma(Replaces RATHL). Brentuximab vedotin. A Randomized, Open-label, Phase 3 Trial of A+AVD Versus ABVD as Frontline Therapy in Patients With Advanced Classical Hodgkin Lymphoma.

RESONATE EXTENSION PCYC1116. An Open-label Extension Study in Patients 65 Years or Older with Chronic Lymphocytic Leukemia (CLL) or Small Lymphocytic Lymphoma (SLL) Who Participated in Study PCYC-1115-CA (PCI-32765 versus Chlorambucil).

ROBIN A randomise, open label, multi-centre, phase III study to investigate the efficacy of Bendamustine compared to treatment of physician's choice in the treatment of subjects with indolent Non-Hodgkin's Lymphoma (NHL) refractory to Rituximab.

PFIZER MCL Temsirolimus Protocol 3066KI-4438-WW. A randomized phase 4 study comparing 2 intravenous Temsirolimus (TEMSR) regimens in subjects with relapsed, refractory mantle cell lymphoma.

PHOENIX Ibrutinib Diffuse Large B Cell Lymphoma study. (Ibrutinib/placebo + RCHOP).

SHINE A Randomized, Double-blind, Placebo-controlled Phase 3 Study of the Bruton's Tyrosine Kinase (BTK) Inhibitor, PCI-32765 (Ibrutinib), in Combination with Bendamustine and Rituximab (BR) in Subjects With Newly Diagnosed Mantle Cell Lymphoma.

LUMIERE A phase 3, randomized, 2-arm, open-label, multicenter trial evaluating alisertib or investigator choice (selected single agent) in patients with relapsed or refractory PTCL.

MULTIPLE MYELOMA

Castor Phase 3 Study Comparing Daratumumab, Bortezomib and Dexamethasone (DVD) vs Bortezomib and Dexamethasone (Vd) in Subjects With Relapsed or Refractory Multiple Myeloma.

‘ALCYONE’ A Phase 3, Randomized, Controlled, Open-label Study of VELCADE® (Bortezomib) Melphalan-Prednisone (VMP) Compared to Daratumumab in Combination with VMP (D-VMP), in Subjects with Previously Untreated Multiple Myeloma who are Ineligible for High-dose Therapy.

MM14 A prospective randomised Phase II study of single agent pomalidomide maintenance versus combination pomalidomide and low dose dexamethasone maintenance following induction with the combination of pomalidomide and low dose dexamethasone in patients with relapsed and refractory myeloma previously treated with lenalidomide.

Denosumab A Randomized, Double-Blind, Multicenter Study of Denosumab Compared With Zoledronic Acid (Zometa®) in the Treatment of Bone Disease in Subjects with Newly Diagnosed Multiple Myeloma.

MISCELLANEOUS

Zoster 039 A Phase II, randomised, observer-blind, placebo-controlled, multicentre study to assess the safety, immunogenicity and efficacy of GSK Biologicals' Herpes Zoster HZ/su vaccine when administered intramuscularly on a two-dose schedule to with haematologic malignancies.

Zoster 002 A phase III, randomised, observer-blind, placebo controlled, multicentre, clinical trial to assess the prophylactic efficacy, safety, and immunogenicity of GSK Biologicals' herpes zoster gE/AS01B vaccine when administered intramuscularly on a two dose schedule to adult autologous haematopoietic stem cell transplant (HCT) recipients.

NURSING EDUCATION AND RESEARCH

Nurse and Midwifery Education and Research staff continued to work with others to achieve the highest standard of care for patients. The primary focus of the Clinical Nurse and Midwife Educators is the development of clinical staff in practice. In addition, staff work across several areas including professional development, practice development and research. Nurse Education staff support all nurses and midwives including undergraduate students, nurses in their first year of practice and postgraduate students.

Achievements over the 2014-15 year include:

- ▶ Educators have had a key role in developing e-learning resources, increasing access to education for the varied and diverse learners across THO—South.
- ▶ Clinical supervision support for nurses supervising others and staff being supervised has continued with a range of activities including preceptorship workshops and study days for newly registered nurses to consolidate their skills and transition into the paid workforce.
- ▶ Educators are actively involved in implementing and monitoring the National Safety and Quality Health Standards at the clinical level.
- ▶ Practice Development (PD) activities in Tasmania have continued to lead and develop person-centred cultures that are dignified, compassionate and safer for all.

ALLIED HEALTH PROFESSIONAL EDUCATION AND RESEARCH

Collaboration between each of the professional groups making up the allied health professional workforce and the Allied Health Professions Development Unit has continued to provide a strong program of allied health education and research. Provision of a range of activities, including in-service sessions, targeted e-learning packages, journal clubs, profession-specific rounds, and assistance to attend external education and training opportunities, has supported staff to develop profession-specific and more general competencies and skills.

Over two dozen staff across various professional departments are currently engaged in, or have recently completed, postgraduate study, as part of their continuing professional development beyond the basic requirements for practice. Many supported by the DHHS/UTas scholarship agreement, their focus has ranged from additional clinical qualification to development of expertise in health management, leadership, or clinical education and supervision. As a result of a grant from the Skills Tasmania Fund a number of allied health assistant staff have commenced their Certificate IV in Allied Health Assistance.

With over sixty student placements in the last twelve months, the majority involving students from interstate universities where most allied health professional training programs are located, clinical supervisor training and support has been emphasised in local training. A Tasmanian Clinical Education Network (TCEN) grant provided workshops in reflective practice and facilitated the development of multidisciplinary reflective practice groups, complementing previously funded initiatives. A community of practice for clinical supervisors has begun to explore the role of Tasmania Health Education Online in extending access to staff in more isolated work areas. A successful trial of 'Teaching on the Run' workshops for clinical supervisors has led to its inclusion in the annual training calendar for allied health staff with

a good response from the first cohort of 20 staff. Other new initiatives involve greater allied health professional staff engagement with simulation based learning and collaboration with the UTas School of Medicine in further development of postgraduate training for clinical supervisors.

RESEARCH

Research activity by allied health professionals has spanned the range from health service evaluations, masters and doctoral research projects with service relevance, to participation in national and international clinical trials and collaborations with university and Menzies Centre projects. Examples include;

- ▶ Nalder, J., Symes, J. Dietetics and Nutrition Services, *Provision of mid meal snacks at the Royal Hobart Hospital*
- ▶ Chamberlain, R., McGrath, K. Orthotic Prosthetic Service Tasmania (OPST,) *Orthotic Prosthetic Service Tasmania client feedback*
- ▶ Ireland, V. Podiatry Services, *A retrospective study to determine if chronic conditions have significantly deteriorated in a rural population of podiatry patients in a four year period*
- ▶ Schuringa, C., O'Grady, A. Podiatry Services, *High risk foot clinic audit*
- ▶ In Radiation therapy major projects have commenced for stereotactic ablative radiation therapy (SABR) through the Trans-Tasman Radiation Oncology Group (TROG) and assessment of Volumetric Modulated Arc Therapy (VMAT) and automated planning (AP) and Image infusion software- Velocity. The clinic has ongoing participation in various clinical trials coordinated by TROG and other research groups.
- ▶ The Speech Pathology Department have been invited to take part in a NHMRC funded multi-site national clinical trial 'Can a brief early intervention help people live with aphasia a year after stroke?'

CONFERENCE PRESENTATIONS

Green, L. *Exploratory investigation of the effects of motor symptoms on the assessment of mood in Parkinson's disease*. Poster presentation at the International Neuropsychological Society & Australasian Society for the Study of Brain Impairment joint meeting, Sydney.

Hilder, B., Pham, D., Chesson, B., Oates, R., Hardcastle, N., Kron T., Siva, S., Foroudi, F., Bal, I. D., Bresse, I. M. & Montgomery, R. *Training for Technically Advanced Radiation Oncology Trials: Development of eLearning for SAFRON II*. Oral presentation delivered at the Combined Scientific Meeting of the FRANZCR, AIR & ACPSEM held in Melbourne, September 2014.

Knipe, C. *A radiation therapist perspective on the Australian Clinical Dosimetry Service (ACDS) level III audit*. E-poster delivered at the Combined Scientific Meeting of the FRANZCR, AIR & ACPSEM held in Melbourne, September 2014.

Krelling, N., Walker, A., Price, H., Miller, M., *Malnutrition at the Royal Hobart Hospital - going the way of the Tasmanian Tiger?* Poster, Dietitians Association of Australia Conference, Perth, 13-16 May 2015.

Nichols, L., *First world problems: enabling occupation in resource limited environments*, Poster, Allied Health Professionals Symposium, Hobart, Australia. 14 November 2014.

O'Meagher, S., *Does the performance of preterm preschool children on executive function tests predict executive functioning in real life?* Poster presentation at the International Neuropsychological Society & Australasian Society for the Study of Brain Impairment joint meeting, Sydney.

Ramsden, C. *Musical hallucinations following acquired brain injury*. Poster presentation at the International Neuropsychological Society & Australasian Society for the Study of Brain Impairment joint meeting, Sydney.

Ta'eed, G. *Referral for rehabilitation and amount of therapy*. Symposium presentation.

Williams, T. (Deputy Chief Medical Physicist). *Implementation of DICOMpareRT - a plan QA chart check procedure*. Oral presentation was delivered at the Pinnacle User Group Meeting.

Young, M. *IMRT vs. VMAT: Assessing the dosimetric equivalence of two treatment delivery techniques via independent DICOM RT data analysis*. E-poster delivered at the Combined Scientific Meeting of the FRANZCR, AIR & ACPSEM held in Melbourne, September 2014

Young, M. & Harrison, J. *Using population histogram distributions to guide training for IMRT treatment planning*. E-poster delivered at the Combined Scientific Meeting of the FRANZCR, AIR & ACPSEM held in Melbourne, September 2014

RHH RESEARCH FOUNDATION

The RHH Research Foundation is an independent entity, raising funds for local health and medical research in Tasmania. Since 1997, the RHH Research Foundation has invested over \$6M into research that is of particular relevance to diseases and disorders which are more prevalent in Tasmania. The RHH Research Foundation is known as an organisation that delivers high value outcomes in alignment with its purpose through:

- ▶ Promoting and supporting health and medical research of relevance to Tasmanians, and
- ▶ Building links between researchers and the wider community.

All research grants are awarded by the Foundation's Scientific Research Advisory Committee (SRAC), which is endorsed by the National Health and Medical Research Council (NH&MRC). Following a rigorous and highly competitive assessment process, funds are allocated on the basis of merit to research studies undertaken by teams of local health professionals, each with an association to the RHH, but with benefits extending throughout the statewide community.

LOCAL HEALTH AND MEDICAL RESEARCH

The Foundation supports a range of disciplines and pursues an objective of building research capacity in Tasmania. Providing an important role in supporting specialist doctors, nurses and allied health professionals with emerging research interests, collaborative investigations (across disciplines and among career development stages) are encouraged and nurtured.

Several recent research studies have included investigation into genetic profiles associated with various forms of cancer and also better management of chronic respiratory conditions including cystic fibrosis, chronic obstructive pulmonary disease and asthma. Significant research has been conducted in the management and prevention of chronic diseases that are more prevalent in Tasmania, including diabetes and cardiovascular disease while exploration to determine the positive impacts of Vitamin D exposure across a range of conditions has also been funded in recent times.

By way of example, as part of the research work conducted over 2014-15 an investigation was undertaken into the effectiveness of new, non-invasive devices used to measure central blood pressure. Through a project which has inspired collaboration between cardiologists at the RHH, device manufacturers and post-doctoral researchers, this ongoing work will provide improved management and health outcomes related to hypertension, ultimately impacting upon the wellbeing of many communities statewide.

Over its history, the Foundation has appointed eight post-doctoral Research Fellows to undertake significant three to five year investigations into a range of neurological conditions, general respiratory disease and haematological malignancy, while one investigation was also recently funded to explore better support of the aged in the communities across

the North West (seeking to prevent admission to Tasmania's major public hospital, the RHH, where more locally-based support may provide a better health outcome).

In June 2014, the RHH Research Foundation launched its call for a new approach to higher order grant funding. Focused upon building capacity among early to mid-career level researchers and fostering collaboration across a variety of areas, these new Project Grants will provide funding of up to \$150,000 per annum for three years. In May 2015, the Foundation was pleased to award the first of these grants to a team of clinicians and researchers who will undertake a statewide study of over 600 Tasmanian adults living with advanced chronic kidney disease, examining the influence of a range of clinical and social factors on kidney disease progression, treatment pathways, outcomes and associated costs. With an aim of supporting better informed decision-making, this will naturally lead to more optimal impact of healthcare expenditure while delivering better health and lifestyle for the many Tasmanians living with this condition.

PART 2 - SUPPLEMENTARY INFORMATION

CLIMATE CHANGE

COMMITMENT TO REDUCING GREENHOUSE GAS EMISSIONS

THO—South remains committed to making a proportional contribution toward Tasmania's greenhouse gas emissions reduction goals.

GREENHOUSE GAS EMISSIONS

The following table sets out THO—South's greenhouse gas emissions during the financial year 2014-15.

CLIMATE CHANGE - GREENHOUSE EMISSIONS 2014-15FY



THO—South	Current Position 2014-15		Previous Position 2013-14	
Activity	Volume	tCO _{2-e}	Volume	tCO _{2-e}
Electricity*	30.15 GWh	6 030	29.27 GWh	6,731
Natural Gas	0 GJ	0	0 GJ	0
Unleaded Petrol	263.78 kL	602	327 kL	778
Diesel Fuel	211.63 kL	565	197 kL	533
Air Travel	3.2M km	506	2.8M km	440
Total		7 703		8 482

* The significant reduction in emissions for financial year 2013-14 as compared with the previous financial year can be mostly attributed to:

- ▶ the change in electricity consumption due to the transfer of the responsibility for a significant number of buildings from the Department to the Tasmanian Health Organisations; and
- ▶ the variation in greenhouse gas emissions factors required for emissions reporting as discussed under the table above

GREENHOUSE GAS EMISSIONS REDUCTION ACTIVITIES

Under funding from the new Sustainable Energy Fund THO—South has implemented energy saving opportunities through replacement of electric hot water cylinders with a solar hot water booster system at the Repatriation Hospital site and with the installation of Heat Pump hot water units to replace electric hot water units at the New Norfolk hospital.

RISK MANAGEMENT

Running an organisation involves risk - the chance of an event happening that will impact on objectives. The Department of Health and Human Services and Tasmanian Health Organisations risk management framework is based on Australian Standard AS/NZS ISO 31000.

The framework has been implemented through the development of a strategic risk register at the enterprise level, taking into consideration the organisations' risk tolerance. The framework requires each operational unit to develop and manage its own risk management system. Risk management has also been a consideration in THO—South business planning.

INSURABLE RISK

The Department of Health and Human Services/Tasmanian Health Organisations have coverage for various classes of insurable risk through the Tasmanian Risk Management Fund (TRMF), administered by the Department of Treasury and Finance.

During 2014-15, the Tasmanian Health Organisation-South made the following contributions to the Fund and lodged the following claims:

Risk by Class	Excess Period/\$	Contribution \$ (GST Exclusive)	GST	Number of Claims ¹	Incurred Cost of Claims \$ (GST Exclusive)
Personal Injury					
Workers' Compensation/Personal Accident (including 2012-13 salary adjustment)	26 weeks/50	5 163 934	516 393	149	4 829 972
Asbestos Levy ²	-	206 557	-	0	-
Property					
General Property	14 000	476 677	67 668	2	20 684
Motor Vehicles - Fleet Vehicles	500/1 000	101 380	10 138	57	225 499
Motor Vehicles - Miscellaneous	500	18 672	1 867	17	39 759
Liability					
General Liability	10 000	78 064	7 806	0	0
Medical Liability	50 000	4 698 175	469 818	9	760 000
Miscellaneous					
Government Contingency	-	4 574	457	-	-
Travel plus stamp duty	Various	2 128	147	-	-
Total					

Notes:

- 1 Claims reported during the period.
- 2 Based on four per cent of contribution for personal injury and varies from year to year. GST exempt.
- 3 Aero Medical Retrieval is a “top up” of workers compensation cover.
- 4 GST on travel is not 10 per cent. Stamp Duty on travel is GST exempt.

CAPITAL WORKS AND ASSET MANAGEMENT

ASSET MANAGEMENT

Ownership of Crown assets resides with the Department of Health and Human Services, while the THOs and other Statewide areas retain responsibility for the operational management of their assets. Responsibility for the overall management of these Crown assets resides with Asset Management Services (AMS).

AMS provides support to the Department and THOs for the key elements of planning, procurement and sustainability, which seek to achieve value for money by enabling the management of the Department of Health and Human Services asset portfolio.

In 2014-15 the Department of Health and Human Services had a budget for the following construction of facilities and equipment acquisitions:

Funding	DHHS (excluding Housing Tasmania) \$'000	*Housing Tasmania \$'000
Special Capital Investment Fund (SCIF)*	14 915	3 941
Capital Investment Program (CIP) *	35 430	40 001
Essential Maintenance Program	1 412	-
Other funding sources (such as specific Australian Government funding)	-	-
Royal Hobart Hospital Redevelopment (SCIF and CIP Funded)	50 000	-

*Excludes the Royal Hobart Hospital Redevelopment

Acquisitions

During 2014-15, land was acquired at 404-408 Main Road, Glenorchy for construction of the Glenorchy Integrated Care Centre for THO—South.

Disposals

Properties that are surplus to requirements are disposed, with proceeds of sale being reinvested into the Department of Health and Human Services' and THO—South's real estate asset portfolios. During 2014-15, THO—South's former Mental Health Services property at 13 Cambridge Road, Bellerive was forwarded to the Department of Treasury and Finance for sale.

Completed Major Capital Works Program 2014-15

Completed Major Capital Works in 2014-15	Total Cost \$'000
Department of Health and Human Services (excluding Housing Capital Program)	
Essential Maintenance	1 412
Oral Health Services Tasmania - Latrobe Dental Clinic Refurbishment	415
Oral Health Services Tasmania - Devonport Community Health Centre Refurbishment	1 069
Minor Capital Works Refurbishment Program (Rural Works)	615
National Health and Hospitals Network - Capital - Emergency Department - Royal Hobart Hospital	4 080
Oral Health Services Tasmania - Archer Street Refurbishment	486

Ongoing Major Capital Works Program 2014-15

Ongoing Major Capital Works in 2014-15	2014-15 Expenditure \$'000	Estimated total cost \$'000	Estimated cost to complete \$'000	Estimated completion year
Department of Health and Human Services (excluding Housing Capital Program)				
Essential Maintenance	2 340	N/A	N/A	Ongoing
Glenorchy Community Health Centre	2 291	21,000	17 033	2017 ¹
Hospital Equipment Fund	1 655	25 000	1 234	2016
Kingston Community Health Centre	-	6,500	6,443	2017 ²
National Health and Hospitals Network - Capital - Elective Surgery - Royal Hobart Hospital	72	3 660	1 136	2016
National Health and Hospitals Network - Capital - Emergency Department - Royal Hobart Hospital	813	3 710	783	2016
Royal Hobart Hospital \$100 million	1 804	100,000	17 332	2016 ³
Royal Hobart Hospital - Inpatient Precinct Project	11 871	536 900	477 808	2019
Royal Hobart Hospital Redevelopment Fund	-	35,000	653	2015
Rural Breast Screening Clinics	66	1 268	1 203	2015
Statewide Cancer Services	12 832	63 020	11 268	2016

Notes:

- 1 ICC model of care review has delayed construction.
- 2 Extended due to the delay in land acquisition.
- 3 Extended as a result of the RHH Redevelopment Rescue Taskforce Period.

THO—South- Integrated Care Centre and Oral Health Expansion

With the exception of the Royal Hobart Hospital Redevelopment the Glenorchy Integrated Care Centre project continues to be the major capital works project focus in the South. Following a review of the Integrated Care Centre model of care in 2015, the proposed services for the Glenorchy ICC are now being re-considered to ensure they fit the needs of the community. The sale of land at 404 Main Road Glenorchy was completed in 2014-15 to allow for the construction of the Integrated Care Centre on this site.

Australian Government funds allowed Oral Health Services Tasmania to increase chair capacity at the Devonport Community Health Centre and the Archer Street, New Town complex, while State Government funds provided the Latrobe Child Dental Clinic to be refurbished.

Accommodation

During 2014-15 a total of 44 THO—South's staff were relocated from expired leased accommodation and co-located with other areas to improve efficiencies and work collaboration in Hobart's CBD.

Leased Accommodation

During 2014-15 THO—South's lease of Level 2, 81 Elizabeth Street was not renewed (offices - 561m²). THO—South took up one new premises (level 3, 47 Liverpool Street, Hobart - 383m²) for staff 'decanting' as part of the Royal Hobart Hospital Redevelopment Project.

Maintenance

Through Asset Management Services the ongoing management of statutory building compliance required under the Building Act 2000 continues to ensure that this category of risk is regularly reviewed and required works are promptly completed. Nominally 20 per cent of the asset portfolio has a Building Condition Assessment undertaken each year (excluding major acute care hospitals). A risk-based and prioritised Capital Investment Program - Essential Maintenance Program is derived from these Building Condition Assessments and from occupant requests to address deficiencies that are identified across the remainder of sites that are not assessed in that year.

Transport

The THO—South saved \$133, 729 on vehicle lease costs during the 2014-15 financial year compared to the 2013-14 financial year. Vehicle lease and other associated costs (excluding GST) for the 2014-15 financial year were \$2.813 million, compared to \$2.947 million for the 2013-14 financial year.

The Tasmanian Health Organisation – South (the Organisation) ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for business. It is the Organisation's policy to support Tasmanian businesses whenever they offer best value for money for the Government.

Below is a summary of participation by local businesses for contracts, tenders and/or quotation processes with a value of \$50 000 or over:

Note: * In accordance with the requirements of the Treasurer's Instructions, the values in this table do not include the value of options to extend or GST.

TABLE 2 - CONTRACTS AWARDED

The following table provides detailed information on contracts awarded by the Organisation in the 2014-15 financial year with a value of \$50 000 or over. The Organisation did not award any consultancy contracts with a value of \$50 000 or over.

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$
AHI Carrier (Australia) Pty Ltd	Tas	RHH - Domestic Hot Water Upgrade	17/12/2014 - 31/07/2015	159 629
Aidacare Pty Ltd	Tas	RHH - Automated External Defibrillators	16/07/2014 (one-off purchase)	80 000
AlphaXRT Ltd	NSW	Quality Assurance System for Volumetric Modulated Arc Therapy (VMAT)	20/02/2015 - 20/02/2018	142 262
Bruker Pty Ltd	Vic	RHH - Mass Spectrometer	01/07/2014 - 31/07/2020	263 450
Carestream Health Australia Pty Ltd	Vic	RHH - DR X-Ray Equipment for Wellington Centre and Department of Emergency Medicine	01/08/2014 - 01/08/2020	252 000
Carestream Health Australia Pty Ltd	Vic	RHH - Wireless DR Mobile X-Ray Machines	03/10/2014 - 02/10/2020	776 175
Carl Zeiss Pty Ltd	NSW	RHH - Eye Clinic - Fundus Camera with Fluorescein Angiography capability	04/08/2014 - 03/08/2020	92 345
Clifford Hallam Healthcare Pty Ltd	Tas	Warehouse and Distribution Services	01/05/2015 - 31/07/2020 Option to extend 01/08/2020 - 31/07/2025	3 937 500 3 937 500
Compumedics Ltd	Vic	RHH - EEG Machine - Neurology Department	27/04/2015 (one-off purchase)	62 245
Eldridge, Dr Tony	Tas	Oral Health Services - Provision of Conscious Sedation	26/09/2014 - 30/06/2016 Option to extend 01/07/2016 - 30/06/2017	75 000 37 500
Fujifilm Sonosite Australasia Pty Ltd	NSW	RHH - Portable Ultrasound Machine - Emergency Department	09/10/2014 - 09/10/2019 Option to extend 09/10/2019 - 09/10/2022	69 325 24 000
Gambro Pty Ltd	NSW	RHH - Continuous Renal Replacement Therapy Machines	07/01/2015 - 06/01/2020	725 490
GE Healthcare Australia Pty Ltd	NSW	RHH - Department of Obstetrics & Gynaecology - Ultrasound Machines	18/08/2014 - 17/11/2021	358 870
GE Healthcare Australia Pty Ltd	NSW	RHH - Echocardiography Machine	22/07/2014 - 31/08/2021	248 050
GE Healthcare Australia Pty Ltd	Vic	RHH - Department of Medical Imaging - Two Ultrasound Machines	22/09/2014 - 22/12/2020	463 750

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$
Healthscope (Tasmania) Pty Ltd	Tas	Provision of Specific Surgical Procedure	27/01/2015 - 30/06/2015	468 000
J G Lane & L M Lane t/a BCI Dental Laboratory	Tas	Removable and Fixed Dental Prosthetic Appliances and Related Construction Components	01/06/2014 - 31/05/2016 Option to extend 01/06/2016 - 31/05/2017	56 280 28 140
Philips Electronics Australia Ltd	Tas	RHH - DR X-Ray Equipment for Wellington Centre and Department of Emergency Medicine	05/09/2014 - 31/10/2020	859 500
Proslab Dental Laboratory Pty Ltd	Vic	Removable and Fixed Dental Prosthetic Appliances and Related Construction Components	01/06/2014 - 31/05/2016 Option to extend 01/06/2016 - 31/05/2017	500 400 250 200
Quad Services Pty Ltd	Tas	Cleaning Services Northern Dental Centre	01/07/2015 - 30/06/2017	103 627
Roche Diagnostics Australia Pty Ltd	NSW	RHH - Chemistry and Immunoassay Systems	30/09/2014 - 31/12/2019	2 878 000
Siemens Ltd	Vic	RHH - Emergency Department Ultrasound Machine	12/12/2014 - 31/12/2021	145 300
Siemens Ltd	Vic	RHH - Echocardiography System with 3D Capabilities	31/12/2014 - 31/12/2021 Option to extend 31/12/2021 - 31/12/2024	415 200 81 000
Symbion Pty Ltd t/a Symbion Hospital Services	Tas	Warehousing, Distribution and Imprest Services - Contract Extension	01/01/2015 - 31/03/2015	300 000
Symbion Pty Ltd t/a Symbion Hospital Services	Tas	Warehousing, Distribution and Imprest Services - Contract Extension	01/04/2015 - 30/04/2015	100 000
Trasis SA	Belg	RHH - Gallium Generator	20/09/2014 (one-off purchase)	67 000

Note:

^Where a commencement date is prior to 1 July 2014 or from 1 July 2015 onwards, the contractual arrangements for the procurement were finalised in 2014-15.

^In accordance with Treasurer's Instruction 1111, the period of a contract for reporting purposes includes the value, or estimated value, of any possible option to extend. Where applicable, the principal period of the contract is identified as well as any option to extend; this does not signify that the option has been or will be exercised by the Organisation. All values exclude GST.

TABLE 3 - DIRECT/LIMITED SUBMISSION SOURCING

Treasurer's Instructions 1114 and 1217 provide heads of agencies with the discretion, where specified circumstances exist, to approve the direct sourcing or seeking of limited submissions from a supplier or suppliers without the need to seek quotations or call for tenders. For the purpose of these Instructions the Head of Agency for the Organisation is the Secretary of the Department of Health and Human Services.

The following table provides details of contracts awarded by the Organisation in 2014-15 as a result of a direct sourcing process approved in accordance with TI 1114. There were no contracts awarded under TI 1217.

Contractor Name	Contract Description	Reasons for Approval	Total Value \$
Aidacare Pty Ltd	RHH - Automated External Defibrillators	The procurement is not impacted by a free trade agreement as set out in Instruction 1102 and exceptional circumstances exist that justify the use of a direct/limited submission sourcing process rather than a quotation or tender process as prescribed in Instructions 1106 and 1107.	80 000
Compumedics Ltd	RHH - EEG Machine - Neurology Department	Additional deliveries of goods or services by the original supplier or authorised representative that are intended either as replacement parts, extensions or continuing services for existing equipment, software, services or installations, where a change of supplier would compel the agency to procure goods or services that do not meet requirements of interchangeability with existing equipment.	62 245
Healthscope (Tasmania) Pty Ltd	Provision of Specific Surgical Procedure	The goods or services can be supplied only by the supplier and no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons.	468 000

Note:

^All values exclude GST.

TABLE 4 - CONTRACTS EXTENSIONS

Under Treasurer’s Instruction 1115(4), a Head of Agency may approve the extension of a contract, outside the original terms of the contract for a period of no longer than one year where, due to exceptional circumstances, the extension is required to enable a full procurement process to be properly undertaken or where other exceptional circumstances exist that justify the extension. For the purpose of this Instruction the Head of Agency for the Organisation is the Secretary of the Department of Health and Human Services.

The following table provides details of contracts extended by the Organisation in 2014-15 as a result of an approval in accordance with TI 1115

Contractor Name	Contract Description	Reasons for Extension	Total Value \$
Symbion Pty Ltd t/a Symbion Hospital Services	Warehousing, Distribution and Imprest Services - Contract Extension	01/01/2015 - 31/03/2015	300 000
Symbion Pty Ltd t/a Symbion Hospital Services	Warehousing, Distribution and Imprest Services - Contract Extension	01/04/2015 - 30/04/2015	100 000

Note:
 ^ All values exclude GST.

TABLE 5 - DISAGGREGATION EXEMPTIONS

Under Treasurer’s Instructions 1119(5) and 1225(5), a Head of Agency may approve an exemption from the requirement to disaggregate substantial contracts where the benefits of aggregation clearly outweigh the potential negative impact on local small to medium enterprises suppliers/the local economy. For the purpose of these Instructions the Head of Agency for the Organisation is the Secretary of the Department of Health and Human Services.

The following table provides details of contracts awarded by the Organisation in 2014-15 as a result of such an approval.

Contract Description	Total Value \$
Warehouse and Distribution Services	7 875 000

Note:
 ^ The value in this table includes the aggregated value and the value, or estimated value, of any possible options to extend. The value excludes GST.

RIGHT TO INFORMATION

PUBLIC AUTHORITY DETAILS

Section A: Number of Applications	
1. Number of applications for assessed disclosure received.	10
2. Number of applications for assessed disclosure accepted.	10
3. Number of applications for assessed disclosure transferred or part transferred to another public authority.	1
4. Number of applications withdrawn by the applicant.	0
5. Number of applications for assessed disclosure determined.	9
Section B: Outcome of Applications	
Number of determinations where the information applied for was provided in full.	4
Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt.	3
Number of determinations where all the information applied for was refused or claimed as exempt.	2
Number of applications where the information applied for was not in the possession of the public authority or Minister.	0
Number of applications where the information was not released as it was subject to an external party review under section 44.	0
Section C: Reasons for Refusal	
Number of times where the following sections were invoked as reasons for refusing or deferring an application for assessed disclosure	
s.5, s.11, s.17 Refusal where information requested was not within the scope of the Act (s.5 - Not official business; s.11 - available at Archives Office and s.17 - Deferred).	0
s.9, s.12 Refusal where information is otherwise available or will become otherwise available in the next 12 months.	0
s.10, s.19 Refusal where resources of public authority unreasonably diverted.	0
s.20 Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation.	0

Section D: Exemptions

Number of times where the following sections were invoked as reasons for exempting information from disclosure

s.25	Executive Council Information	0
s.26	Cabinet Information	0
s.27	Internal briefing information of a Minister	1
s.28	Information not relating to official business	0
s.29	Information affecting national or state security, defence or international relations	0
s.30	Information relating to the enforcement of the law	1
s.31	Legal professional privilege	0
s.32	Information relating to closed meetings of council	0
s.34	Information communicated by other jurisdictions	0
s.35	Internal deliberative information	1
s.36	Personal information of a person other than the applicant	1
s.37	Information relating to the business affairs of a third party	0
s.38	Information relating to the business affairs of a public authority	1
s.39	Information obtained in confidence	1
s.40	Information on procedures and criteria used in certain negotiations of public authority	0
s.41	Information likely to affect the State economy	0
s.42	Information likely to affect cultural, heritage and natural resources of the State	0

Section E: Time to Make Decisions

1.	1 - 20 working days of the application being accepted.	0
2.	More than 20 working days of the application being accepted.	0
3.	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	1
4.	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b).	0
5.	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5).	0

HUMAN RESOURCES STATISTICS

Total number of full-time equivalent (FTE) paid employees		
As at end of financial year	2013-14*	2014-15*
	4115.72	3961.41

Total number of FTE paid employees by award		
As at end of financial year	2013-14*	2014-15*
Allied Health Professional	515.82	487.20
Dental	33.60	33.38
Health and Human Services	1483.32	1381.85
Medical Practitioners	453.58	448.08
No Award	1.70	0.42
Nursing	1589.47	1569.13
Radiation Therapist	20.00	20.50
Senior Executive Service (SES)	2.00	5.00
Visiting Medical Officers*	16.23	15.85
Total	4115.72	3961.41

*Includes Rural Medical Practitioners.

Total number (head count) paid by employment category: fixed-term/permanent, full time/part time/casual		
As at end of financial year	2013-14*	2014-15*
Permanent full-time	1750	1532
Permanent part-time	2130	2003
Fixed-term full-time	405	486
Fixed-term part-time	399	547
Part 6**	10	11
Casual	495	461
Total	5189	5040

* Head of Agency, Holders of Prescribed Offices and Senior Executives and Equivalents.

Total Head Count number paid by salary bands and award*										
Salary Band**	Allied Health Professional	Dental	Health & Human Services Award	Nursing	Other	Radiation Therapist	Medical Practitioner	Senior Executive Service	Visiting Medical Practitioner ***	Grand Total
19 001-23 000					12					12
40 001-45 000			208							208
45 001-50 000			413	1						414
50 001-55 000	4		561	11						576
55 001-60 000	42		46	258						346
60 001-65 000	12		216	164			38			430
65 001-70 000	45		55	158		3	31			292
70 001-75 000	11		52	580			15			658
75 001-80 000	7		44	620		1	9			681
80 001-85 000	149		3	57		1	34			244
85 001-90 000	162		4	19		2	15			202
90 001-95 000	70		39	107						216
95 001-100 000	58		1	62		7	30			158
100 001-200 000	58	44	47	26		8	334	5		522
200 001-400 000									79	79
401 001-550 000							1			1
701 001-850 000							1			1
TOTAL	618	44	1689	2063	12	22	508	5	79	5040

*Based on salary for award classification; Head Count not FTE.

**Visiting Medical Practitioners work on a sessional basis < 20 hours per week and are paid on a pro rata basis.

NOTE: In addition to Salaries and allowances under contracts of employment, Medical Practitioners at the RHH may participate in the Private Patient Scheme (PPS) if eligible by Medicare and under the management of the PPS committee. Under this scheme, Medicare, private health funds and other insurance bodies are billed where appropriate for eligible procedures performed in the RHH. PPS revenue generated by Visiting Medical Practitioners is shared with the RHH; PPS revenue raised by Specialist Medical Practitioners is donated to the RHH and the participating Specialists are then paid an allowance, as determined by the scheme. Revenue in excess of that distributed to medical practitioners is also allocated to hospital unit trusts to support research, clinical training and continuing professional activities of medical and other health employees, medical outreach programs overseas, and specialist medical equipment for the RHH for which public funding is not available.

Total number (head count) paid by gender		
As at end of financial year	2013-14	2014-15
Female	3849	3760
Male	1340	1280
Total	5189	5040

Total number (head count) paid by age profile		
As at end of financial year	2013-14*	2014-15*
15-19 years	12	9
20-24 years	259	258
25-29 years	482	459
30-34 years	471	451
35-39 years	447	459
40-44 years	639	572
45-49 years	733	736
50-54 years	861	800
55-59 years	733	759
60+ years	552	537
Total	5189	5040

Number of employees (head count) paid by award as at 30 June 2015*	
As at end of financial year	Total
Allied Health Professionals	618
Dental Officers	44
Health and Human Services Award	1689
Medical Practitioners	508
No Award	12
Nursing	2063
Radiation Therapist	22
Senior Executive Service	5
Visiting Medical Officers**	79
Total	5040

*Includes Rural Medical Practitioners.

Average Personal Leave days per FTE*		
As at end of financial year	2013-14**	2014-15**
Personal leave days per average paid FTE	11.7	11.6

* Includes sick, carers leave and family leave.

Total paid overtime* hours per average FTE		
As at end of financial year	2013-14**	2014-15*
Overtime/callback paid hours per averaged paid FTE	42.0	43.4

* Includes callback and overtime hours.

Turnover Rate		
The turnover rate is the rate at which people were leaving the THO—South as at 30 June 2015		
As at end of financial year	2013-14*	2014-15*
Turnover rate = total number of separations (FTEs) divided by the average paid FTE	9.3%	11.6%

Wastage Rate		
The wastage rate is similar to the turnover rate but takes into account the number of employees who joined THO—South as new starts. A negative result means more people are becoming employees than are exiting.		
As at end of financial year	2013-14*	2014-15*
Wastage rate = (separation FTE - Newstart FTE)/average paid FTE	-1.68%	3.43%

Long Service Leave		
As at end of financial year	2013-14*	2014-15*
Average number of days used per paid FTE**	3.4	3.4

*Includes Maternity Long Service Leave.

Annual Leave		
As at end of financial year	2013-14	2014-15
Average number of days used per paid FTE	20.9	20.0
Number of FTEs with entitlements equal to the 2 year limit	2.0	0.0
Number of FTEs in excess of 2 year limit	149.2	137.17

WORK HEALTH AND SAFETY

THO—South is committed to a range of employee health and safety strategies. The focus in 2014-15 has been to build on the foundations of a safety and wellbeing culture within the organisation, and support management and workers within their workplace.

Strategies for 2014-15 included: Ongoing upgrade of the Safety Management System to align within the Work Health and Safety Act 2012 and the creation of the “Be Safe At Work” eLearning package.

THO—South is continuing training in:

- ▶ Manual Handling including Supervisor Ready (eLearning and task specific face to face)
- ▶ Emergency preparedness

- ▶ Warden training
- ▶ Managers roles and responsibilities
- ▶ Upgrading the Safety Management Plan based on the Risk Profile of the Agency
- ▶ Building on the aligned areas of Manual Handling, Work, Health, Safety and Wellbeing, Emergency Management and Hazardous Chemicals

THO—South had 207 workers compensation claims during 2014-15 compared to 200 claims the previous year. The cost of all claim payments from 2014-15 was \$7.7M.

PUBLICATIONS

Author/s	Year	Title	Publication
Aguar, M, Nuñez, A, Cubells, E, Cernada, M, Dargaville, PA, & Vento, M	2014	Administration of surfactant using less invasive techniques as a part of a non-aggressive paradigm towards preterm infants, <i>Early Human Development</i> , vol. 90 Suppl 2, pp. S57-S59.	Journal Article
Alexander, M, King, J, Bajel, A, Doecke, C, Fox, P, Lingaratnam, S, Mellor, J, Nicholson, L, Roos, I, Saunders, T, Wilkes, J, Zielinski, R, Byrne, J, MacMillan, K, Mollo, A, Kirs, S, & Green, M	2014	Australian consensus guidelines for the safe handling of monoclonal antibodies for cancer treatment by healthcare personnel, <i>Internal Medicine Journal</i> , vol. 44 no. 10 1018-1026.	Journal Article
Amarasena, L, et al	2015	Establishing safe and effective paediatric minimally invasive surgery in a regional centre, <i>Journal of Paediatrics and Child Health</i> , 51(suppl 2): 1 Abstract from RACP Congress Breaking Boundaries Creating Connections, May 24-27, Cairns, Queensland	Journal Article
Anderson T, Warren S	2014	Genetic and molecular predictors of high vancomycin minimum inhibitory concentration in <i>Staphylococcus aureus</i> bacteremia isolates. <i>Journal of Clinical Microbiology</i> , 52 (a) 3384-93.	Journal Article
Anuradha, S, Webb, PM, Blomfield, P, Brand, AH, Friedlander, M, Leung, Y, Obermair, A, Oehler, MK, Quinn, M, Steer, C, & Jordan, SJ	2014	Survival of Australian women with invasive epithelial ovarian cancer: a population-based study, <i>The Medical Journal Of Australia</i> , vol. 201, no. 5, pp. 283-288.	Journal Article
Ashby, M	2015	In That Case: Necessary Limitation of Medical Treatment, Ageism, or Worse? A Policy Proposal for Limiting Kidney Dialysis Availability Over 75, <i>Journal of Bioethical Inquiry</i> , vol. 12, no. 2, pp. 171-172.	Journal Article
Ashby, M, & Rich, L	2014	Government of the People, by the People, for the People: Bioethics, Literature, and Method, <i>Journal of Bioethical Inquiry</i> , vol. 11, no. 2, pp. 109-112.	Journal Article
Ashby, MA	2014	A land half won: pain and the modern world. In Reply, <i>The Medical Journal Of Australia</i> , vol. 201, no. 6, p. 324.	Comment; Letter
Baines, C, & McGuiness, B	2014	Improving wound management outcomes in residential aged care, <i>Wound Practice & Research</i> , vol. 22, no. 3, pp. 124-130.	Journal Article
Baines, C, & Sykes, P	2014	Professional capability within the Australian hyperbaric nursing workforce, <i>Australian Journal of Advanced Nursing</i> , vol. 32, no. 2, pp. 6-13.	Journal Article
Bakes, B	2014	Acute outliers in rehabilitation beds: Is a bed a bed?, <i>Journal of the Australasian Rehabilitation Nurses' Association</i> , vol 17 no. 3, 3-6	Journal Article
Batt, T, Tegg, E and Johnston, A	2015	Myeloproliferative neoplasms: association with lymphoproliferative disorders. A single institution experience, <i>Pathology</i> , 47(suppl 1): S88	Journal Article
Beggs, S, et al	2015	Fifty years of paediatric clinical pharmacology, <i>Journal of Paediatrics and Child Health</i> , 51(1): 28-29	Journal Article

Author/s	Year	Title	Publication
Bernheim, J, Distelmans, W, Mullie, A, & Ashby, M	2014	Questions and Answers on the Belgian Model of Integral End-of-Life Care: Experiment? Prototype?, <i>Journal of Bioethical Inquiry</i> , vol. 11, no. 4, pp. 507-529.	Journal article
Black, A and others	2014	Evaluation of a brachial cuff and suprasystolic waveform algorithm method to noninvasively derive central blood pressure, <i>American Journal of Hypertension</i> , (Published online September 5)	Journal Article
Blackburn, NB, Charlesworth, JC, Marthick, JR, Tegg, EM, Marsden, KA, Srikanth, V, Blangero, J, Lowenthal, RM, Foote, SJ, & Dickinson, JL	2015	A retrospective examination of mean relative telomere length in the Tasmanian Familial Hematological Malignancies Study, <i>Oncology Reports</i> , vol. 33, no. 1, pp. 25-32. Oct 24.	Journal Article
Blomfield, P, et al	2015	Circulating 25-hydroxyvitamin D and survival in women with ovarian cancer, <i>The American Journal of Clinical Nutrition</i> , (Published online May 13)	Journal Article
Bonar, R, Favaloro, EJ, Mohammed, S, Pasalic, L, Sioufi, J, & Marsden, K	2015	The effect of dabigatran on haemostasis tests: a comprehensive assessment using in vitro and ex vivo samples, <i>Pathology</i> , vol. 47, no. 4, pp. 355-364.	Journal Article
Brede, K, et al	2015	Follicular thyroid carcinoma extending into the right atrium, <i>ANZ Journal of Surgery</i> , 2015; 85(suppl 1):15 Abstract CS008P Royal Australasian College of Surgeons 84th Annual Scientific Congress 4-8 May, Perth, Western Australia.	Journal Article
Buchanan, DD, Tan, YY, Walsh, MD, Clendenning, M, Metcalf, AM, Ferguson, K, Arnold, ST, Thompson, BA, Lose, FA, Parsons, MT, Walters, RJ, Pearson, S, Cummings, M, Oehler, MK, Blomfield, PB, Quinn, MA, Kirk, JA, Stewart, CJ, Obermair, A, Young, JP, Webb, PM, & Spurdle, AB	2014	Reply to J. Moline et al, <i>Journal Of Clinical Oncology: Official Journal Of The American Society Of Clinical Oncology</i> , vol. 32, no. 21, pp. 2278-2279.	Comment; Letter
Burgess, J.R, et al	2015	Mild iodine deficiency during pregnancy is associated with reduced educational outcomes in the offspring: 9-year follow-up of the gestational iodine cohort. In Cindy Croft (ed), <i>Prenatal and childhood nutrition: evaluating the neurocognitive connections</i> (pp. 193-210), Canada: Apple Academic Press	Journal Article
Cameron-Tucker, H, et al	2015	Patient anxiety and depression moderate the effects of increased self-management knowledge on physical activity: a secondary analysis of a randomised controlled trial on health-mentoring in COPD, <i>COPD: Journal of Chronic Obstructive Pulmonary Disease</i> , (Published online March 16)	Journal Article

Author/s	Year	Title	Publication
Campbell, DJ, Brown, FG, Craig, JC, Gallagher, MP, Johnson, DW, Kirkland, GS, Kumar, SK, Lim, WH, Ranganathan, D, Saweirs, W, Sud, K, Toussaint, ND, Walker, RG, Williams, LA, Yehia, M, & Mudge, DW	2015	Assessment of current practice and barriers to antimicrobial prophylaxis in peritoneal dialysis patients, <i>Nephrology, Dialysis, Transplantation</i> , April 22.	Journal Article
Challis, D, et al	2015	Anuric renal failure in a patient with Waldenstrom's macroglobulinaemia, <i>Nephrology</i> , 20(4):306	Journal Article
Chin, G, et al	2015	E0 immediate caesarean section audit: baseline data analysis, <i>BJOG: An International Journal of Obstetrics & Gynaecology</i> , 122(suppl 1):164 Abstract EP10.19. Abstracts of the RCOG World Congress 2015, 12-15 April, Brisbane, Queensland	Journal Article
Conduit, C, Wilson, M, Hunter, K, Murdolo, V, & Nott, L	2015	Severe contact esophagitis in a patient taking crizotinib: A case report, <i>Asia-Pacific Journal Of Clinical Oncology</i> , vol. 11, no. 2, pp. 187-189.	Journal Article
Cooley, L, Dendle, C, Wolf, J, Teh, BW, Chen, SC, Boutlis, C, & Thursky, KA	2014	Consensus guidelines for diagnosis, prophylaxis and management of <i>Pneumocystis jirovecii</i> pneumonia in patients with haematological and solid malignancies, 2014, <i>Internal Medicine Journal</i> , vol. 44, no. 12b, pp. 1350-1363.	Journal Article
Costello, BT, Schultz, MG, Black, JA, & Sharman, JE	2015	Evaluation of a brachial cuff and suprasystolic waveform algorithm method to noninvasively derive central blood pressure, <i>American Journal Of Hypertension</i> , vol. 28, no. 4, pp. 480-486.	Journal Article
Couser, G	2015	Teaching medical students in emergency departments: Time to reinvent a core activity, <i>Emergency Medicine Australasia</i> , vol. 27, no. 1, pp. 69-71. ISSN:1742-6731.	Journal Article
Daniel, R, Patil, V, Hardikar, A, Parkes, S, & Froelich, JJ	2014	Removal of a malpositioned central venous catheter from a direct main pulmonary artery puncture with transthoracic temporary balloon occlusion, <i>Journal Of Vascular And Interventional Radiology: JVIR</i> , vol. 25, no. 12, pp. 2001-2003.	Letter
Dargaville, P, et al	2014	Surfactant for meconium aspiration syndrome in term and late preterm infants, <i>Cochrane Database of Systematic Reviews</i> , Issue 12	Journal Article
Dargaville, P, et al	2015	An authentic animal model of the very preterm infant on nasal continuous positive airway pressure, <i>Intensive Care Medicine Experimental</i> , (Published online April 29)	Journal Article
Dargaville, P, et al	2015	Monitoring lung volumes during mechanical ventilation, <i>Pediatric and Neonatal Ventilation</i> , Berlin: Springer	Journal Article
Dargaville, P, Wheeler, K, et al	2014	Non-contact respiratory monitoring in neonates, <i>Biomedical Engineering International Conference Nov 26-28; 7017373</i>	Journal Article
Dargaville, PA	2015	CPAP, Surfactant, or Both for the Preterm Infant: Resolving the Dilemma, <i>JAMA Pediatrics</i> . June 8.	Journal Article

Author/s	Year	Title	Publication
Dargaville, PA, Kamlin, CF, De Paoli, AG, Carlin, JB, Orsini, F, Soll, RF, & Davis, PG	2014	The OPTIMIST-A trial: evaluation of minimally-invasive surfactant therapy in preterm infants 25-28 weeks gestation, <i>BMC Pediatrics</i> , vol. 14, p. 213.	Journal Article
Davies N, Nuwayhid F, Froelich J	2014	Idiopathic high-flow priapism due to bilateral internal pudental artery shunting. <i>ANZ Journal of Surgery</i> , 24 JUL 2014	Journal Article
Davies, N, et al	2015	Abstract 143: Consistency of written post-operative patient information for common urological procedures in Australia, <i>BJU International</i> , 115(suppl 4):70	Journal Article
Davies, N, et al	2015	Abstract 92: GreenLight laser photoselective vaporisation of the prostate: a single institution experience of our first 279 cases, <i>BJU International</i> , 115(suppl 4):48	Journal Article
Davies, N, Murphy, DG, van Rij, S, Woo, HH, & Lawrentschuk, N	2015	Abstract 144: Online and social media presence of Australian and New Zealand urologists, <i>BJU International</i> , 115(suppl 4):71	Journal Article
Davies, N, Papa, N, Ischia, J, Bolton, D, & Lawrentschuk, N	2015	Consistency of written post-operative patient information for common urological procedures, <i>ANZ Journal of Surgery</i> , (Published online April 19)	Journal Article
Davis, ID, Long, A, Yip, S, Espinoza, D, Thompson, JF, Kichenadasse, G, Harrison, M, Lowenthal, RM, Pavlakis, N, Azad, A, Kannourakis, G, Steer, C, Goldstein, D, Shapiro, J, Harvie, R, Jovanovic, L, Hudson, AL, Nelson, CC, Stockler, MR, & Martin, A	2015	EVERSUN: a phase 2 trial of alternating sunitinib and everolimus as first-line therapy for advanced renal cell carcinoma, <i>Annals Of Oncology: Official Journal Of The European Society For Medical Oncology / ESMO</i> , vol. 26, no. 6, pp. 1118-1123.	Journal Article
De Paoli, T, et al	2015	Long term follow up of high risk children: who, why and how? <i>BMC Paediatrics</i> , 14(1):279- 293	Journal Article
Doherty, T, Moir, S, Eckhardt, M, & Frendin, S	2014	Health and Wellbeing in Childhood, Cambridge: Cambridge University Press	Book
Dwyer N	2014	Relationship of vasodilator-induced changes in myocardial oxygenation with the severity of coronary artery stenosis: a study using oxygenation-sensitive cardiovascular magnetic resonance. <i>European Heart Journal Cardiovascular Imaging</i> , 2014 Aug 7.	Journal Article
Elliott, EJ, Smart, DR	2014	The assessment and management of inner ear barotrauma in divers and recommendations for returning to diving, <i>Diving And Hyperbaric Medicine</i> , vol. 44, no. 4, 208-22.	Journal Article
Ford, K	2014	Child-centred nursing : promoting critical thinking, Los Angeles: SAGE	Journal Article
Ford, K, Courtney-Pratt, H, Tesch, L, & Johnson, C	2014	More than just clowns--Clown doctor rounds and their impact for children, families and staff, <i>Journal Of Child Health Care: For Professionals Working With Children In The Hospital And Community</i> , vol. 18, no. 3, pp. 286-296.	Journal Article

Author/s	Year	Title	Publication
Ford, K, et al	2015	Circle: one way of developing international research practice, <i>Archives of Disease in Childhood</i> , 2015; 100(suppl 3): A95. Royal College of Paediatrics and Child Health Annual Conference, April 28-30, Birmingham	Journal Article
Fox, L, Ragg, S, Lowenthal, R, Tegg, E, & Johnston, A	2014	Use of 'rainy day' autologous haemopoietic stem cells: a single-institution experience over 10 years, <i>Internal Medicine Journal</i> , vol. 44, no. 9, pp. 897-902.	Journal Article
Francis, A	2014	Report from the 2014 HAA Conference, <i>Nursing HSANZ - NG Newsletter</i> , 2014; 8(3): 10	Conference Report
Galloway, C, & Howells, J	2015	Harnessing breastmilk composition to improve a preterm infant's growth rate - a case study, <i>Breastfeeding Review</i> , vol. 23, no. 1, pp. 17-21.	Journal Article
Gastroenterology Departments O, N, C, S, C, H, J, W, J, M, R, K, E, P, P, D, D, S, A, B, A, M, T, W, C, P, D, & S, B	2015	Health care cost analysis in a population based inception cohort of Inflammatory Bowel Disease patients in the first year of diagnosis, <i>Journal Of Crohn's & Colitis Journal Of Crohn's & Colitis</i> . June 30.	Journal Article
Girao, G, et al	2015	A retrospective review of dispensing of biologics prescribed for the treatment of rheumatoid arthritis in the Australian population, <i>Internal Medicine Journal</i> , 45(suppl 2): 30: Abstract ARP71. Australian Rheumatology Association in conjunction with Rheumatology Health Professionals Association, 56th Annual Scientific Meeting, May 23-26, Adelaide, South Australia	Journal Article
Goldstein, D, El-Maraghi, RH, Hammel, P, Heinemann, V, Kunzmann, V, Sastre, J, Scheithauer, W, Siena, S, Tabernero, J, Teixeira, L, Tortora, G, Van Laethem, J, Young, R, Penenberg, DN, Lu, B, Romano, A, & Von Hoff, DD	2015	nab-Paclitaxel plus gemcitabine for metastatic pancreatic cancer: long-term survival from a phase III trial, <i>Journal Of The National Cancer Institute</i> , vol. 107, no. 2.	Journal Article
Goulding, E, Lim, B.H	2015	Life after death: posthumous sperm procurement. Whose right to decide? <i>BJOG: An International Journal of Obstetrics and Gynaecology</i> , 122(3): 394	Journal Article
Goulding, EA, & Barnden, KR	2014	Disseminated herpes simplex virus manifesting as pyrexia and cervicitis and leading to reactive hemophagocytic syndrome in pregnancy, <i>European Journal Of Obstetrics, Gynecology, And Reproductive Biology</i> , vol. 180, pp. 198-199.	Letter
Harrup, R, Pham, M, & McInerney, G	2014	Acute myeloid leukemia with diabetes insipidus and hypophyseal infiltration, <i>Asia-Pacific Journal Of Clinical Oncology</i> . Sept 12.	Journal Article
Hilliard, B, et al	2015	Hamman's syndrome following precipitate spontaneous vaginal birth, <i>BJOG: An International Journal of Obstetrics & Gynaecology</i> , 122(suppl 1):180 Abstract EPI0.53. Abstracts of the RCOG World Congress 12-15 April, Brisbane, Queensland	Journal Article

Author/s	Year	Title	Publication
Holmes, NE, Turnidge, JD, Munckhof, WJ, Robinson, JO, Korman, TM, O'Sullivan, MN, Anderson, TL, Roberts, SA, Warren, SC, Coombs, GW, Tan, H, Gao, W, Johnson, PR, & Howden, BP	2014	Genetic and molecular predictors of high vancomycin MIC in <i>Staphylococcus aureus</i> bacteremia isolates, <i>Journal Of Clinical Microbiology</i> , vol. 52, no. 9, pp. 3384-3393.	Journal Article - Multicenter Study
Huynh, QL, Saito, M, Blizzard, CL, Eskandari, M, Johnson, B, Adabi, G, Hawson, J, Negishi, K, & Marwick, TH	2015	Roles of nonclinical and clinical data in prediction of 30-day rehospitalization or death among heart failure patients, <i>Journal Of Cardiac Failure</i> , vol. 21, no. 5, pp. 374-381.	Journal Article
Jefferies, LS, Peh, CA, Jose, MD, Lange, K, & Hurtado, PR	2015	Randomized trial investigating the safety and efficacy of influenza vaccination in patients with antineutrophil cytoplasmic antibody-associated vasculitis, <i>Nephrology (Carlton, Vic.)</i> , vol. 20, no. 5, pp. 343-351.	Journal Article
Johnson, B, et al	2015	Prediction of 30-day rehospitalization or death among heart failure patients: roles of non-clinical data, <i>Journal of Cardiac Failure</i> , (Published online February 24)	Journal Article
Jones, G, et al	2015	A retrospective review of dispensing of biologics prescribed for the treatment of rheumatoid arthritis in the Australian population, <i>Internal Medicine Journal</i> , pl 2): 30: Abstract ARP71. Australian Rheumatology Association in conjunction with Rheumatology Health Professionals Association, 56th Annual Scientific Meeting, May 23-26, Adelaide, South Australia	Journal Article
Jones, G, et al	2015	Association of patellar bone marrow lesions with knee pain, patellar cartilage defect and patellar cartilage volume loss in older adults: a cohort study, <i>Osteoarthritis and Cartilage</i> , (Published online February 25)	Journal Article
Keyser, C	2014	Caudal Blockade for Children Undergoing Infra-abdominal Surgery, <i>AORN Journal</i> , vol. 100, no. 3, pp. 306-322.	Journal Article
Khan, MA, Pridmore, S	2015	Suicide is not exclusively a medical problem, <i>Working Paper of Public Health</i> , 05: 1-21	Journal Article
Kimble, F, et al	2015	Surgical excision as definitive treatment of non-tuberculosis mycobacterium cervicofacial lymphadenitis in children - a ten-year experience in Tasmania, <i>ANZ Journal of Surgery</i> , 85(suppl 1):92 Abstract PS015P Royal Australasian College of Surgeons 84th Annual Scientific Congress 2015, 4-8 May, Perth, Western Australia	Journal Article
Kobayashi, N, & Lim, BH	2015	Induction of labour and intrapartum care in obese women, <i>Best Practice & Research. Clinical Obstetrics & Gynaecology</i> , vol. 29, no. 3, pp. 394-405.	Journal Article
Lang, JR, Pearson, JT, te Pas, AB, Wallace, MJ, Siew, ML, Kitchen, MJ, Fouras, A, Lewis, RA, Wheeler, KI, Polglase, GR, Shirai, M, Sonobe, T, & Hooper, SB	2014	Ventilation/perfusion mismatch during lung aeration at birth, <i>Journal Of Applied Physiology (Bethesda, Md.: 1985)</i> , vol. 117, no. 5, pp. 535-543.	Journal Article

Author/s	Year	Title	Publication
Lawrence, C, et al	2014	Mutations in RAB39B cause X-linked intellectual disability and early-onset Parkinson disease with α -synuclein pathology, <i>American Journal Of Human Genetics</i> , vol. 95, no. 6, pp. 729-735. Nov 25.	Journal Article
Lee AY, AS, Hudspeth, AR, & Ray U	2015	Evaluation of antinuclear antibody (ANA) in ANA-associated connective tissue diseases, <i>Journal Of Clinical Pathology</i> . June 10.	Letter
Lee, A.Y.S, et al	2015	The relationship between CCR6 and its binding partners: does the CCR6-CCL20 axis have to be extended? <i>Cytokine</i> , 2015; 72(1): 97-101	Journal Article
Lees, AN	2015	Cutaneous metastasis of transitional cell carcinoma of the urinary bladder eight years after the primary: a case report, <i>Journal Of Medical Case Reports</i> , vol. 9, no. 1, p. 102.	Journal Article
Lewis, I, Smart, D, Brown, B, & Baines, C	2015	Performance of the Baxter Infusor LV10 under hyperbaric conditions, <i>Diving And Hyperbaric Medicine</i> , vol. 45, no. 1, pp. 37-41.	Journal Article
Lim, BH, et al	2015	Can we standardise the active management of third stage of labour (AMTSL)? <i>BJOG: An International Journal of Obstetrics & Gynaecology</i> , 122(suppl 1):234 Abstract EPI0.172. Abstracts of the RCOG World Congress 2015, 12-15 April, Brisbane, Queensland	Journal Article
Lim, BH, et al	2015	Homebirth after caesarean section: a choice too far? <i>BJOG: An International Journal of Obstetrics and Gynaecology</i> , 122(3): 410	Journal Article
Lim, K, Wheeler, KI, Jackson, HD, Sadeghi Fathabadi, O, Gale, TJ, & Dargaville, PA	2015	Lost without trace: oximetry signal dropout in preterm infants, <i>Archives Of Disease In Childhood. Fetal And Neonatal Edition</i> . June 8.	Journal Article
Lincz, LF, Scorgie, FE, Johnston, CI, O'Leary, M, Prasad, R, Seldon, M, Favalaro, E, & Isbister, GK	2014	Comparative sensitivity of commercially available aPTT reagents to mulga snake (<i>Pseudechis australis</i>) venom, <i>Pathology</i> , vol. 46, no. 5, pp. 444-449.	Comparative Study - Journal Article
Ling, J, Challis, D, Johnson, W, & Yew, S	2015	Anuric renal failure in a patient with Waldenstrom's macroglobulinaemia, <i>Nephrology (Carlton, Vic.)</i> , vol. 20, no. 4, p. 306.	Letter
Luu, JM, Friedrich, MG, Harker, J, Dwyer, N, Guensch, D, Mikami, Y, Faris, P, & Hare, JL	2014	Relationship of vasodilator-induced changes in myocardial oxygenation with the severity of coronary artery stenosis: a study using oxygenation-sensitive cardiovascular magnetic resonance, <i>European Heart Journal Cardiovascular Imaging</i> , vol. 15, no. 12, pp. 1358-1367.	Journal Article
Marsden, K, et al	2015	The effect of dabigatran on haemostasis tests: a comprehensive assessment using in vitro and ex vivo samples, <i>Pathology</i> , 47(4): 355-364	Journal Article
Martin, WG, Galligan, J, Simpson, S, Greenaway, T, & Burgess, J	2015	Admission blood glucose predicts mortality and length of stay in patients admitted through the emergency department, <i>Internal Medicine Journal</i> . June 25.	Journal Article
Marwick, T, et al	2015	Exercise limitation associated with asymptomatic left ventricular impairment : analogy with stage B heart failure, <i>Journal of the American College of Cardiology</i> , 65(3): 257-266	Journal Article

Author/s	Year	Title	Publication
Marwick, T, et al	2015	Improvement in strain concordance between two major vendors after the strain standardization initiative, <i>Journal of the American Society of Echocardiography</i> , (Published online January 27)	Journal Article
McKenzie, D, Anderson, T	2014	Community-acquired pneumonia: why aren't national antibiotic guidelines followed? <i>The International Journal of Clinical Practice</i> , (Published online November 28)	Journal Article
Millar, IL, McGinnes, RA, Williamson, O, Lind, F, Jansson, K, Hajek, M, Smart, D, Fernandes, T, Miller, R, Myles, P, & Cameron, P	2015	Hyperbaric Oxygen in Lower Limb Trauma (HOLLT); protocol for a randomised controlled trial, <i>BMJ Open</i> , vol. 5, no. 6, p. e008381.	Journal Article
Monsour, M, et al	2015	Mullerianosis of the urinary bladder, <i>ANZ Journal of Surgery</i> , 85(4): 292-293	Journal Article
Monsour, M, Nuwayhid, F, et al	2015	Profiles of dyadic adjustment for advanced prostate cancer to inform couple-based intervention, <i>Psychology & Health</i> , 2015; (Published online April 30)	Journal Article
Mulcahy, EM, Hudson, JB, Beggs, SA, Reid, DW, Roddam, LF, & Cooley, MA	2015	High peripheral blood th17 percent associated with poor lung function in cystic fibrosis, <i>Plos One</i> , vol. 10, no. 3, p. e0120912. Mar 24.	Journal Article
Nott, L, et al	2015	Gastrointestinal perforation in metastatic colorectal cancer patients with peritoneal metastases receiving bevacizumab, <i>World Journal of Gastroenterology</i> , 21(17): 5352-5358	Journal Article
Nott, L, et al	2015	Novel quality indicators for metastatic colorectal cancer management identify significant variations in these measures across treatment centers in Australia, <i>Asia-Pacific Journal of Clinical Oncology</i> , (Published online April 14)	Journal Article
Ono, D	2015	Prison Health Pro System: the Tasmanian experience, Paper delivered at The 10th Annual Australasian Custodial Health Medical Officers Conference held in Sydney November 22	Conference Paper
Page, S, Yee, K C.	2014	Rhabdomyolysis in association with simvastatin and dosage increment in clarithromycin, <i>Internal Medicine Journal</i> , vol. 44, no. 7, pp. 690-693.	Journal Article
Patel, R, Kongxiang, L, Shastri, M, Wanandy, T, & Jose, M	2015	Stability of ampicillin and amoxicillin in peritoneal dialysis solutions, <i>American Journal of Health-System Pharmacy</i> , vol. 72, no. 1, pp. 13-14.	Journal Article
Pearson, S, Nash, T, & Ireland, V	2014	Depression symptoms in people with diabetes attending outpatient podiatry clinics for the treatment of foot ulcers, <i>Journal Of Foot And Ankle Research</i> , vol. 7, no. 1, p. 47. Nov 25.	Journal Article
Pollard, C, Fitzgerald, M, & Ford, K	2015	Delirium: The lived experience of older people who are delirious post-orthopaedic surgery, <i>International Journal Of Mental Health Nursing</i> , vol. 24, no. 3, pp. 213-221.	Journal Article
Poulgrain, KM, Tolleson, G	2015	A rare complication of Epistats, <i>Journal of Clinical Neuroscience</i> , 2015; (Published online April 13)	Journal Article

Author/s	Year	Title	Publication
Prasad, R	2014	Comparative sensitivity of commercially available aPTT reagents to mulga snake (<i>Pseudechis australis</i>) venom. <i>Pathology</i> . 46(5):444-9.	Journal Article
Prasad, R, et al	2014	Benchmarking the management of children with haemophilia in Australia. <i>Journal of Paediatrics and Child Health</i> , 2014; 50(12):1032-1033	Journal Article
Read, G, et al	2014	Death due to haemodialysis vascular access haemorrhage. <i>Nephrology</i> , 2014; 19(suppl 4): 20	Journal Article
Rich, L, & Ashby, M	2014	Crime and Punishment, Rehabilitation or Revenge: Bioethics for Prisoners?, <i>Journal of Bioethical Inquiry</i> , vol. 11, no. 3, pp. 269-274.	Journal Article
Rich, L, & Ashby, M	2015	Can a Company be Bitchy?' Corporate (and Political and Scientific) Social Responsibility, <i>Journal of Bioethical Inquiry</i> , vol. 12, no. 2, pp. 159-169. Jun.	Journal Article
Rich, L, Ashby, M, & Shaw, D	2014	Art, (In)Visibility, and Ebola, "What Are the Consequences of a Digitally-Created Society in the Psyche of the Global Community?", <i>Journal of Bioethical Inquiry</i> , <i>Journal of Bioethical Inquiry</i> , vol. 11, no. 4, pp. 405-411. Nov 23.	Journal Article
Rotella, J, Jamieson, J, Mitchell, R, Perry, A, & Couser, G	2014	Perceptions of the ACEM trainee research requirement: The case for improving access and enhancing the experience. <i>Emergency Medicine Australasia</i> , vol. 26, no. 5, pp. 514-515.	Journal article
Saito, M, Negishi, K, Eskandari, M, Huynh, Q, Hawson, J, Moore, A, Koneru, S, Foster, S, & Marwick, TH	2015	Association of left ventricular strain with 30-day mortality and readmission in patients with heart failure, <i>Journal Of The American Society Of Echocardiography: Official Publication Of The American Society Of Echocardiography</i> , vol. 28, no. 6, pp. 652-666.	Journal Article
Sanderson, S, et al	2015	Australian Cardiovascular Health and Rehabilitation Association (ACRA) core components of cardiovascular disease secondary prevention and cardiac rehabilitation, <i>Heart, Lung and Circulation</i> , (Published online January 12)	Journal Article
Schultz, MG, Davies, JE, Hardikar, A, Pitt, S, Moraldo, M, Dhutia, N, Hughes, AD, & Sharman, JE	2014	Aortic reservoir pressure corresponds to cyclic changes in aortic volume: physiological validation in humans, <i>Arteriosclerosis, Thrombosis, And Vascular Biology</i> , vol. 34, no. 7, pp. 1597-1603.	Journal Article
Shannon, E	2015	Health LEADS Australia: implementation and integration into theory and practice, <i>Asia Pacific Journal of Health Management</i> , 10(1): 56-62	Journal Article
Shannon, E, et al	2014	From Service Provider to Service Manager: exploring the transition experience, <i>Asia Pacific Journal of Health Management</i> , 9(3): 24-30	Journal Article
Slatyer, M, et al	2014	Service utilisation in a public post-acute rehabilitation unit following traumatic brain injury, <i>Neuropsychological Rehabilitation</i> , 2014; (Published online December 11)	Journal Article
Smart, D	2014	Australia's model work health and safety regulations and medical fitness requirements for professional divers, <i>Diving And Hyperbaric Medicine</i> , vol. 44, no. 4, p. 248.	Letter

Author/s	Year	Title	Publication
Smart, D, et al	2015	Hyperbaric Oxygen in Lower Limb Trauma (HOLLT); protocol for a randomised controlled trial, <i>BMJ Open</i> , 5(6): e008381	Journal Article
Smart, D, et al	2015	Joint statement of the South Pacific Underwater Medicine Society (SPUMS) and the United Kingdom Sports Diving Medical Committee (UKSDMC) on persistent foramen ovale and decompression illness, <i>Diving and Hyperbaric Medicine</i> , 2015; 45(2): 129-131	Journal Article
Smart, DR, Van den Broek, C, Nishi, R, Cooper, PD, & Eastman, D	2014	Field validation of Tasmania's aquaculture industry bounce-diving schedules using Doppler analysis of decompression stress, <i>Diving And Hyperbaric Medicine</i> , vol. 44, no. 3, pp. 124-136.	Journal Article
Smith, DJ, Badrick, AC, Zakrzewski, M, Krause, L, Bell, SC, Anderson, GJ, & Reid, DW	2014	Pyrosequencing reveals transient cystic fibrosis lung microbiome changes with intravenous antibiotics, <i>The European Respiratory Journal</i> , vol. 44, no. 4, pp. 922-930.	Journal Article
Smith, JC, Walker, SR	2015	Surviving an abdominal aortic aneurysm type II endoleak rupture without surgical intervention, <i>Vascular</i> , vol. 23, no. 2, pp. 201-203.	Journal Article
Sreedharan, S, Fiorentino, M, & Sinha, S	2014	Plain abdominal radiography in acute abdominal pain-- is it really necessary?, <i>Emergency Radiology</i> , vol. 21, no. 6, pp. 597-603.	Journal Article
Stock, D, et al	2015	'Second-step' interferon-gamma release assay testing has been a worthwhile addition to screening for latent infection at a regional tuberculosis service, <i>American Journal of Respiratory and Critical Care Medicine</i> , 191: Abstract 5425. Abstracts of the American Thoracic Society 2015 International Conference, May 15-20, 2015, Denver	Journal Article
Stock, D, et al	2015	Bacille calmette-guerin vaccination in infancy may influence a tuberculin skin test performed in adolescence or adulthood, <i>American Journal of Respiratory and Critical Care Medicine</i> , 191: abstract 5426. Abstracts of the American Thoracic Society 2015 International Conference, May 15-20, Denver	Journal Article
Strange, G, Rose, M, Kermeen, F, O'Donnell, C, Keogh, A, Kotlyar, E, Grigg, L, Bullock, A, Disney, P, Dwyer, N, Whitford, H, Tanous, D, Frampton, C, Weintraub, R, & Celermajer, DS	2015	A Bi National Registry of Adults with Pulmonary Arterial Hypertension complicating Congenital Heart Disease, <i>Internal Medicine Journal [Intern Med J]</i> May 26.	Journal Article
Studd, C, Wilson, J, et al	2014	The first prospective Australian population-based natural history study of newly diagnosed IBD identifies frequent use of immunomodulators and low surgery rates, <i>Journal of Gastroenterology and Hepatology</i> , 29(S2): 119	Journal Article
Studd, C, Wilson, J, et al	2015	A prospective population based cohort of inflammatory bowel disease in the biologics era - disease course and predictors of severity, <i>Journal of Gastroenterology and Hepatology</i> , (Published online April 13)	Journal Article

Author/s	Year	Title	Publication
Taylor, B, et al	2015	A severe headache after visiting the chiropractor, <i>Internal Medicine Journal</i> , 2015; 45(suppl 3): 10 Abstract from RACP Congress Breaking Boundaries Creating Connections, May 24-27, Cairns, Queensland	Journal Article
Thomas, RL, Zubair, MY, Hayes, B, & Ashby, MA	2014	Goals of care: a clinical framework for limitation of medical treatment, <i>The Medical Journal Of Australia</i> , vol. 201, no. 8, pp. 452-455.	Journal Article
Tichanow, C, Ford, K, et al	2014	O-0954 Click! Engaging children in research about their lives: experiences of using photo-elicitation from England, Australia and New Zealand, <i>Archives of Disease in Childhood : Primary Care and General Paediatrics</i> , 99(suppl 2):A562	Journal Article
Verma, S, & Chambers, I	2014	Dental emergencies presenting to a general hospital emergency department in Hobart, Australia, <i>Australian Dental Journal</i> , vol. 59, no. 3, pp. 329-333.	Journal Article
Verma, S, & Chambers, I	2015	Update on patterns of mandibular fracture in Tasmania, Australia, <i>The British Journal Of Oral & Maxillofacial Surgery</i> , vol. 53, no. 1, pp. 74-77.	Journal Article
Verma, S, Chambers, I	2014	Synovial cyst of the temporomandibular joint: a case report with surgical management and long-term follow-up, <i>Oral Surgery</i> , (Published online November 26)	Journal Article
Verma, S, Garg, A, Nastri, A	2014	Orbitomaxillary mass after repair of the orbital floor, <i>The British Journal Of Oral & Maxillofacial Surgery</i> , vol. 52, no. 10, pp. 977-979.	Journal Article
Vervaart, P	2014	Ethics in online publications, <i>The Journal of the International Federation of Clinical Chemistry and Laboratory Medicine</i> , 25(3):24-31	Journal Article
Walters, E.H, et al	2015	Prospective outcomes in patients with acute exacerbations of Chronic Obstructive Pulmonary Disease (COPD) presenting to hospital: a generalisable clinical audit, <i>Internal Medicine Journal</i> , (Published online May 26)	Journal Article
Wanandy, T, et al	2015	Filtration of crushed tablet suspensions has potential to reduce infection incidence in people who inject drugs, <i>Drug and Alcohol Review</i> , 34(1): 67-73	Journal Article
Wanandy, T, Gueven, N, Davies, NW, Brown, SA, & Wiese, MD	2015	Pilosulins: a review of the structure and mode of action of venom peptides from an Australian ant <i>Myrmecia pilosula</i> , <i>Toxicon: Official Journal Of The International Society On Toxinology</i> , vol. 98, pp. 54-61.	Journal Article
Wang, J, Han, W, Wang, X, Pan, F, Liu, Z, Halliday, A, Jin, X, Antony, B, Cicuttini, F, Jones, G, & Ding, C	2014	Mass effect and signal intensity alteration in the suprapatellar fat pad: associations with knee symptoms and structure, <i>Osteoarthritis And Cartilage / OARS, Osteoarthritis Research Society</i> , vol. 22, no. 10, pp. 1619-1626.	Journal Article
Wang, X, Blizzard, L, Halliday, A, Han, W, Jin, X, Cicuttini, F, Jones, G, & Ding, C	2014	Association between MRI-detected knee joint regional effusion-synovitis and structural changes in older adults: a cohort study, <i>Annals Of The Rheumatic Diseases</i> . Dec 30.	Journal Article
Wheeler, K, et al	2015	Surfactant therapy via brief tracheal catheterization in preterm infants with or at risk of respiratory distress syndrome, (Protocol). <i>Cochrane Database of Systematic Reviews</i> , (Published online May 25)	Journal Article

Author/s	Year	Title	Publication
Whittle, A, Black, K	2014	Improving outcomes in peritoneal dialysis exit site care, <i>Renal Society of Australasia Journal</i> , vol 10, no. 3, 126-32.	Journal Article
White M, et al. (J Howells)	2015	Prevalence of malnutrition, obesity and nutritional risk of Australian paediatric inpatients: A national one-day snapshot, <i>J Paediatr Child Health</i> , (3):314-20. doi: 10.1111/jpc.12709.	Journal Article
Woodruffe, S, Neubeck, L, Clark, RA, Gray, K, Ferry, C, Finan, J, Sanderson, S, & Briffa, TG	2015	Australian Cardiovascular Health and Rehabilitation Association (ACRA) core components of cardiovascular disease secondary prevention and cardiac rehabilitation <i>Heart, Lung & Circulation</i> , vol. 24, no. 5, pp. 430-441.	Journal Article
Woods, M, Murfet, G	2015	Australian Nurse Practitioner Practice: Value Adding through Clinical Reflexivity, <i>Nursing Research And Practice</i> , vol. p. 829593. Jan 29.	Journal Article
Xu, S, Alexander, K, Bryant, W, Cohen, N, Craig, M, Forbes, M, Fulcher, G, Greenaway, T, Harrison, N, Holmes-Walker, D, Howard, G, Jackson, J, Jenkins, A, Kamp, M, Kaye, J, Sinha, A, Stranks, S, O'Neal, D, & Colman, P	2015	Healthcare professional requirements for the care of adult diabetes patients managed with insulin pumps in Australia, <i>Internal Medicine Journal</i> , vol. 45, no. 1, pp. 86-93.	Journal Article
Young, R, et al	2015	Nab-paclitaxel plus gemcitabine for metastatic pancreatic cancer: long-term survival from a phase III trial, <i>Journal of the National Cancer Institute</i> , 107(2): 1-10	Journal Article

MINISTERIAL DIRECTIONS AND PERFORMANCE ESCALATIONS

THO—South	Nature of Escalation	Date of Escalation	Date of De-escalation
Level 1, Premier's direction to A/CEO	Variation from budget - full year projected	July 2014 Financial Recovery Plan implemented	1 July 2015
Level 1, Premier's direction to A/CEO	Emergency Department - Ambulance offload delay	September 2014 Performance Improvement Plan implemented	1 July 2015
Level 2, Letter to THO Chair from DHHS Secretary	Variation from budget - full year projected	November 2014 Performance Improvement Team appointed	1 July 2015

NOTES

PART 3 - FINANCIAL STATEMENTS TASMANIAN HEALTH ORGANISATION — SOUTH

2014-15



TABLE OF CONTENTS

Statement of Certification	322
Statement of Comprehensive Income for the year ended 30 June 2015	323
Statement of Financial Position as at 30 June 2015	324
Statement of Cash Flows for the year ended 30 June 2015	325
Statement of Changes in Equity for the year ended 30 June 2015	326
Notes to and forming part of the Financial Statements for the year ended 30 June 2015	329
Audit Report	370

STATEMENT OF CERTIFICATION

The accompanying Financial Statements of Tasmanian Health Organisation — South are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2015 and the financial position as at 30 June 2015.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



John Ramsay
Chair of the Governing Council
13 August 2015



Craig Watson
Acting Chief Executive Officer
13 August 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Grants	1.7(b), 8.1	631 155	562 052	630 408
Sales of goods and services	1.7(c), 8.2	65 314	79 961	79 670
Interest	1.7(d)	0	153	148
Contributions received	1.7(e), 8.3	0	20	2 209
Other revenue	1.7(f), 8.4	18 188	16 597	13 480
Total revenue and other income from transactions		714 657	658 783	725 915
Expenses from transactions				
Employee benefits	1.8(a), 9.1	424 062	458 861	450 460
Depreciation and amortisation	1.8(b), 9.2	18 831	21 076	21 658
Supplies and consumables	9.3	169 242	178 166	171 855
Grants and subsidies	1.8(c), 9.4	5 123	7 034	6 826
Other expenses	1.8(e), 9.5	5 654	11 219	9 458
Total expenses from transactions		622 912	676 356	660 257
Net result from transactions (net operating balance)		91 745	(17 573)	65 658
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	1.9(a)(c), 10.1	34	1	(161)
Net gain/(loss) on financial instruments and statutory receivables/payables	1.10(b), 10.2	0	651	(320)
Total other economic flows included in net result		34	652	(481)
Net result from continuing operations		91 779	(16 921)	65 177
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in property, plant and equipment revaluation surplus	14.1	18 165	10 662	0
Total other comprehensive income		18 165	10 662	0
Comprehensive result		109 944	(6 259)	65 177

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	I.10(a), I5.1	19 858	35 070	22 505
Receivables	I.10(b), I1.1	8 237	14 229	12 078
Other financial assets	I.10(c), I1.2	3 648	9 036	9 439
<i>Non-financial assets</i>				
Inventories	I.10(d), I1.3	3 998	4 228	4 060
Property, plant and equipment	I.10(f), I1.4	488 858	442 664	445 934
Other assets	I.10(h), I1.5	1 582	2 443	1 596
Total assets		526 181	507 670	495 612
Liabilities				
Payables	I.11(a), I2.1	12 303	31 990	21 136
Interest bearing liabilities	I.11(b), I2.2	0	5 000	0
Employee benefits	I.11(c), I2.3	84 148	108 575	106 428
Other liabilities	I.11(e), I2.4	4 952	7 306	6 990
Total liabilities		101 403	152 871	134 554
Net assets		424 778	354 799	361 058
Equity				
Contributed capital reserve	I4.2	185 639	193 223	193 223
Reserves	I4.1	119 743	112 240	101 578
Accumulated funds		119 396	49 336	66 257
Total equity		424 778	354 799	361 058

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Grants		521 325	557 873	541 917
Sales of goods and services		66 184	79 125	75 420
GST receipts		12 598	15 924	14 881
Interest received		0	153	148
Other cash receipts		18 304	16 597	12 194
Total cash inflows		618 411	669 672	644 560
Cash outflows				
Employee benefits		(424 766)	(456 837)	(441 859)
GST payments		(12 598)	(16 003)	(14 931)
Grants and transfer payments		(5 122)	(7 034)	(6 826)
Supplies and consumables		(168 869)	(168 053)	(160 739)
Other cash payments		(5 649)	(11 093)	(9 574)
Total cash outflows		(617 004)	(659 020)	(633 929)
Net cash from/(used by) operating activities	15.2	1 407	10 652	10 631
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		34	2	(21)
Total cash inflows		34	2	(21)
Cash outflows				
Payment for acquisition of non-financial assets		(2 777)	(3 089)	(6 964)
Total cash outflows		(2 777)	(3 089)	(6 964)
Net cash from/(used by) investing activities		(2 743)	(3 087)	(6 985)
Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		0	5 000	0
Total cash inflows		0	5 000	0
Net cash from/(used by) financing activities		0	5 000	0
Net increase/(decrease) in cash and cash equivalents held		(1 336)	12 565	3 646
Cash and deposits at the beginning of the reporting period		21 194	22 505	18 843
Cash transferred in due to restructure		0	0	16
Cash and deposits at the end of the reporting period	15.1	19 858	35 070	22 505

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2014		193 223	101 578	66 257	361 058
Net Result		0	0	(16 921)	(16 921)
Other Comprehensive Income		0	10 662	0	10 662
Total comprehensive result		0	10 662	(16 921)	(6 259)
Balance as at 30 June 2015		193 223	112 240	49 336	354 799
	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2013		185 639	101 578	1 080	288 297
Net Result		0	0	65 177	65 177
Total comprehensive result		0	0	65 177	65 177
Transactions with owners in their capacity as owners:					
Administrative restructure - net assets received	1.6	7 584	0	0	7 584
Balance as at 30 June 2014		193 223	101 578	66 257	361 058

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1	SIGNIFICANT ACCOUNTING POLICIES	329
1.1	Objectives and Funding	239
1.2	Basis of Accounting	239
1.3	Functional and Presentation Currency	330
1.4	Changes in Accounting Policies	330
1.5	Activities Undertaken Under a Trustee or Agency Relationship	332
1.6	Transactions by the Government as Owner - Restructuring of Administrative Arrangements	332
1.7	Income from Transactions	332
1.8	Expenses from Transactions	334
1.9	Other Economic Flows included in Net Result	335
1.10	Assets	336
1.11	Liabilities	338
1.12	Leases	340
1.13	Judgements and Assumptions	340
1.14	Foreign Currency	340
1.15	Comparative Figures	340
1.16	Budget Information	340
1.17	Rounding	341
1.18	Taxation	341
1.19	Goods and Services Tax	341
NOTE 2	THO OUTPUT SCHEDULES	341
2.1	Output Group Information	341
NOTE 3	EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS	342
NOTE 4	EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES	343
4.1	Statement of Comprehensive Income	343
4.2	Statement of Financial Position	344
4.3	Statement of Cash Flows	345
NOTE 5	EVENTS OCCURRING AFTER BALANCE DATE	345
NOTE 6	SIGNIFICANT ACCOUNTING JUDGEMENTS	346
NOTE 7	UNDERLYING NET OPERATING BALANCE	346
NOTE 8	INCOME FROM TRANSACTIONS	347
8.1	Grants	347
8.2	Sales of Goods and Services	348
8.3	Contributions Received	348
8.4	Other Revenue	348

NOTE 9	EXPENSES FROM TRANSACTIONS	349
9.1	Employee Benefits	349
9.2	Depreciation and Amortisation	351
9.3	Supplies and Consumables	351
9.4	Grants and Subsidies	351
9.5	Other Expenses	352
NOTE 10	OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT	352
10.1	Net Gain/(Loss) on Non-Financial Assets	352
10.2	Net Gain/(Loss) on Financial Instruments and Statutory Receivables/Payables	352
NOTE 11	ASSETS	352
11.1	Receivables	352
11.2	Other Financial Assets	353
11.3	Inventories	353
11.4	Property, Plant and Equipment	354
11.5	Intangibles	357
11.6	Other Assets	357
NOTE 12	LIABILITIES	358
12.1	Payables	358
12.2	Interest Bearing Liabilities	358
12.3	Employee Benefits	359
12.4	Other Liabilities	359
NOTE 13	COMMITMENTS AND CONTINGENCIES	360
13.1	Schedule of Commitments	360
13.2	Contingent Assets and Liabilities	361
NOTE 14	RESERVES	362
14.1	Reserves	362
14.2	Contributed Capital	362
NOTE 15	CASH FLOW RECONCILIATION	363
15.1	Cash and deposits	363
15.2	Reconciliation of Net Result to Net Cash from Operating Activities	363
NOTE 16	FINANCIAL INSTRUMENTS	364
16.1	Risk Exposures	364
16.2	Categories of Financial Assets and Liabilities	367
16.3	Reclassifications of Financial Assets	367
16.4	Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities	367
16.5	Net Fair Values of Financial Assets and Liabilities	368
NOTE 17	TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT	369

NOTE I SIGNIFICANT ACCOUNTING POLICIES

I.1 OBJECTIVES AND FUNDING

Tasmanian Health Organisation — South (THO—South) was established under the *Tasmanian Health Organisation Act 2011* as a result of the implementation of the National Health Reform. THO—South commenced operations on 1 July 2012 as a Statutory Authority with a Governing Council established under the Act.

Under the National Health Reform Agreement (NHRA), funding is provided to THO—South on the basis of activity through Activity Based Funding (ABF) wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). Also, under new administrative arrangements in place since 2013-14, funding due to THO—South under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure is paid as grants rather than by way of appropriation.

In addition, THO—South provides services to fee paying privately insured patients, or patients who will receive compensation for these expenses due to the circumstances surrounding their injury. The financial statements encompass all funds through which the THO—South controls resources to carry on its functions.

As legislated, the principal purpose of the Tasmanian Health Organisation – South is to:

- ▶ Promote and maintain the health of persons; and
 - ▶ Provide care and treatment to, and ease the suffering of, persons with health problems;
- as agreed in the Tasmanian Health Organisation – South’s Service Agreement and within the budget provided in the Service Agreement.

I.2 BASIS OF ACCOUNTING

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- ▶ Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- ▶ The Treasurer’s Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Chair of the Governing Council and Chief Executive Officer on 13 August 2015.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. THO—South is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.4.

The Financial Statements have been prepared as a going concern. However, as at 30 June 2015 THO—South will cease to exist and will transfer/be renamed to a new entity, Tasmanian Health Service (THS). Refer to note 5 for further details. The continued existence of THS, undertaking its current activities, is dependent on Government policy and continuing funding by the Department of Health and Human Services for THO—South's administration and activities.

1.3 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Australian dollars, which is THO—South's functional currency.

1.4 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

In the current year, THO-S has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

- ▶ AASB 1055 *Budgetary Reporting* - The objective of this Standard is to specify budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. Disclosures made in accordance with this Standard provide users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it. There is no financial impact. However, there is a disclosure impact and this has been compiled with historically per note 4.
- ▶ 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Operative dates: Part A *Conceptual Framework* – 20 December 2013; Part B *Materiality* – 1 January 2014; Part C *Financial Instruments* – 1 January 2015] - The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:
 - a) as a consequence of the issue of Accounting Framework AASB CF 2013-1 *Amendments to the Australian Conceptual Framework*, and editorial corrections, as set out in Part A of this Standard;"
 - (b) to delete references to AASB 1031 *Materiality* in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard; and
 - (c) as a consequence of the issuance of IFRS 9 *Financial Instruments – Hedge Accounting* and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB in November 2013, as set out in Part C of this Standard."

There is no financial impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- ▶ AASB 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of *revenue* and cash flows arising from a *contract* with a customer. This Standard applies to annual reporting periods beginning on or after 1 January 2017.

Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The THO has not fully assessed the financial impact.

- ▶ 2010-7, 2014-7 and 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9* – The objective of these Standards is to make amendments to various standards as a consequence of the issuance of AASB 9 Financial Instruments in December 2010. THO—South has determined that there will be no financial impact.
- ▶ 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* [AASB 116 & AASB 138] – The objective of this Standard is to make amendments to:
 - (a) AASB 116 *Property, Plant and Equipment*; and
 - (b) AASB 138 *Intangible Assets*;
 as a consequence of the issuance of International Financial Reporting Standard *Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to IAS 16 and IAS 38) by the International Accounting Standards Board in May 2014. The THO has determined that there will be no financial impact.
- ▶ 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)* [AASB 9 (2009 & 2010)] – The objective of this Standard The objective of this Standard is to make amendments to:
 - (a) AASB 9 *Financial Instruments* (December 2009); and
 - (b) AASB 9 *Financial Instruments* (December 2010);
 as a consequence of the issuance of AASB 9 Financial Instruments in December 2014. The THO has determined that there will be no financial impact.
- ▶ 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049] – The objective of this Standard is to make amendments to various standards (as noted) as a consequence of the issuance of International Financial Reporting Standard Disclosure Initiative (Amendments to IAS 1) by the International Accounting Standards Board in December 2014, and to make an editorial correction. The THO has determined that there will be no financial impact.
- ▶ 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* - The objective of this Standard is to effect the withdrawal of AASB 1031 Materiality and to delete references to AASB 1031 in the Australian Accounting Standards, as set out in paragraph 13 of this Standard.
- ▶ 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* - The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit public sector entities. There will be no material financial impact but there are likely to be additional disclosures.

(c) Voluntary changes in accounting policy

THO—South has not adopted any new accounting policies during the financial year ended 30 June 2015.

I.5 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY RELATIONSHIP

Transactions relating to activities undertaken by THO—South in a trust or fiduciary (agency) capacity do not form part of THO—South's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered. Details of transactions and balances relating to a trustee or agency arrangement are provided at Note 16.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

I.6 TRANSACTIONS BY THE GOVERNMENT AS OWNER – RESTRUCTURING OF ADMINISTRATIVE ARRANGEMENTS

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

I.7 INCOME FROM TRANSACTIONS

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

(a) Revenue from Government

Under the National Health Reform Agreement (NHRA), funding is provided to THO—South on the basis of activity through Activity Based Funding (ABF) wherever practicable. Funding for smaller regional or rural hospitals is provided on a block funding basis. Funds for teaching, training and research are also provided on a block funding basis. Pricing under the NHRA is determined by an Independent Hospitals Pricing Authority (IHPA). Also, under new administrative arrangements in place since 2013-14, funding due to THO—South under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure is paid as grants rather than by way of appropriation.

(b) Grants

Grants payable by the Australian Government are recognised as revenue when THO—South gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

The construction and redevelopment of buildings is undertaken by the Department of Health and Human Services. When the buildings are commissioned they are transferred, together with the land, to THO—South.

(c) Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(d) Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

(e) Contributions received

Services received free of charge by THO—South are recognised as income when a fair value can be reliably determined and at the time the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when THO—South obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to THO—South and the amount can be measured reliably. However, where the contribution received is from another government agency as a consequence of restructuring of administrative arrangements, they are recognised as contributions by owners directly within equity. In these circumstances, book values from the transferor agency have been used.

(f) Other revenue

Other revenue is primarily the recovery of costs incurred and is recognised when an increase in future economic benefits relating to an increase in an asset or a decrease of a liability has arisen that can be reliably measured.

(g) Activity Based Funding and Block Funding

Activity Based Funding (ABF) refers to a system for funding public hospital services provided to individual patients using national classifications, cost weights and nationally efficient prices developed by the Independent Hospital Pricing Authority.

Block Funding refers to funding provided to support:

- ▶ Public hospital functions other than in-patient services; and
- ▶ Public patient services provided by facilities that are not appropriately funded through ABF.

Under National Health Reform, ABF from the Australian Government and the Department of Health and Human Services is provided directly to the THOs via the Tasmanian state pool account (Reserve Bank of Australia account established in 2012-13), which is part of the National Health Funding Pool.

Block Funding is provided by the Australian Government through the state pool account, but is provided to the THOs via the State Managed Fund, which is an account established by the State for the purposes of health funding under the National Health Reform Agreement.

Block Funding provided to THO—South by the Department of Health and Human Services is made via the State Managed Fund.

When a resident of one state receives hospital treatment in another state, the resident state compensates the treating or provider state for the cost of that care via a cross border payment. Current year cross border payments are made on behalf of THO—South through the state pool account by the Department of Health and Human Services, with the associated revenue and expenditure being recognised in THO—South’s accounts.

I.8 EXPENSES FROM TRANSACTIONS

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and Artwork, being assets with unlimited useful lives, are not depreciated.

Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Vehicles	5 years
Plant and equipment	2-20 years
Medical equipment	4-20 years
Buildings	40-50 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset’s future economic benefits are expected to be consumed by THO—South.

Major amortisation periods are:

Software	3-20 years
----------	------------

(c) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- ▶ the services required to be performed by the grantee have been performed; or
- ▶ the grant eligibility criteria have been satisfied.

A liability is recorded when THO—South has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

(d) Contributions provided

Contributions provided free of charge by THO—South, to another entity, are recognised as an expense when fair value can be reliably determined. No contributions were provided free of charge during 2014-15.

(e) Other expenses

Other expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be reliably measured.

1.9 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

(a) Gain/(loss) on sale of non-financial assets

Gains or losses from the sale of non-financial assets are recognised when control of the assets has passed to the buyer.

(b) Impairment – Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the Statement of Comprehensive Income.

(c) Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. THO—South's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

Impairment losses are recognised in the Statement of Comprehensive Income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

I.10 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to THO—South and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

(c) Other financial assets

Other financial assets are recorded at fair value.

(d) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal consideration are valued at current replacement cost.

(e) Assets held for sale

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with THO—South’s accounting policies. Thereafter the assets (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

(f) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings, artwork assets and other long-lived assets are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour; any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to THO—South and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by THO—South is:

Vehicles	\$10,000
Plant and equipment	\$10,000
Land and buildings	\$10,000
Intangibles	\$50,000
Artwork	\$10,000

Assets valued at less than \$10,000 (or \$50,000 for intangible assets) are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

THO—South's land and building assets were revalued by an independent Valuer as at 30 June 2015. A full revaluation of land at fair value, and buildings at replacement depreciated cost on net basis is undertaken every five years. In the intervening years the values are adjusted by an indice supplied by the Valuer. Land acquired and buildings commissioned in their first year are not revalued. They are revalued in subsequent years.

(g) Intangibles

An intangible asset is recognised where:

- ▶ it is probable that an expected future benefit attributable to the asset will flow to THO—South; and
- ▶ the cost of the asset can be reliably measured.

Intangible assets held by THO—South are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangible assets held by THO—South are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The asset capitalisation threshold for intangible assets adopted by THO—South is \$50,000.

(h) Other assets

Other assets are recorded at fair value and include prepayments.

I.11 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when THO—South becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Provisions

A provision arises if, as a result of a past event, THO—South has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

(c) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured at the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2015, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(d) Superannuation

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

THO—South does not recognise a liability for the accruing superannuation benefits of State Service employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

(e) Other liabilities

Other liabilities and other financial liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Other liabilities include revenue received in advance and on-costs associated with employee benefits. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefits expected to be realised within 12 months are measured at the amount expected to be paid. Other on-costs associated with employee benefits are measured at the present value of the cost at 30 June 2015, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

I.12 LEASES

THO—South has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

THO—South entered into a lessor arrangement with HPH Developments Pty Ltd in 1999 to lease its Queen Alexandra premises on the corner of Argyle and Collins Streets, Hobart. The lease agreement is for a period of twenty years, due to expire in 2019. Revenue generated from the lease consists of a \$15 million lump sum payment made by HPH Developments Pty Ltd at the beginning of the lease period, as well as an annual franchise fee charge for which THO—South receives \$750,000 p.a.

THO—South is prohibited by Treasurer's Instruction 502 Leases from holding finance leases.

I.13 JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, THO—South is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Details of significant accounting judgements are included at Note 6.

I.14 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

I.15 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards at Note 1.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

I.16 BUDGET INFORMATION

Budget information refers to original Budget estimates as reflected in the 2014-15 Budget Papers and is not subject to audit.

I.17 ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Amounts less than \$500 are rounded to zero.

I.18 TAXATION

THO—South is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

I.19 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

NOTE 2 THO OUTPUT SCHEDULES

2.1 OUTPUT GROUP INFORMATION

“Budget information refers to original Budget estimates reflected in the 2014-15 Budget Papers which has not been subject to audit.

	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Expense by Output			
I.1 Admitted Services	333 358	381 476	366 389
I.2 Non-admitted Services	53 503	60 938	58 876
I.3 Emergency Department Services	46 911	50 681	48 314
I.4 Community and Aged Care Services	105 262	100 279	102 698
I.5 Statewide and Mental Health Services	82 338	81 673	82 585
I.6 Forensic Medicine Services	1 540	1 309	1 395
Total	622 912	676 356	660 257

NOTE 3 EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funds		Australian Government Funding	
	2015 Actual \$'000	2014 Actual \$'000	2015 Actual \$'000	2014 Actual \$'000
National Partnership Payments				
Health Services	273	207	16 349	17 329
Commonwealth Own Purpose Expenditures				
Other	1 349	1 488	11 110	14 188
National Health Reform Funding Arrangements				
Activity Based Funding	164 249	219 535	158 319	111 019
Block Funding	160 762	138 468	29 250	20 093
Total	326 633	359 698	215 028	162 629

This schedule shows the cash expenditure acquitted against each of the Fund groups. The Grant revenue received for each of these is outlined in Note 8.1.

National Partnership Payments (NPPs) are provided for the purpose of the delivery of specified projects, facilitate reforms or reward jurisdictions that deliver nationally significant reforms.

Commonwealth Own Purpose Expenditure is funding paid directly from the Australian Government to the states and territories for the provision of services identified by the Australian Government.

NOTE 4 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$1 million.

4.1 STATEMENT OF COMPREHENSIVE INCOME

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance
Grants	(a)	631 155	562 052	(69 103)	(10.9%)
Sales of goods and services	(b)	65 314	79 961	14 647	22.4%
Depreciation and amortisation	(c)	18 831	21 076	(2 245)	(11.9%)
Grants and subsidies	(d)	5 123	7 034	(1 911)	(37.3%)
Other expenses	(e)	5 654	11 219	(5 565)	(98.4%)

Notes to Statement of Comprehensive Income variances

- Following the release of the original budget allocation for grants, the capital grants budget was reduced by \$105.4 million and the budget for National Partnership Agreements (NPA) was reduced by \$5.4 million. This reduction was offset by a \$22.1 million increase to the State and Commonwealth block and activity based funding budgets, and a \$1.6 million increase to the Commonwealth Own Purpose Expenditure (COPES) budget. The remaining variance is largely due to a \$14.8 million State block funded payment for which no budget was allocated, as well as the receipt of \$2.3 million of NPA funding that was not budgeted for.
- The variance in sales of goods and services largely relates to higher than expected receipts in inpatient and outpatient fees (\$5.0 million), dental fees (\$2.8 million), other user charges (\$2.6 million), pharmaceutical benefits scheme (\$2.1 million) and private patients scheme (\$1.1 million).
- The original budget allocation for depreciation and amortisation did not fully account for the large number of assets that were transferred from DHHS to THO-South in 2013/14.
- Subsequent to the release of the original budget, the budget allocation made to grants and subsidies was increased by \$1.9 million so that it aligned with relative agreements.
- The budget for other expenses includes the medical liability portion of the TRMF premium but not the workers compensation portion (\$5.2 million).

4.2 STATEMENT OF FINANCIAL POSITION

Budget estimates for the 2014-15 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2014-15. As a result, the actual variances from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2014-15. The following variance analysis therefore includes major movements between the 30 June 2014 and 30 June 2015 actual balances.

	Note	Budget \$'000	2015 Actual \$'000	2014 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	19 858	35 070	22 505	15 212	12 565
Receivables	(b)	8 237	14 229	12 078	5 992	2 151
Other financial assets	(c)	3 648	9 036	9 439	5 388	(403)
Property, plant and equipment	(d)	488 858	442 664	445 934	(46 194)	(3 270)
Payables	(e)	12 303	31 990	21 136	(19 687)	(10 854)
Interest bearing liabilities	(f)	0	5 000	0	(5 000)	(5 000)
Employee benefits	(g)	84 148	108 575	106 428	(24 427)	(2 147)

Notes to Statement of Financial Position variances

- Following the release of the original budget, the allocation made to cash and deposits was increased by \$12.9 million. The remaining budget variance relates to an unanticipated increase in cash held. The \$12.6 million actual variance is largely due to cash being held by THO-South for payment of 2013-14 and 2014-15 interstate charging fees. It is anticipated that these payments will occur in 2015-16.
- Subsequent to the release of the original budget, the allocation made to receivables increased by \$2.4 million. The remaining budget variance is largely due to an underestimation of the value of debtors at year's end in the iPas system when establishing the revised budget (\$3.2 million). The \$2.2 million actual variance largely relates to the unanticipated increase in debtors on the iPas system previously mentioned (\$2.6 million increase year on year).
- The allocation made to other financial assets was increased by \$4.8 million after the release of the original budget papers. The \$1.1 million actual variance is due to a \$1.0 million reduction in accrued revenue for DVA reimbursements year on year.
- Following the release of the original budget, the allocation made to property, plant and equipment was decreased by \$31.2 million. In addition to this, the revised budget allocation made to buildings and plant and equipment was overestimated by \$14.9 million. This was largely due to the delay in the RHH Redevelopment project, which in turn delayed the transfer of assets to THO-South. The \$3.3 million reduction in the balance of property, plant and equipment between 2014 and 2015 is largely due to increased depreciation.
- Subsequent to the release of the original budget, the allocation made to payables was increased by \$8.4 million. In addition, there were unbudgeted increases of \$7.3 million and \$3.9 million due to the accrual of the 13-14 and 14-15 interstate charging costs and an unanticipated increase in the value of creditors respectively. The \$10.9 million actual variance largely relates to the accrual of the 13-14 and 14-15 interstate charging costs and the increase in creditors previously mentioned.
- THO-South received a \$5 million loan from DHHS in 2014-15 to offset employee separation costs. Further information regarding this can be found in note 12.2.
- The allocation made to employee benefits was increased by \$15.4 million after the release of the original budget papers. The majority of the remaining variance relates to \$4.9 million of accrued annual and long service liabilities above budget, as well as \$1.6 million of accrued salaries above budget. The \$2.1 million actual variance is regarded as being an immaterial increase.

4.3 STATEMENT OF CASH FLOWS

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance
Sales of goods and services	(a)	66 184	79 125	12 941	19.6%
Grants and transfer payments	(b)	(5 122)	(7 034)	(1 912)	37.3%
Other cash payments	(c)	(5 649)	(11 093)	5 444	(96.4%)
Proceeds from borrowings	(d)	0	5 000	5 000	n/a

Notes to Statement of Cash Flows variances

- (a) The variance in sales of goods and services largely relates to higher than expected cash receipts in inpatient and outpatient fees (\$3.8 million), dental fees (\$2.8 million), other user charges (\$2.7 million), pharmaceutical benefits scheme (\$2.1 million) and private patients scheme (\$1.0 million).
- (b) Subsequent to the release of the original budget, the allocation made to grants and transfer payments was increased by \$1.9 million.
- (c) The budget for other cash payments includes the medical liability portion of the TRMF premium but not the workers compensation portion (\$5.2 million).
- (d) THO-South received a \$5 million loan from DHHS in 2014-15 to offset employee separation costs. Further information regarding this can be found in note 12.2.

NOTE 5 EVENTS OCCURRING AFTER BALANCE DATE

On 1 July 2015, THO-North West and THO-South were amalgamated into THO-North which was subsequently renamed the Tasmanian Health Service (THS). As such, the assets and liabilities of THO-North West and THO-South were transferred to the THS.

NOTE 6 SIGNIFICANT ACCOUNTING JUDGEMENTS

Judgements made by THO-South that have significant effects on the Financial Statements are discussed below:

- ▶ 1.10(b) Depreciation and amortisation;
- ▶ 1.12(b), 1.12 (c) & 11.7 Impairment;
- ▶ 1.12(h) & 11.7(a) Property, plant and equipment;
- ▶ 1.13(c) & 11.1 Provision for impairment;
- ▶ 1.13(d) & 12.3 Employee benefits;
- ▶ 1.13(e) & 12.4 Superannuation;
- ▶ 1.13(e) & 12.4 Measurement of defined benefit obligations;
- ▶ 1.13(c), 1.13(f), 12.3 & 13.2 Commitments and contingencies; and
- ▶ 2.13(a) & 15 Key assumptions used in cash flow projections.

NOTE 7 UNDERLYING NET OPERATING BALANCE

Non-operational capital funding is the income from transactions relating to funding for capital projects. This funding is classified as income from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance.

For this reason, the net operating result is adjusted to remove the effects of funding for capital projects.

	2015 Budget \$'000	2015 Actual \$'000	2014 Actual \$'000
Net result from transactions (net operating balance)	91 745	(17 573)	65 658
<i>Less impact of Non-operational capital funding</i>			
Assets transferred	109 830	4 179	86 558
Total	109 830	4 179	86 558
Underlying Net operating balance	(18 085)	(21 752)	(20 900)

NOTE 8 INCOME FROM TRANSACTIONS

8.1 GRANTS

	2015 \$'000	2014 \$'000
Continuing Operations		
Grants from the Australian Government		
Commonwealth Recurrent Grants - Block Funding	29 251	20 094
Commonwealth Recurrent Grants - Activity Based Funding	161 628	112 693
COPES Receipts	15 480	13 935
Other Commonwealth Grants	16 734	16 861
Total	223 093	163 583
Grants from the State Government		
State Grants - Block Funding	169 410	160 540
State Grants - Activity Based Funding	165 069	219 535
Total	334 479	380 075
Capital grants		
Assets Transferred	4 179	86 558
Total	4 179	86 558
WIP expensed grants		
Expenses transferred	301	192
Total	301	192
Total revenue from Grants	562 052	630 408

8.2 SALES OF GOODS AND SERVICES

	2015 \$'000	2014 \$'000
Residential Rent Income	33	32
Commercial Rent Income	275	389
Income From Purchase Of Dwellings	0	8
Pharmacy Non-Pharmaceutical Benefits Scheme	327	242
Prostheses	5 626	4 182
Inpatient, Outpatient Nursing Home Fees	24 637	25 274
Ambulance Fees	0	(1)
Dental	6 442	4 924
Pharmaceutical Benefits Scheme Co-payments	366	401
Pharmaceutical Benefits Scheme Revenue from Medicare	15 369	14 059
Private Patient Scheme	17 694	17 555
Other Client Revenue	371	1 129
Hobart Private Hospital Revenue	783	1 534
Other user charges	8 038	9 942
Total	79 961	79 670

8.3 CONTRIBUTIONS RECEIVED

	2015 \$'000	2014 \$'000
Fair Value of assets assumed at no cost or for nominal consideration	20	2 209
Total	20	2 209

8.4 OTHER REVENUE

	2015 \$'000	2014 \$'000
Wages and Salaries Recoveries	8 595	5 393
Food recoveries	883	1 027
Multipurpose Centre Recoveries	104	108
Workers Compensation Recoveries	2 337	2 337
Operating Recoveries	2 185	2 455
Donations	1 078	756
Industry Funds	1 415	1 404
Total	16 597	13 480

NOTE 9 EXPENSES FROM TRANSACTIONS

9.1 EMPLOYEE BENEFITS

(a) Employee expenses

	2015 \$'000	2014 \$'000
Wages and salaries including FBT	367 694	352 276
Annual leave	24 564	25 775
Long service leave	3 782	9 859
Sick leave	12 886	12 852
Other post-employment benefits	3 082	3 537
Other employee expenses - other staff allowances	632	602
Superannuation expenses - defined contribution and benefits schemes	46 221	45 559
Total	458 861	450 460

Superannuation expenses for defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.75 per cent (2014: 12.5 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to nominated superannuation funds at a rate of 9.5 per cent (2014: 9.25 per cent) of salary. In addition, Departments are also required to pay into the Consolidate Fund a “gap” payment equivalent to 3.25 per cent (2014: 3.5 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key Management Personnel

2015							
	Short-term benefits		Long-term benefits				
	Salary \$'000	Other Benefits \$'000	Super- annuation \$'000	Post- Employment Benefits \$'000	Termination Benefits \$'000	Other Benefits & Long-Service Leave \$'000	
Key Management Personnel							
Governing Council							
Graeme Houghton (to 16/1/2015) - <i>Chairperson</i>	30	0	3	3	0	0	36
John Ramsay (from 17/1/2015) - <i>Chairperson</i>	23	0	2	1	0	0	26
Suzanne Baker	29	10	4	0	0	0	43
Lynley Cox	29	10	4	1	0	0	44
Lisa Wardlaw-Kelly	29	10	4	0	0	0	43
Michael Ashby	12	0	1	0	0	0	13
Total governing council remuneration	152	30	18	5	0	0	205
Executive Directors							
Matthew Daly (to 1/5/2015) - <i>Chief Executive Officer</i>	362	-3	37	0	29	-2	423
Antonio Xabregas - <i>Medical Services</i>	194	176	28	13	0	0	411
Coral Paton - <i>Nursing</i>	150	31	21	1	0	4	207
Craig Watson (to 1/5/2015) - <i>System Reform</i>	153	9	20	0	0	1	183
Matthew Double - <i>HR Reform</i>	154	8	15	0	0	2	179
Directors							
Scott Adams - <i>Corporate Services</i>	154	20	15	0	0	0	189
Wendy Rowell - <i>Allied Health</i>	122	31	18	2	0	5	178
Adrianne Belchamber - <i>Clinical Operations</i>	135	68	13	0	0	1	217
Acting key management personnel							
Craig Watson (from 2/5/2015) - <i>Chief Executive Officer</i>	29	4	4	0	0	1	38
Total executive management remuneration	1 453	344	171	16	29	12	2 025
Total key management personnel remuneration	1 605	374	189	21	29	12	2 230

Salary and other benefits include all forms of consideration paid and payable for services rendered, compensated absences during the period, fringe benefits and salary sacrifice amounts. Superannuation means the contribution to the superannuation fund of the individual. Post-employment benefits include all other forms of employment allowances relating to travel, accommodation and meals. Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

Remuneration does not include private practice payments, on-call, in lieu of call and other allowances where relevant.

9.2 DEPRECIATION AND AMORTISATION

(a) Depreciation

	2015 \$'000	2014 \$'000
Plant, equipment and vehicles	5 292	5 067
Buildings	15 784	16 591
Total	21 076	21 658

9.3 SUPPLIES AND CONSUMABLES

	2015 \$'000	2014 \$'000
Consultants	252	393
Property Services	19 318	17 810
Maintenance	6 989	7 509
Communications	3 119	3 059
Information Technology	2 873	5 124
Travel and Transport	5 896	6 307
Medical, Surgical and Pharmacy Supplies	97 626	90 642
Advertising and Promotion	87	98
Patient and Client Services	11 592	11 853
Leasing Costs	2 465	2 704
Equipment and Furniture	2 076	2 483
Administration	3 747	3 682
Food Production Costs	4 037	4 150
Other Supplies and Consumables	4 114	4 083
Corporate Overhead Charge	12 719	11 292
Service Fees	1 168	571
Audit Fees - financial audit	88	95
Total	178 166	171 855

9.4 GRANTS AND SUBSIDIES

	2015 \$'000	2014 \$'000
Other Grants		
Grant - Other	7 034	6 826
Total	7 034	6 826

9.5 OTHER EXPENSES

	2015 \$'000	2014 \$'000
Salary on-costs	5 294	4 502
Tasmanian Risk Management Fund premium	5 589	4 883
Other	336	73
Total	11 219	9 458

NOTE 10 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

10.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Impairment of non-financial assets	0	(141)
Net gain/(loss) on disposal of physical Assets	1	(20)
Total net gain/(loss) on non-financial assets	1	(161)

10.2 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

	2015 \$'000	2014 \$'000
Impairment of loans and receivables (refer Note 11.1)	651	(320)
Total	651	(320)

NOTE 11 ASSETS

11.1 RECEIVABLES

	2015 \$'000	2014 \$'000
Receivables	14 874	13 484
Less: Provision for impairment	(645)	(1 406)
Total	14 229	12 078
Sales of goods and services (inclusive of GST)	12 135	10 281
Tax assets	2 094	1 797
Total	14 229	12 078
Settled within 12 months	14 229	12 078
Total	14 229	12 078

Reconciliation of movement in provision for impairment of receivables	2015 \$'000	2014 \$'000
Carrying amount at 1 July	1 406	1 238
Amounts written off during the year	(110)	(152)
Increase/(decrease) in provision recognised in profit or loss	(651)	320
Carrying amount at 30 June	645	1 406

11.2 OTHER FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Accrued Revenue	7 254	7 549
Inter Entity Balances	1 782	1 890
Total	9 036	9 439
Settled within 12 Months	9 036	9 439
Total	9 036	9 439

11.3 INVENTORIES

	2015 \$'000	2014 \$'000
Pharmacy	1 851	1 738
Catering	154	186
Linen	1 441	1 368
General Supplies	782	768
Total	4 228	4 060
Consumed within 12 Months	4 228	4 060
Total	4 228	4 060

11.4 PROPERTY, PLANT AND EQUIPMENT

(a) Carrying amount

	2015 \$'000	2014 \$'000
Land		
Land at fair value	35 434	35 434
Total land	35 434	35 434
Buildings		
Buildings at net fair value	366 077	362 449
Total	366 077	362 449
Leasehold Improvements at fair value	15 241	15 110
Less: Accumulated depreciation	(5 657)	(3 889)
Total	9 584	11 221
Total buildings	375 661	373 670
Plant, equipment and vehicles		
At cost	43 676	38 460
Less: Accumulated depreciation	(14 261)	(8 981)
Total plant, equipment and vehicles	29 415	29 479
Work in progress		
Buildings	1 134	6 462
Plant, equipment and vehicles	1 020	889
Total work in progress	2 154	7 351
Total property, plant and equipment	442 664	445 934

THO-South's land and building assets were revalued independently by the Valuer-General of Tasmania as at 30 June 2015 using an adjustment index of 1.0 (Land) and 1.03 (Buildings). This was based on market movement factors and building cost indices. This revaluation was in accordance with the Treasurer's Instruction 303 *Recognition and Measurement of Non-Current Assets* and the Australian Accounting Standard (AASB 116). Revaluations are shown on a net basis and will continue to do so until the next full revaluation is performed. This is due to occur as at 1 July 2017.

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2015	Land Level 2	Buildings Level 3	Plant, equipment and vehicles	Works in progress	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	35 434	373 670	29 479	7 351	445 934
Additions - THO acquisition	0	1 443	1 480	186	3 109
Additions - DHHS capital grant	0	0	0	4 179	4 179
Disposals	0	0	(1)	0	(1)
Revaluation increments (decrements)	0	10 662	0	0	10 662
WIP transfers	0	5 669	3 749	(9 418)	0
WIP expensed	0	0	0	(144)	(144)
Depreciation	0	(15 783)	(5 292)	0	(21 075)
Carrying value at 30 June	35 434	375 661	29 415	2 154	442 664

2014	Land Level 2	Buildings Level 3	Plant, equipment and vehicles	Works in progress	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	33 469	297 517	17 469	1 813	350 268
Additions - THO acquisition	0	1	3 713	5 460	9 174
Additions - DHHS capital grant	0	77 435	9 123	0	86 558
Disposals	0	0	1	0	1
Net transfers through restructuring (refer Note 1.6)	1 965	15 308	3 872	587	21 732
Impairment losses	0	0	(141)	0	(141)
WIP transfers	0	0	509	(509)	0
Depreciation	0	(16 591)	(5 067)	0	(21 658)
Carrying value at 30 June	35 434	373 670	29 479	7 351	445 934

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Valuation techniques used to measure fair value shall maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Agencies should make an assessment as to which fair value hierarchy level assets should be valued at, based on inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure the fair value to the extent that relevant observable inputs are not available.

(c) Level 3 significant valuation inputs and relationship to fair value

All THO Buildings are valued at Depreciated Replacement Cost. As such, they are categorised as Level 3 within the fair value hierarchy. The valuation method used for the Department's land was a market approach and therefore, land is categorised as Level 2.

Description	Fair Value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Building	366 077	A – Construction costs B – Age and condition of asset C – Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have remained stable over the last 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

(d) Asset where current use is not the highest and best use

The agency holds buildings. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the purpose for which that asset is currently being used/occupied. THO-South considers that the highest and best use for this asset is the purpose for which the building is currently occupied.

II.5 INTANGIBLES

(a) Carrying amount

Intangible assets with a finite useful life held by the THO principally comprise computer software.

	2015 \$'000	2014 \$'000
Intangibles with a finite useful life		
Other non-current assets	36	36
Less: Accumulated amortisation	(36)	(36)
Total	0	0

II.6 OTHER ASSETS

(a) Carrying amount

	2015 \$'000	2014 \$'000
Prepayments	2 443	1 596
Total	2 443	1 596
Recovered within 12 months	2 395	1 596
Recovered in more than 12 months	48	0
	2 443	1 596

(b) Reconciliation of movements

	2015 \$'000	2014 \$'000
Carrying amount at 1 July	1 596	1 550
Additions	2 443	1 596
Utilised	(1 596)	(1 550)
Carrying amount at 30 June	2 443	1 596

NOTE 12 LIABILITIES

12.1 PAYABLES

	2015 \$'000	2014 \$'000
Creditors	31 530	20 815
Accrued Expenses	460	321
Total	31 990	21 136
Settled within 12 months	31 990	21 136
Total	31 990	21 136

12.2 INTEREST BEARING LIABILITIES

	2015 \$'000	2014 \$'000
Loans From State Government	5 000	0
Total	5 000	0
Settled within 12 months	5 000	0
Settled in more than 12 months	0	0
Total	5 000	0

THO-South was the recipient of a \$5 million loan from DHHS to fund employee separation costs in 2014-15. The loan was originally granted to DHHS by the Department of Treasury and Finance. As per the agreed loan schedule, the loan started 1 June 2015, for a period of three years, and the interest rate was to be determined by the actual earning rate on public account investments. At the inception of the loan total interest payable over the term of the loan was estimated to be \$301,000.

12.3 EMPLOYEE BENEFITS

	2015 \$'000	2014 \$'000
Accrued salaries	12 852	11 306
Annual leave	33 815	32 915
Long service leave	54 078	54 580
Sabbatical leave	4 027	4 090
Other Employee Benefits	3 803	3 537
Total	108 575	106 428
Expected to settle wholly within 12 months	48 998	43 558
Expected to settle wholly after 12 months	59 577	62 870
Total	108 575	106 428

12.4 OTHER LIABILITIES

	2015 \$'000	2014 \$'000
Revenue received in advance		
Other revenue received in advance	183	111
Other Liabilities		
Employee benefits - on-costs	1 745	1 619
Other liabilities	5 378	5 260
Total	7 306	6 990
Settled within 12 months	6 215	5 914
Settled in more than 12 months	1 091	1 076
Total	7 306	6 990

NOTE 13 COMMITMENTS AND CONTINGENCIES

13.1 SCHEDULE OF COMMITMENTS

	2015 \$'000	2014 \$'000
By Type		
<i>Operating Lease Commitments</i>		
Motor Vehicles	2 446	3 065
Medical Equipment	2 958	4 202
Rent on Buildings	39 302	34 951
<i>Total Lease Commitments</i>	44 706	42 218
<i>Other Commitments</i>		
Miscellaneous Grants	12 565	16 743
Miscellaneous Goods and Services contracts	2 924	0
<i>Total Other Commitments</i>	15 489	16 743
Total	60 195	58 961
By Maturity		
<i>Operating Lease Commitments</i>		
One year or less	9 443	7 551
From one to five years	23 199	18 421
More than five years	12 064	16 246
<i>Total Operating Lease Commitments</i>	44 706	42 218
<i>Other Commitments</i>		
One year or less	6 950	6 773
From one to five years	8 539	9 970
More than five years	0	0
<i>Total Other Commitments</i>	15 489	16 743
Total	60 195	58 961

13.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

Quantifiable contingencies

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2015 \$'000	2014 \$'000
Quantifiable contingent liabilities		
<i>Contingent claims</i>		
Other legal claims	17 772	16 347
Total quantifiable contingent liabilities	17 772	16 347

NOTE 14 RESERVES

14.1 RESERVES

2015	Buildings	Artwork	Total \$'000
Asset revaluation reserve			
Balance at the beginning of financial year	101 578	0	101 578
Revaluation increments/(decrements)	10 662	0	10 662
Balance at the end of financial year	112 240	0	112 240
2014	Buildings	Artwork	Total \$'000
Asset revaluation reserve			
Balance at the beginning of financial year	101 578	0	101 578
Revaluation increments/(decrements)	0	0	0
Balance at the end of financial year	101 578	0	101 578

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in Note 1.12 (h).

14.2 CONTRIBUTED CAPITAL

	2015 \$'000	2014 \$'000
Contributed capital reserve		
Balance at the beginning of financial year	193 223	185 639
Administrative restructure - net assets received	0	7 584
Balance at the end of financial year	193 223	193 223

Capital Contributed Reserve

Capital Contributed records capital contributed for the establishment of THO-South on 1 July 2012, as well as the transfer of Statewide and Mental Health Services to THO-South on 1 July 2013.

NOTE 15 CASH FLOW RECONCILIATION

15.1 CASH AND DEPOSITS

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department on behalf of THO-South, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2015 \$'000	2014 \$'000
Special Deposits and Trust Fund Balance		
T475 THO South Patient Trust and Hospital Bequest Account	6 157	8 103
T530 THO - South Operating Account	28 537	14 009
Total	34 694	22 112
Other cash held		
Other Cash equivalents not included above	376	393
Total	376	393
Total cash and deposits	35 070	22 505

15.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2015 \$'000	2014 \$'000
Net result from transactions (net operating balance)	(17 573)	65 658
Depreciation and amortisation	21 075	21 658
Recognition of assets as a result of stocktake/donations	(20)	(2 209)
Capital grants income	(4 179)	(86 558)
WIP expensed	144	0
Doubtful debts	651	(320)
Decrease (increase) in Receivables	(2 151)	(1 917)
Decrease (increase) in Other assets	(444)	(4 739)
Decrease (increase) in Inventories	(168)	(330)
Increase (decrease) in Employee entitlements	2 147	9 822
Increase (decrease) in Payables	10 854	8 449
Increase (decrease) in Other liabilities	316	1 117
Net cash from/(used by) operating activities	10 652	10 631

NOTE 16 FINANCIAL INSTRUMENTS

16.1 RISK EXPOSURES

(a) Risk management policies

THO-South has exposure to the following risks from its use of financial instruments:

- ▶ credit risk;
- ▶ liquidity risk; and
- ▶ market risk.

The Governing Council and the CEO have responsibility for the establishment and oversight of THO-South's risk management framework. Risk management policies are established to identify and analyse risks faced by THO-South, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		
Loans and Receivables	Loans and Receivables are recognised at the nominal amounts due, less any provision for impairment. Collectability of debts is reviewed on a monthly basis. Provisions are made when the collection of the debt is judged to be less rather than more likely.	Receivables credit terms are generally 30 days.
Equity Investments	Equity Investments are recognised at the nominal amounts due, less any provision for impairment.	Equity investments credit terms require the repayment of the Departmental equity interest in a land and building asset, in cash, within a maximum term of 15 years.
Other financial assets	Other financial assets are recognised at the nominal amounts due, less any provision for impairment.	Other financial assets credit terms are generally 30 days.
Cash and deposits	Cash and deposits are recognised at face value.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

THO-South does not hold any security instrument for its cash and deposits, other financial assets and receivables. No credit terms on any departmental financial assets have been renegotiated.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking into account any collateral or other security:

Analysis of financial assets at 30 June 2015 but not impaired				
	Not past due \$'000	Past due 30 – 120 days \$'000	Past due > 120 days \$'000	Total \$'000
Receivables	6 039	2 431	3 665	12 135
Analysis of financial assets at 30 June 2014 but not impaired				
	Not past due \$'000	Past due 30 – 120 days \$'000	Past due > 120 days \$'000	Total \$'000
Receivables	5 446	2 622	2 213	10 281

(c) Liquidity risk

Liquidity risk is the risk that the THO will not be able to meet its financial obligations as they fall due. THO-South's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period equates to face value, when THO-... becomes obliged to make future payments as a result of a purchase of assets or services.	Settlement is usually made within 30 days.
Interest bearing liabilities	Loans are initially measured at fair value net of transaction costs. Loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.	Contractual payments are made in accordance with contractual terms.
Other financial liabilities	Other financial liabilities are recognised at amortised cost, which due to the short settlement period equates to face value, when THO-... becomes obliged to make payments as a result of the purchase of assets or services. THO-... regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 30 days.

The following tables detail the undiscounted cash flows payable by THO-South by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position.

2015								
	Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	31 990	0	0	0	0	0	0	31 990
Interest bearing liabilities	1 667	1 667	1 666	0	0	0	0	5 000
Other financial liabilities	7 306	0	0	0	0	0	0	7 306
Total	40 963	1 667	1 666	0	0	0	0	44 296
2014								
	Maturity analysis for financial liabilities							
	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	21 136	0	0	0	0	0	0	21 136
Interest bearing liabilities	0	0	0	0	0	0	0	0
Other financial liabilities	6 990	0	0	0	0	0	0	6 990
Total	28 126	0	0	0	0	0	0	28 126

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that THO-South is exposed to is interest rate risk.

THO-South currently has no financial liabilities at fixed interest rates.

16.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2015 \$'000	2014 \$'000
Financial assets		
Cash and cash equivalents	35 070	22 505
Loans and receivables	23 265	21 517
Total	58 335	44 022
Financial Liabilities		
Financial liabilities measured at amortised cost	36 990	21 136
Total	36 990	21 136

THO-South's maximum exposure to credit risk for its financial assets is \$57 million. It does not hold nor is a party to any credit derivatives and no changes have occurred to the fair value of its assets as a result of market risk or credit risk. While interest rates have changed during the financial year, the value of security held is significantly more than the value of the underlying asset and no loan advances are impaired. The value of receivables is not affected by changes in interest rates. THO-South actively manages its credit risk exposure for the collectability of its receivables and outstanding loans.

16.3 RECLASSIFICATIONS OF FINANCIAL ASSETS

No reclassification of Financial Assets occurred during 2014-15.

16.4 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying Amount 2015 \$'000	Net Fair Value 2015 \$'000	Carrying Amount 2014 \$'000	Net Fair Value 2014 \$'000
Financial assets				
Other financial assets				
Other	58 335	58 335	44 022	44 022
Total financial assets	58 335	58 335	44 022	44 022
Financial liabilities (Recognised)				
Other financial liabilities				
Borrowings	5 000	5 000	0	0
Other	31 990	31 990	21 136	21 136
Total Financial liabilities (Recognised)	36 990	36 990	21 136	21 136
Unrecognised financial instruments	0	0	0	0
Total unrecognised financial instruments	0	0	0	0

16.5 NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

2015	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Other financial assets				
Other	58 335	0	0	58 335
Total financial assets	58 335	0	0	58 335
Financial liabilities (Recognised)				
Other financial liabilities				
Borrowings	5 000	0	0	5 000
Other	31 990	0	0	31 990
Total Financial liabilities (Recognised)	36 990	0	0	36 990
Unrecognised financial instruments	0	0	0	0
Total unrecognised financial instruments	0	0	0	0
2014	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Other financial assets				
Other	44 022	0	0	44 022
Total financial assets	44 022	0	0	44 022
Financial liabilities (Recognised)				
Other financial liabilities				
Borrowings	0	0	0	0
Other	21 136	0	0	21 136
Total Financial liabilities (Recognised)	21 136	0	0	21 136
Unrecognised financial instruments	0	0	0	0
Total unrecognised financial instruments	0	0	0	0

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Transfer between categories

THO-South does not have any Level 3 instruments.

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of borrowings and other financial liabilities are based on the outstanding value owed by THO-South and are approximated by their carrying amounts.

The net fair values of indemnities are regarded as the maximum possible loss which the State faces while the indemnity remains current.

Account/Activity	Opening balance \$'000	Net transactions during 2014-15 \$'000	Closing balance \$'000
T475 THO - South Patient Trust and Hospital Bequest Account	870	157	1 027
Royal Hobart Hospital Patients Trust Account	4	0	4
Mental Health Services Client Trust Account	3	20	23



Independent Auditor's Report

To Members of the Tasmanian Parliament

Tasmanian Health Organisation - South

Financial Statements for the Year Ended 30 June 2015

Report on the Financial Statements

I have audited the accompanying financial statements of Tasmanian Health Organisation — South (the Organisation), which comprise the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Chair of the Governing Council and Acting Chief Executive Officer.

Auditor's Opinion

In my opinion the Organisation's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2015 and its financial performance, cash flows and changes in equity for the year then ended
- (b) are in accordance with the *Tasmanian Health Organisation Act 2011*, the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

The Responsibility for the Financial Statements

The Chair of the Governing Council and the Acting Chief Executive Officer are jointly responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, Section 34 of *Tasmanian Health Organisation Act 2011* and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Chair of the Governing Council and the Acting Chief Executive Officer's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chair of the Governing Council and the Acting Chief Executive Officer, as well as evaluating the overall presentation of the financial statements.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Organisation's financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. *The Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



H M Blake
Auditor-General

Hobart
15 September 2015

GLOSSARY

Acronym	Name in Full
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABF	Activity Based Funding
ABS	Australian Bureau of Statistics
ACAA	Aged Care Association Australia
ACC	Acute Care Certificates
ACHS	Australian Council on Healthcare Standards
ACGB	Australian Centre for Grief and Bereavement
ACP	Advance Care Planning
ACSQHC	Australian Commission on Safety and Quality in Healthcare
AIHW	Australian Institute of Health and Welfare
AMS	Asset Management Services
ANZSPM	Australia and New Zealand Society for Palliative Medicine
APHCRI	Australian Primary Health Care Research Institute
A&RSC	Audit and Risk Sub-Committee
ATS	Australasian Triage Scale
BEIMS	Building Engineering Information Management System
CALD	Culturally and linguistically diverse
CEAG	Community Engagement Advisory Group
CEC	Consumer Engagement Committee
CEO	Chief Executive Officer
CERG	Consumer Engagement Reference Group
CHAPS	Child Health and Parenting Services
CHC	Community Health Centre
CNC	Clinical Nurse Consultant
COAG	Council of Australian Governments
COPE	Commonwealth Own Purpose Expenditure
CPI	Consumer Price Index
CIP-EM	Capital Improvements Program - Essential Maintenance
DCHSC	Devonport Community and Health Services Centre
DFA	Disability Framework for Action 2005 -2010
DHHS	Department of Health and Human Services
DMR	Digital Medical Record
DON	Director of Nursing
ECO	Employee Contact Officer
ED	Emergency Department

Acronym	Name in Full
FTE	Full Time Equivalent
GEM	Geriatric Evaluation and Management
GP	General Practitioner
GPLO	General Practice Liaison Officer
GST	Goods and Services Tax
HACC	Home and Community Care
HOA	Heads of Agreement
HR	Human Resources
HSO	Health Service Officer
ICC	Integrated Care Centre
ICU	Intensive Care unit
IFRS	International Financial Reporting Standards
IHPA	Independent Hospital Pricing Authority
KIHCHC	King Island Hospital and Community Health Centre
KPI	Key Performance Indicator
LGH	Launceston General Hospital
MCH	Mersey Community Hospital
MGP	Midwifery Group Practice
MOC	Models of Care
MRI	Magnetic Resonance Imaging
NHRA	National Health Reform Agreement
NICU	Neonatal Intensive Care unit
NPA-IHST	National Partnership Agreement on Improving Health Services in Tasmania
NWRH	North West Regional Hospital
NPICU	Neonatal Paediatric Intensive Care unit
NSQHS	National Safety and Quality Health Service Standards
PAH	Pulmonary arterial hypertension
QI	Quality Improvement
RBF	Retirement Benefit Fund
RCS	Rural Clinical School
RHH	Royal Hobart Hospital
RJRP	Right Job Right Person
RTI	Right to Information
SAB	Staphylococcus Aureus bacteraemia
SAAP	Supported Accommodation Assistance Program
SAMP	Strategic Asset Management Plan
SCIF	Special Capital Investment Fund
SDH	Smithton District Hospital
SEIFA	Socio-Economic Indexes for Areas
SIIRP	Structured Infrastructure Investment Review Process
SLA	Service Level Agreement
SPA	Superannuation Provision Account

Acroynm	Name in Full
STAHS	Southern Tasmania Area Health Service
THEO	Tasmania Health Education Online
THO—N/ THO—North	HO-South — North
THO—NW/ THO—North West	THO-South — North West
THO—S/ THO—South	THO-South — South
THP	Tasmania's Health Plan
TML	Tasmania Medicare Local
TRMF	Tasmanian Risk Management Fund
UTas	University of Tasmania
WACS	Women's and Children's Services
WCDH	West Coast District Hospital
WH&S	Work Health and Safety

SHARED CONTENT

LEGISLATION

Legislation Governing the Operations of THOs

<i>Aged Care Act 1997</i>
<i>Alcohol and Drug Dependency Act 1968</i>
<i>Ambulance Service Act 1982</i>
<i>Anatomical Examinations Act 2006</i>
<i>Anti-Discrimination Act 1998</i>
<i>Audit Act 2008</i>
<i>Blood Transfusion (Limitation of Liability) Act 1986</i>
<i>Fee Units Amendment Act 2002</i>
<i>Financial Management and Audit Amendment Act 2012</i>
<i>Fluoridation Act 1968</i>
<i>Food Act 1968</i>
<i>Health Act 1997</i>
<i>Health Complaints Amendment Act 2005</i>
<i>Health Practitioner Regulation National Law (Tasmania) Act 2010</i>
<i>Health Practitioners Tribunal Act 2010</i>
<i>Health Professionals (Special Events Exemption) Act 1998</i>
<i>Health Service Establishments Act 2006</i>
<i>HIV/AIDS Preventative Measures Act 1993</i>
<i>Human Cloning for Reproduction and Other Prohibited Practices Act 2003</i>
<i>Human Embryonic Research Regulation Act 2003</i>
<i>Human Tissue Act 1985</i>
<i>Industrial Relations Act 1984</i>
<i>Medical Radiation Science Professionals Registration Act 2000</i>
<i>Mental Health Act 2013</i>
<i>Model Work Health and Safety (WHS) Act 2012</i>
<i>Obstetric and Paediatric Mortality and Morbidity Act 1994</i>
<i>Optometry Offences Act 2010</i>
<i>Personal Information Protection Act 2004</i>
<i>Pharmacy Control Act 2001</i>
<i>Poisons Act 1971 - except in so far as it relates to the Poppy Advisory Control Board (See the Department of Justice under the Minister for Justice)</i>
<i>Public Health Act 1997</i>
<i>Public Interest Disclosures Act 2002</i>
<i>Radiation Protection Act 2005</i>
<i>Right to Information Act 2009</i>
<i>State Service Act 2000</i>
<i>Tasmanian Health Organisations Act 2011</i>
<i>Therapeutic Goods Act 2001</i>
<i>Workers Rehabilitation and Compensation Act 1988</i>
<i>Workplace Health and Safety Act 2012</i>

Other Tasmanian Health Legislation

<i>Adoption Act 1988</i>
<i>Child Protection (International Measurements) Act 1997</i>
<i>Children, Young Persons and Their Families Act 1997</i>
<i>Constitution (State Employees) Act 1994</i>
<i>Disability Services Act 1992 (new Act 11/11/12)</i>
<i>Guardianship and Administration Amendment Act 1997</i>
<i>Misuse of Drugs Act 2001</i>
<i>Royal Derwent Hospital (Sale of Land) Act 1995</i>
<i>Surrogacy Contract Act 1993</i>

Broadly Applicable Legislation

<i>Coroners Act 1995</i>
<i>Defamation Act 2005</i>
<i>Fire Damage Relief Act 1967</i>
<i>Guide Dogs and Hearing Dogs Act 1967</i>
<i>Homes Act 1935</i>
<i>Integrity Commission Act 2009</i>
<i>Judicial Review Act 2000</i>
<i>Long Service Leave (State Employee) Act 1994</i>
<i>Long Service Leave Act 1976</i>
<i>Ombudsman Act 1978</i>
<i>Payroll Tax Act 2008</i>
<i>Pensioners (Heating Allowance) Act 1971</i>
<i>Public Account Act 1986</i>
<i>Public Sector Superannuation Reform Act 1999</i>
<i>Retirement Benefits Act 1993</i>
<i>Statutory Holidays Act 2000</i>
<i>Trades Union Act 1997</i>
<i>Youth Justice Act 1997</i>
<i>Acts Interpretation Act 1931</i>
<i>Archives Act 1983</i>
<i>Building Act 2000</i>
<i>Civil Liability Amendment Act 2008</i>
<i>Dangerous Substances (Safe Handling Act) 2005</i>
<i>Economic Regulator Act 2009</i>
<i>Emergency Management Act 2006</i>
<i>Mutual Recognition (Tasmania) Act 1993</i>

SUPERANNUATION DECLARATION

I, John Ramsay, Chair, Tasmanian Health Organisations hereby certify that the Tasmanian Health Organisations — North, North West and South have met their obligations under the Superannuation Industry (Supervision) Act 1993 in respect of those employees who are members of complying superannuation schemes to which the Agency contributes.



John Ramsay

Chair, Tasmanian Health Organisations

PRICING POLICIES

The Tasmanian Health Organisations (THOs) undertake activities for which the pricing of goods and services is required. Each fee charging program is based on the full cost recovery model in accordance with the Government's policy on fees and charges.

The THOs levy fees and charges in accordance with the provisions of the following Acts:

- ▶ *Adoption Act 1988*
- ▶ *Ambulance Service Act 1982*
- ▶ *Anatomical Examinations Act 2006*
- ▶ *Food Act 2003*
- ▶ *Health Act 1997*
- ▶ *Health Services Establishments Act 2006*
- ▶ *Pharmacy Control Act 2001*
- ▶ *Poisons Act 1971*
- ▶ *Public Health Act 1997*
- ▶ *Radiation Protection Act 2005*
- ▶ *Tasmanian Health Organisations Act 2011*

The THOs maintain a Revenue Policy that provides information on the financial requirements for funding a program from sources outside of the Organisations. This policy is subject to ongoing review.

Fees and charges subject to the *Fee Units Act 1997* were revised and gazetted in accordance with the provisions of that legislation on 27 March 2013.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosures Act 2002* encourages and facilitates disclosures about the improper conduct of public officers or public bodies.

The THOs are committed to the aims and objective of the Act and recognise the value of transparency and accountability in its administrative and management practices. The THOs also support the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The THOs do not tolerate improper conduct by staff, or the taking of reprisals against those who come forward to disclose such conduct. The Organisations take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. The THOs will also afford natural justice to any person who is the subject of a disclosure.

During 2014-15 the THO—North did not receive any Public Interest Disclosure reports.

During 2014-15 the THO—North West did not receive any Public Interest Disclosure reports.

During 2014-15 the THO—South did not receive any Public Interest Disclosure reports.

OUR PERFORMANCE - OTHER INDICATORS

A further indicator of performance in the Tasmanian health system is the average cost per patient episode of care.

The average cost is determined through the completion of the National Hospital Cost Data Collection (NHCDC), which is a mandatory annual collection of Australian hospital patient costing data that Tasmania is required to participate in. The purpose of this collection is to collate and cost patient level activity data, which is then used by the Independent Hospital Pricing Authority (IHPA) in the development of the National Efficient Price (NEP). The NEP underpins the system used to calculate the amount of the Commonwealth Government's payments to hospitals on an activity basis.

In Tasmania costing of patient level activity is performed by jurisdiction costing staff in consultation and collaboration with hospital finance and clinical staff and is required to comply with the NHCDC Hospital Patient Costing Standards. The costed results are generated at the patient episode level with each of the four major hospitals cost studies consolidated to provide a single jurisdictional submission to the IHPA. The submission is then subjected to a comprehensive data validation and quality assurance process.

When reviewing the data below it is important to caution against comparisons being made between the regions and against the State and National average as they do not reflect peer group comparable data or the composition of patients (such as age, socio-economic status, health literacy, etc) within cohorts seeking treatment within the regions, State and Nationally is vastly different and the size and services provided within the facilities varies (resulting in economies of scale differences). Comparisons over time may be made to identify trends within regions.

Due to the annual report being published prior to the annual data collection and costing process being undertaken, the average cost per episode of care noted below is based on the 2013-14 financial year.

Admitted Acute

Admitted acute are episodes of care whereby the patient is admitted to the hospital after undertaking the formal admission process for the purpose of treating illness or injury, relieving symptoms of illness or injury, managing labour or performing surgery.

Admitted Acute	R17 (2012-13) Weighted Avg Acute Cost \$	R18 (2013-14) Weighted Avg Acute Cost \$	Change \$
THO—South	5,026	5,128	102
THO—North	4,782	5,110	328
THO—North West	5,474	5,395	-79
State Average	4,915	5,176	261
National Average (estimated for R18)*	5,051	5,177	126

*The estimated R18 National Average has been calculated by indexing the R17 National Average by 2.5%
Cost Weights used are Acute DRG version 6X Round 17

Increases in the average cost per admitted acute episode of care for THO—South and THO—North can be attributed to the following factors:

- Enhancements in the costing process and attribution of costs between the various patient categories;
- Increases in salary and wage expenditure as a result of salary increments and changes to employment conditions under the various Awards and Agreements;
- The impact of indexation upon hospital expenditure; and
- Increases in accrual expenditure items such as depreciation.

The decrease reported for THO—North West is primarily due to an increase in admitted acute weighted separations between the two reporting periods without a corresponding increase in expenditure.

Emergency Non-Admitted

Emergency non-admitted episodes of care are clients who present to the Emergency Department (ED) for treatment who subsequently receive treatment and depart from the ED and are not admitted to the hospital for further care.

Emergency Non-Admitted	R17 (2012-13) Weighted Avg Acute Cost \$	R18 (2013-14) Weighted Avg Acute Cost \$	Change \$
THO—South	421	385	-36
THO—North	359	325	-34
THO—North West	382	455	73
State Average	390	391	1
National Average (estimated for R18)*	451	462	11

*The estimated R18 National Average has been calculated by indexing the R17 National Average by 2.5%

As noted previously caution should be exercised when comparing between the regions, State or National average cost per non-admitted ED episode of care due to the infancy of the ED classification system. It is this factor which has resulted in the significant cost disparities between the regions and the estimated National average, as the mechanisms for attributing costs between admitted ED and non-admitted ED episodes of care are at varying stages of the costing life cycle.

The reduction in costs for THO—South and THO—North are due to the improved allocation of costs between the admitted and non-admitted ED care streams. The increase in average cost reported for THO—North West is primarily due to a decline in non-admitted ED presentations.

Outpatient

Outpatient episodes of care include service delivery to clients involving one or more healthcare provider which is for the purpose of providing therapeutic or clinical treatment to a patient which is recorded in the patients' medical record but is not resultant from the client being admitted to a public hospital.

Outpatient	R17 (2012-13) Weighted Avg Acute Cost \$	R18 (2013-14) Weighted Avg Acute Cost \$	Change \$
THO—South	241	279	38
THO—North	328	311	-17
THO—North West	279	311	32
State Average	273	278	5
National Average (estimated for R18)*	316	324	8

*The estimated R18 National Average has been calculated by indexing the R17 National Average by 2.5%

As noted previously the region, the State and National average cost for outpatient episodes of care are not comparable as outpatient data across jurisdictions is not counted and costed in a uniform manner, thereby restricting the ability to draw conclusions from such comparison.

Increases in costs reported by THO—South and THO—North West are primarily due to factors as noted previously with respect to the average cost per admitted acute episode of care. The reduction in average cost for THO—North is directly attributable to the capture of additional outpatient activity due to advancements in patient data administration systems.

NOTES

Tasmanian Health Organisation — North
PO Box 1963, Launceston TAS 7250
Phone (03) 6777 4306
www.dhhs.tas.gov.au

Tasmanian Health Organisation — North West
PO Box 274
11 Alexandra Road
ULVERSTONE TAS 7315
Phone (03) 6464 3058
www.dhhs.tas.gov.au

Tasmanian Health Organisation — South
GPO Box 1061, Hobart TAS 7001
Phone (03) 6222 6658
www.dhhs.tas.gov.au

TASMANIAN
HEALTH
ORGANISATION

