

TASMANIAN HEALTH SERVICE **ANNUAL REPORT** 2017-18



ABOUT THIS REPORT

The Tasmanian Health Service is required under section 53 of the *Tasmanian Health Organisations Act 2011* to produce an annual report in respect of its operation, financial statements and other particulars as required under the Act. This is the final report under the *Tasmanian Health Service Act 2011*.

As of 1 July 2018 the Tasmanian Health Service will operate and report under the *Tasmanian Health Service Act 2018*.



Tasmanian Health Service Annual Report 2017-18

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Tasmanian Health Services 2018

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Tasmanian Health Service

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LETTER OF COMPLIANCE

Hon Michael Ferguson MP

Minister for Health

Minister for Police, Fire and Emergency Management

Minister for Science and Technology

Leader of Government Business

GPO Box 123

Hobart Tasmania 7001

Hon Peter Gutwein MP

Treasurer

Level 9, Executive Building, 15 Murray Street

Hobart Tasmania 7000

Dear Ministers

In accordance with the requirements of section 53 of the *Tasmanian Health Organisations Act 2011* and section 27 of the *Financial Management and Audit Act 1990*, I as the delegate appointed am pleased to present the Annual Report 2017-18 and the financial statements for the Tasmanian Health Service.

Yours sincerely

**Craig Watson**

Chief Corporate Officer

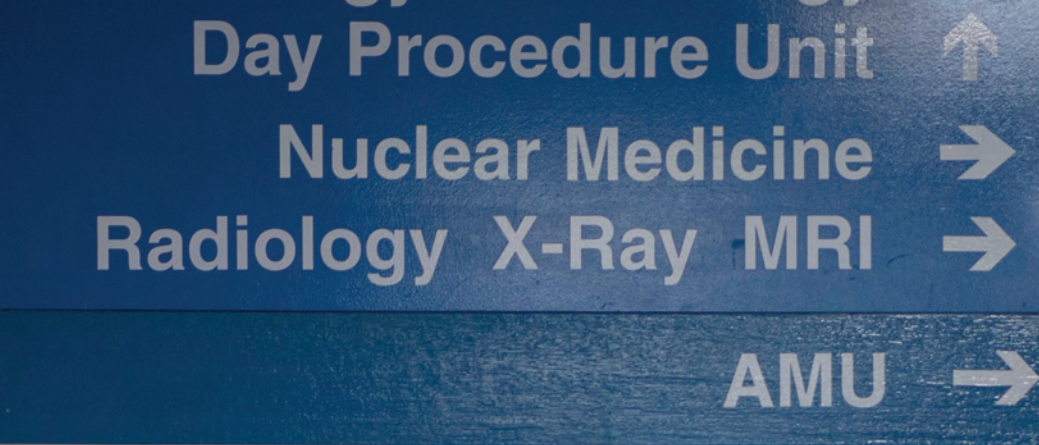
Tasmanian Health Service

30 September 2018



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YEAR IN REVIEW

This year we progressed the *One State, Health System, Better Outcomes* reforms strengthening the single statewide health system, transitioning service models and implementing a number of new initiatives with the primary aim of delivering better health outcomes for all Tasmanians.

Patient-focused initiatives through the year included:

- Delivering additional hospital beds as part of the Patients First initiative.
- Finalising work on the new \$7 million ward at the Hobart Repatriation Hospital with 22 new beds available in 2018-19.
- Progressively opening Integrated Operations Centres to improve the management of patient flow at all our hospitals.
- A Winter Flu Plan to ensure Tasmania was better prepared than ever for seasonal increased demand on our health services. This included additional hospital beds and a multi-faceted flu vaccination strategy.
- Starting work on the new paediatric ward at the Launceston General Hospital.
- Building a new Pre-Admission Clinic at the North West Regional Hospital.
- Continuing support for the \$689 million redevelopment of the Royal Hobart Hospital.

Following the State Election in March 2018, the Government moved to strengthen local hospital leadership and decision-making. Legislation was passed by the Tasmanian Parliament in June 2018 to have the THS report directly to the Secretary of the Department of Health, effective from 1 July 2018. As a result, the roles of the THS Governing Council and CEO were abolished.

With the THS moving into this new era, the Minister for Health released a Ministerial Charter that sets out his broad policy expectations of both the Secretary

and the THS. This will guide the THS as it continues to operate as a single statewide service through its network of hospitals, primary and community care services and mental health services to deliver high-quality and safe health care for Tasmanians.

On behalf of the THS Executive I would like to thank CEO Dr David Alcorn, the Chair of the THS Governing Council John Ramsay and all Council members for the role they played in developing a single statewide health service, overseeing improvements in patient safety and service quality, and preparing the THS to operate under the new *Tasmanian Health Service Act 2018* from 1 July 2018.

Most importantly, I want to thank all THS staff for their commitment and dedication over the past 12 months. The work of our nurses, doctors, allied health professionals, managers, operational and support staff is crucial to the quality of the health care we provide to the Tasmanian community.

I would also like to thank the THS staff who delivered on the organisational task required to effectively facilitate statewide clinical service delivery and improvement and strengthen local leadership at the facility level. I am confident all this hard work has put the THS in a strong position to meet the expectations of the Tasmanian community.

Last but not least, I want to recognise the work of our more than 750 volunteers who continue to provide exceptional support to patients, clients and staff. We thank all of them for the many hours they donate to improve our services.

It is my pleasure to present to you the THS 2017-18 Annual Report.



Craig Watson
Chief Corporate Officer

ONE STATE, ONE HEALTH SYSTEM, BETTER OUTCOMES

The Delivering Safe and Sustainable Clinical Services White Paper (White Paper) released in June 2015 recognised that Tasmania is best served by having a single statewide system with facilitates and people networked to achieve high quality, safe and efficient services. The White Paper continues to drive the reform program for the THS in 2017-18.

Executive Directors of operations for the North and North West and South were established and have day-to-day responsibility for managing acute hospital operations and for ensuring that the four major hospitals, community and satellite sites are appropriately managed. The Executive Directors roles strengthen local leadership and empower decision making at a facility level.

The Executive Directors of Operations have led the implementation of the clinical stream structures to guide the management of clinical services at our hospital facilities. The streams provide the foundation for necessary clinical leadership to support the delivery of services to all Tasmanians. Implementation of the stream structure was finalised at the RHH in early 2018 and will continue to be rolled out across the other three acute care facilities in 2018-19.

In recognition that in partnering with patients, clinicians, consumers, carers and family we are able to achieve high quality, safe, person centred care in all our facilities, the THS achieved the following:

- Establishment of a consumer engagement stream in the patient safety service leading a range of strategies including the Patient Stories Video project, a statewide patient experience survey and improvements in consumer complaints and feedback management.
- Continued support to Health Consumer Groups operating in each of the regions. These groups act as collaborative partners and are invited to be involved in service design, improvement and performance evaluation.
- The establishment of the Health Consumer Group Chairs meeting to discuss matters of mutual interest, including potential barriers to consumer participation, a common governance model for their groups and ideas for improvement.
- Co-development of THS principles for consumer engagement to provide foundations for a renewed approach to increasing participation and involvement in care delivery, design and evaluation.

Next year the THS will continue to focus on activities necessary to strengthening local leadership and empower decision making at a facility level to improve coordination and integration of THS services across the state and build upon the *One State, One Health System, Better Outcomes* reform program.

GOVERNANCE

GOVERNING COUNCIL

In 2017-18 the THS was governed by a single Governing Council which comprised a chairperson and eight skills based members providing regional representation. The Governing Council was convened and operated in accordance with

Divisions 1 and 2 and Schedule 3 of the *Tasmanian Health Organisations Act 2011*. In addition to the Governing Council, the Audit and Risk Sub-Committee was convened and operated in accordance with Division 3 and Schedule 5 of the *Tasmanian Health Organisations Act 2011*.

GOVERNING COUNCIL MEMBERS

Dr Emil Djakic

FRACGP BMed MBBS DipObs Dip Anaesthetics GAICD

Professor Denise Fassett

PhD, MN, BHS, Grad Dip Aged Care Nursing, FACN

Ms Barbara Hingston

BA (Admin), BSW, GAICD,

Mr John Ramsay (Chair)

L.I.B (UTas)

Mr Mark Scanlon

MBA BBus FCPA FAICD

Professor Judith Walker

PhD Grad Dip Ed BA (Hons) FACE

Mr Martin Wallace

B Ec (Hons)

Dr Judith Watson

MBChB FRNZCPG DipObs GAICD

Associate Professor Dr Deborah Wilson

MBBS, FANZCA, ARACMA, Graduate Certificate in Teaching and Learning for Health Professionals

GOVERNING COUNCIL ATTENDANCE RECORDS

Governing Council Meetings

A = apology L = leave of absence ✓ = attendance

Name	18 Jul 2017	15 Aug 2017	19 Sep 2017	24 Oct 2017	21 Nov 2017	19 Dec 2017	9 Jan 2018	20 Feb 2018	20 Mar 2018	17 Apr 2018	22 May 2018	19 Jun 2018
John Ramsay	✓	L	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Emil Djakic	L	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof Denise Fassett	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A
Barbara Hingston	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mark Scanlon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof Judith Walker	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Wallace	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	L
Dr Judith Watson	✓	✓	L	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assoc Prof Deborah Wilson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Subcommittee Attendance Record Audit and Risk

Name	11 Jul 2017	8 Aug 2017	12 Sep 2017	10 Oct 2017	14 Nov 2017	12 Dec 2017	Jan 2018	13 Feb 2018	13 Mar 2018	10 Apr 2018	15 May 2018	12 Jun 2018
Mark Scanlon - Chair	✓	✓	✓	No Meeting	✓	✓	NA	✓	✓	✓	✓	✓
Dr Judith Watson	✓	✓	✓	No Meeting	✓	✓	NA	✓	L	✓	✓	✓
John Ramsay	✓	L	✓	No Meeting	✓	A	NA	✓	✓	✓	✓	✓

Quality and Safety

Name	10 Jul 2017	8 Aug 2017	5 Sep 2017	3 Oct 2017	7 Nov 2017	5 Dec 2017	9 Jan 2018	6 Feb 2018	6 Mar 2018	10 Apr 2018	1 May 2018	5 June 2018
Assoc Prof. Dr Deborah Wilson - Chair	✓	✓	✓	✓	✓	✓	L	✓	✓	✓	✓	✓
Prof Denise Fassett	✓	✓	✓	✓	✓	✓	✓	L	✓	✓	✓	✓
John Ramsay	✓	L	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Judith Watson					✓	✓	✓	✓	✓	✓	✓	✓

Financial Management and Performance

Name	17 Jul 2017	14 Aug 2017	18 Sep 2017	23 Oct 2017	20 Nov 2017	18 Dec 2017	22 Jan 2018	19 Feb 2018	19 Mar 2018	16 Apr 2018	21 May 2018	18 Jun 2018
Martin Wallace - Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	L	L
Barbara Hingston	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
John Ramsay	✓	L	✓	A	A	✓	✓	✓	✓	✓	✓	✓

Partnerships

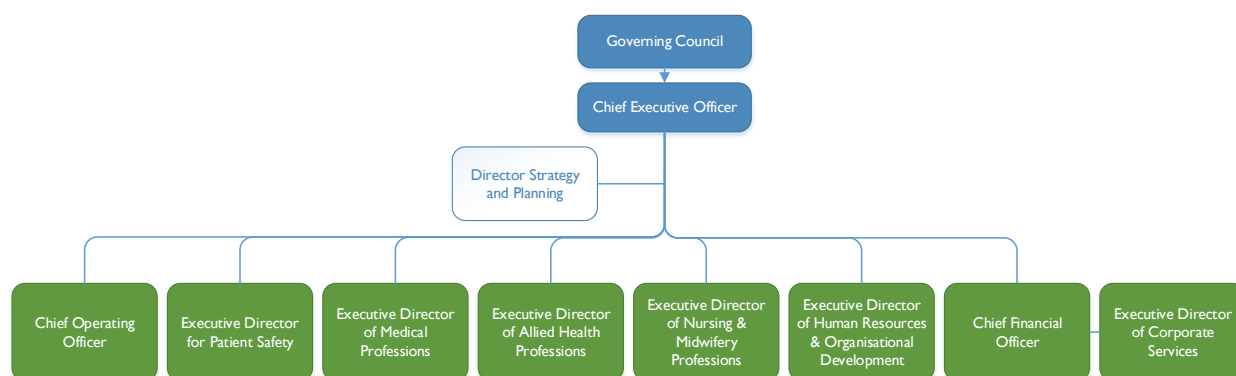
Name	5 Jul 2017	23 Aug 2017	13 Sep 2017	4 Oct 2017	1 Nov 2017	6 Dec 2017	Jan 2018	1 Feb 2018	14 Mar 2018	11 Apr 2018	17 May 2018	6 Jun 2018
Prof Judith Walker - Chair	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓
Dr Emil Djakic	✓	✓	✓	✓	A	✓	NA	A	✓	✓	A	✓
John Ramsay	✓	L	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓

GOVERNING COUNCIL REMUNERATION

Band	Number of Committee Members	Aggregate Directors' Fees	Committee Fees	Superannuation	Other	Total
> \$50,000	1	160 389	0	15 237	11 526	187 152
< \$50,000	8	289 364	0	27 258	46 970	363 592

ORGANISATIONAL STRUCTURE

Tasmanian Health Service Executive Structure



EXECUTIVE MANAGEMENT TEAM

Dr David Alcorn
Chief Executive Officer

Susan Gannon
Executive Director of Nursing and
Midwifery Professions

Suzanne McCavanagh
Executive Director of Human
Resources and Organisational
Development

Craig Watson
Chief Financial Officer

Nicola Dymond
Chief Operating Officer

Paula Hyland
Executive Director of Allied Health
Professions

Dr Annette Pantle
Executive Director Patient Safety
(Resigned November 2017)

Dr Tony Xabregas
Executive Director of Medical
Professions

HELLO MY NAME IS...



Royal Hobart Hospital Pharmacy Staff

#hello my name is...

Patients will get a friendlier experience in our health system thanks to a campaign that reminds staff to introduce themselves by name.

The campaign was originally introduced in the UK by the late Dr Kate Granger who became a cancer patient and was shocked to find a lack of simple communication from health professionals who cared for her. Many patients are thrown into a world that they don't understand and it is easy to get lost in the myriad of appointments, surgeries, procedures and treatments. If a doctor, nurse or other specialist says 'hello my name is...', instantly there is a human connection.

It is more than just knowing someone's name it is the beginnings of a conversation with the patient's wellbeing at the centre, and a relationship built on trust, respect and understanding.

The THS is supporting and encouraging all services to implement the 'hello my name is...' campaign with significant early progress such as over 400 primary health staff in the North West adopting hello my name is... badges.

Typically patients will have care provided by dozens of healthcare professionals throughout their hospital stay including the emergency department, clinical, allied health and operational staff. A simple introduction can improve the patient experience dramatically.

For more information about the campaign, contact health.literacy@health.tas.gov.au or phone 03 6777 1986.

TASMANIAN HEALTH SERVICE – SERVICE PROFILE

The primary role of the THS is to provide and coordinate public sector health services and health support services across Tasmania. These services are provided in a range of inpatient, outpatient, community health, residential aged care and in-home settings.

Services delivered by the THS include acute, subacute, emergency, non-admitted, primary health care, palliative care, oral health, cancer screening, mental health and alcohol and drug services, and community-based child health services for children 0 – 5 years and their families. 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.

The THS operates four major hospitals, each with a specific role in the system:

- the Royal Hobart Hospital is the principal referral hospital for residents of Southern Tasmania and provides a number of tertiary services for the State;
- the Launceston General Hospital is the principal referral hospital for the North and North West of Tasmania and provides a number of tertiary services for residents of those areas;
- the North West Regional Hospital in Burnie provides acute general hospital services in the North West Region; and
- the Mersey Community Hospital at Latrobe is a dedicated elective surgery centre for all Tasmanians and will continue to provide a mixture of general hospital services to the local community.

Sub-acute inpatient care is provided at the major hospitals and the THS' network of 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 THS also provides a range of services at the community level that includes 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 generally provided from community health centres and rural facilities, but can also be provided in patients' homes, schools and workplaces.

Community services are delivered under the following programs:

- Mental Health Services
- Alcohol and Drug Services
- Correctional Primary Health Services
- Forensic Mental Health Services
- Oral Health Services
- Cancer Screening and Control Services
- Child Health and Parenting Service
- Primary Health Services

The map on the following page shows the location and name of most THS services.

THS SERVICE CENTRES



- 1 King Island Hospital & Health Centre
- 2 Smithton DH
- 3 James Muir CHC (Wynyard)
- 4 North West Regional Hospital
- 5 Parkside & Burnie CHC
- 6 Central Coast CHC (Ulverstone)
- 7 Devonport CHC
- 8 Mersey Community Hospital
- 9 Rosebery CHC
- 10 Zeehan CHC

- 11 West Coast District Hospital (Queenstown)
- 12 Strahan CNC
- 13 Flinders Island MPC
- 14 Cape Barren Island Nursing Centre
- 15 George Town DH
- 16 Beaconsfield MPS
- 17 North East Soldiers Memorial Hospital (Scottsdale)
- 18 St Helens DH
- 19 John L Grove Rehabilitation Unit
- 20 Mayne Street Day Centre
- 21 Ravenswood CHC
- 22 Deloraine DH
- 23 Westbury CHC
- 24 Public Palliative Care Beds at Calvary
- 25 LGH and NICS
- 26 Kings Meadows CHC
- 27 Toosey Inc. (Longford)
- 28 Longford CHC
- 29 St Marys CHC
- 30 Campbell Town MPS
- 31 Swansea CHC
- 32 May Shaw NC (Swansea)
- 33 Midlands MPC (Oatlands)
- 34 Ouse CHC
- 35 Spring Bay CHC (Triabunna)
- 36 Brighton CHC (Bridgewater)
- 37 New Norfolk DH
- 38 Glenorchy Health Centre
- 39 Clarence ICC (Rosny Park)
- 40 Sorell CHC
- 41 Repatriation Centre (Hobart)
- 42 Kingston CHC
- 43 Huonville CHC (Huonville)
- 44 Huon Eldercare Inc. (Franklin)
- 45 Cygnet CHC
- 46 Tasman Multi Purpose Service (Nubeena)
- 47 Esperance Multi Purpose Centre (Dover)
- 48 Bruny Island CHC (Alonnah)
- 49 Royal Hobart Hospital

STATEWIDE SERVICES

The THS coordinates a number of statewide clinical services including Oral Health Services Tasmania and Statewide Mental Health Services, both of which operated under National Safety and Quality Health Services accreditation for the first time.

Oral Health Services Tasmania

Oral Health Services Tasmania provides dental services to eligible Tasmanians including adults who are holders of either a current health care card or pensioner concession card. The children's dental service is a universal service for all Tasmanians aged 0-17 years. The service operates from over thirty sites across Tasmania including major centres in Burnie, Devonport, Launceston, Clarence and Hobart, a number of special care dental units and two mobile dental units.

Statewide Mental Health Services (SMHS)

SMHS supports a wide range of clients including people experiencing complex and chronic disease, severe mental health problems, alcohol and drug issues and people within the correction and justice system.

Many clients have complex needs that require multi-faceted support from a range of specialised services. For some these complexities can be exacerbated by societal stigma attached to social determinants, mental illness, alcohol and drug issues or contact with the correctional and/or justice system.

The SMHS group consists of the following clinical services:

- **Child and Adolescent Mental Health**

Child and Adolescent Mental Health Services assists infants, children and young people (up to 18 years old) who are experiencing severe and complex mental illness or disorders, and their families or care givers.

- **Adult Mental Health**

The Adult Mental Health Service delivers care to people aged between 18 to 65 years who have severe and complex mental health disorders. The service provides assessment, treatment, support and education via a range of community based services and inpatient services.



- **Older Persons Mental Health**

Older Persons Mental Health Services delivers care to people who are 65 years or older who have a mental illness and/or impaired cognitive functioning with challenging behavior. This service consists of the both community based and a statewide inpatient services through the Roy Fagan Centre (dedicated inpatient facility) based in Lenah Valley in the south.

- **Alcohol and Drug Services**

Alcohol and Drug Services is managed statewide with services located in Hobart, Launceston and Ulverstone. It has four service delivery arms; Withdrawal Management, Opioid Pharmacotherapy Program, Consultation Liaison, Psychosocial Interventions, and operates other specialist programs as required.

- **Forensic Mental Health Services**

Forensic Mental Health Services operate statewide and undertake highly specialised interventions and clinical activities providing community and inpatient mental health care for people experiencing a mental health disorder,

who are involved with or at risk of becoming involved with the criminal justice system. The secure mental health unit – the Wilfred Lopes Centre is based at Risdon Vale in the south.

Forensic Mental Health Services is a specialist area of the mental health field. It has evolved due to the high prevalence of mental illness amongst prisoners and remandees in correctional settings and the complexities of providing care and treatment to offenders with a mental disorder who are a highly stigmatised and marginalised group within the community. The stigma and marginalisation of this group is often increased by sensational media representations that often give misleading accounts of forensic mental health issues.

- **Correctional Health Services**

Correctional Health Services provides primary health care and treatment and specialist referral for men and women held within the Tasmanian Prison Services and across a range of correctional facilities. Correctional Health Services provides a range of services across all facilities including:



- Emergency care
- General health assessments
- Medical officer consultations
- Diagnosis and treatment
- Specialist psychiatric consultations and treatment
- Mental health, emotional, suicide and self-harm assessments and treatments
- Drug and alcohol assessments, treatment and referral
- Opioid substitution
- Health promotion
- Inpatient care with six beds for primary health care and observation and outpatient nursing clinics.

Services provided by SMHS include the provision of inpatient, hospital based, and community-based services, with many provided in partnership with community sector organisations.

In the North West, the inpatient unit is based at NWRH, in the North it is based at the LGH, and in the South it is based at the RHH. SMHS have community bases in Hobart and surrounding suburbs, Launceston, Burnie and Devonport which provide services across all age groups.

SMHS also delivers the Mental Health Services Helpline to clients across the state, providing advice, assessment and referral. The Helpline is a central point of entry to Mental Health Services for all Tasmanians and is a 24-hours-a-day, seven-days-a-week phone line. It is supported by a dedicated crisis assessment and treatment team that operates across all services and who manage referrals from the Mental Health Services Helpline. The team also provides emergency responses to urgent referrals seven days a week

Population Screening and Cancer Prevention

Population Screening and Cancer Prevention deliver population screening programmes for the prevention and early detection of cancers, so that the number of avoidable deaths from cancer amongst Tasmanians can be minimised. Population

Screening and Cancer Prevention are partners in cancer prevention and cancer control in collaboration with local and national health care providers. The service is actively engaged in the development of national quality standards for monitoring of the outcomes and effectiveness of the screening programmes. BreastScreen Tasmania screened 31 491 eligible Tasmanian women (aged over 40) this year.

Child Health and Parenting Service (CHaPS)

The role of CHAPS is to provide child health, growth and developmental assessments, parent support and information, and early intervention services.

CHAPS also work in partnership with local communities through schools, neighbourhood houses and local organisations.

Universal services is a screening and surveillance program offered to all children at key developmental ages where the capacity to identify problems is maximised and there is optimal chance of achieving a positive outcome. Services include:

- cu @ home is a program for young first-time parents 15-19 years of age. The Program will ensure children born to young parents have equal opportunity for optimal development to become creative, competent, caring and resilient young people and adults.
- The Child Development Unit is a specialist multidisciplinary service for children 0-5 years who are at risk of or, have some level of developmental delay.
- Parenting Centres offer intensive support for families experiencing difficulties with children aged 0-5 years of age.

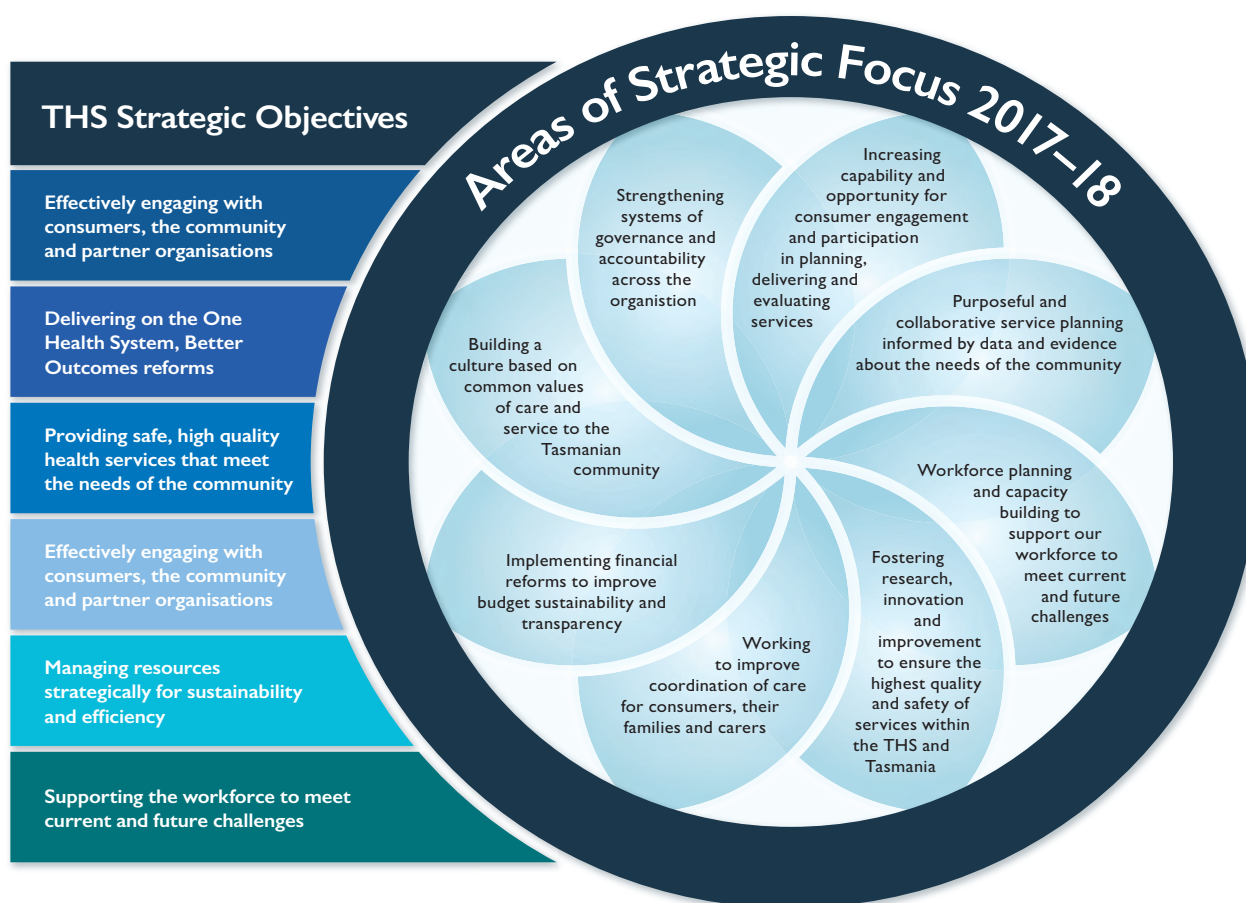
Statewide Sexual Health Service (SSHS)

The SSHS operates clinics in Hobart, Launceston and Devonport. The service is staffed by doctors, nurses, counsellors, psychologists and administrative officers who deliver a range of clinical and counselling services that relate to gender identity, HIV care, sexual activities and safety, sexual health checks, sexual response and desire, sex worker issues and STI diagnosis and treatment.

THS STRATEGIC DIRECTIONS 2017-18

Our purpose is to deliver high quality, safe and efficient services, ensuring that consumers receive the right care, at the right time and in the right place.

During 2017-18 the THS focused our efforts on key areas that bring about sustained improvements in the way we plan, prioritise, deliver and evaluate services.



KEY ACHIEVEMENTS

- The LGH Food Services Department adopted a traffic lights system as a health workforce nutrition incentive. The system is based on the National Health and Medical Research Council's Australian Dietary Guidelines and the Australian Guide to Healthy Eating. They categorise food and drinks in three coloured sections - amber, green and red. Green products are classed as "everyday" food which is low in fat, sugar and salt. Amber encourages consumers to "select carefully" and red is an "occasional" food. A new point of sale system allows reporting on customer's individual food and drink choices.
- The John Morris Diabetes Centre (JMDC) aims to provide optimal health and wellbeing for people affected by diabetes and is always looking for ways to improve services. This led to involvement in an experience-based co-design masterclass. As part of this nine month program the JMDC Project Team is working in partnership with young adults living with diabetes to better understand their needs and design appropriate services for them.
- In March 2018 all Primary Health North (PHN) community services were assessed against the Home Care Standards by the Australian Aged Care Quality Agency (AACQA). This included community nursing, allied health, transport, social support, community respite, carer support, personal care and home care services in both Launceston and rural sites. Surveyor feedback included that PHN had a strong understanding of local communities which was reflected in planning and development activities. The Agency determined that all PHN services met the expected standard with the next formal review scheduled for 2021.
- Hospital and health care facilities at Scottsdale, St Helens, Campbell Town, Beaconsfield, George Town, Flinders Island, St Marys and St Helens were also assessed in May 2018 by the Australian Council on Healthcare Standards (ACHS). Feedback included that "the surveyors were impressed with the high degree of teamwork and the integration of services that are provided to patients and local communities which are based on patient-centred care principles" and "(PHN) provides effective quality care and services with a strong focus on evidence-based and patient-centred care". Primary Health North was awarded the maximum three years accreditation.
- The LGH trialled a system of patient rounding focussed on four key areas - pain, elimination, environment and positioning. Patient rounding involves questions and assessment in each area every hour. The success of the system can be measured by a decrease in patient anxiety, falls and pressure injuries leading to a more settled hospital environment. Work has started to expand the program across the hospital.
- The Integrated Operations Centres (IOCs) were opened at the LGH and NWRH. IOCs provide a centralised communication and control feature which assembles data in a useful format to support staff in making decisions about daily patient flow, individual patients at risk, systems at risk and aids appropriate resource allocation and identify bottlenecks within the system. It ensures information is available centrally and virtually (i.e. at the bedside, in the ward, at service or organisational level, both in the centre and on individual PCs and mobile technologies).

NORTH WEST REGIONAL HOSPITAL HELIPAD



Tasmania's first hospital-based, purpose built helipad was constructed at North West Regional Hospital (NWRH) in 2017.

The \$1.4 million helipad ensures rapid transportation of critically unwell patients to the most appropriate health facility in the State, and was part of a \$24 million Tasmanian Government investment to improve patient transport and accommodation.

In the case of critically unwell patients every second counts, so having a helipad onsite at NWRH means our doctors can receive a patient more quickly, and in turn our patients can receive the care they need at the health facility that is best able to provide it, as quickly as possible.

The helipad has been used 15 times in the 2017-18 year for transporting and retrieving critically unwell patients both into and out of NWRH. That's 15 lives potentially saved so far.

The helipad features special deck lighting that supports night-vision technology and is also built to cater for larger rescue helicopters in the future.

Following the success of the NWRH helipad, work is now due to begin on construction of an onsite-helipad at Mersey Community Hospital in September 2018.



Deputy Department Manager Colleen Horton and the cleaning team

- The House Services Department at the LGH was singled out for praise from surveyors during hospital-wide accreditation. A post-survey briefing was told the hospital was the “cleanest in Australia”. Deputy Department Manager Colleen Horton and the cleaning team were congratulated for their work. The cleanliness of the hospital was assessed as part of national criteria: “using risk management principles to implement systems to maintain a clean hygienic environment for patients and healthcare workers” - this includes maintenance of building facilities, cleaning resources and services as examples.
- The Community Nursing Enhanced Connection Service (CoNECS) began operating in the Burnie/Hellyer region in late 2016, and in the Devonport/Mersey region in April 2018.
 - CoNECS is set up to take referrals from a hospital Emergency Department (ED) in cases of low acuity, and provides follow up care to these patients in the community setting, thus diverting re-presentation to the ED and ensuring care is provided in the appropriate environment.
- During 2017-18, the two clinics combined saw 184 patients for a total of 1 002 appointments. Without the clinics, these patients would all have returned to their local EDs for follow up care.
- Ownership of the Mersey Community Hospital (MCH) was transferred to the Tasmanian Government on 1 July 2017. The Tasmanian Government secured \$730.4 million with the return of ownership of the MCH.
- The MCH is building a new rehabilitation ward at the hospital which will be operational in 2019. This is a new service for MCH and will ensure rehabilitation care is available to clients within the Mersey catchment.
- The MCH Helipad is key to the creation of a fast, high-acuity helicopter aeromedical retrieval network. Construction has commenced and will be completed and operational in first half of 2019.

- MCH is currently undertaking a Masterplan process for the site to ensure optimum use of the buildings and grounds to enhance our services with up-to-date facilities for both our clients and staff.
- This year, eight new beds were opened at North West Regional Hospital, which aims to ease pressure on the Emergency Department and ensuring patients get the care they need sooner. At a cost of \$12 million, the eight beds are made up of four Emergency Department short stay beds and four surgical beds for elective surgery patients who need overnight stays.
- As part of a state-wide \$17.9 million hospital facility upgrades package, the NWRH will also receive \$2.2 million for a new dedicated professional development training facility to replace a current substandard demountable building. The new on site facility will support better education and skills' building that is paramount to achieving excellent patient care. Planning has commenced, with construction expected to begin in late 2019.
- \$720 000 was provided to construct a new Pre Admissions Clinic at the North West Regional Hospital. This included the construction of five new consulting rooms, a fit-for-purpose reception, office space for nurse assessments, waiting area for patients and storage to accommodate equipment. Construction was completed in June 2018.
- As part of the Government's plan to improve bed availability at the NWRH, planning and recruitment has commenced to open an eight bed Acute Medical Unit. This will ensure timely access to inpatient beds for patients.
- Approval and planning has commenced for the \$10.5 million Stage 2 Redevelopment for King Island Hospital and Health Centre (KIHHC). Finalising the Stage 2 Redevelopment for the KIHHC will provide our doctors, nurses and all staff with a modern and safe facility. An upgrade to essential infrastructure including plant, equipment and systems (i.e. water, gas, electrical, heating and cooling) will



Ben Barnard, Beverley Astell and Devonport Community Nurse Unit Manager Bronwyn Male

create efficiencies, reduce waste and minimise operational costs. The improvement in communication / information technology will create opportunities for the alternative provision of quality health care and support the workforce in their duties and their training requirements. An upgrade to support services will improve work areas and equipment in the kitchen, laundry and maintenance.

- Enhance hospital avoidance strategies in the community setting, including the introduction of the successful service Community Rapid Response Service commenced in the North in 2016. This initiative is designed to provide early intervention and rapid response for people in the community with an acute illness / injury or an acute exacerbation of a pre-existing chronic condition at the point where they would attend the ED. This is a shared care model with GPs and Community Nursing aimed at reducing potentially preventable Emergency Department attendances and hospitalisations.
- Service provision was improved with the use of technology by expanding Telehealth infrastructure and capability at North West district hospitals in Smithton, Queenstown and

King Island. More Tasmanians can now access their health appointments locally with the rollout of video-enabled Computers on Wheels (CoWs). The CoWs enable patients to connect via telehealth from their local health service, through to their medical specialist who may be sitting in a clinic at the other end of the state. This initiative reduces the need for people and clinicians to travel, and provides specialist services to people in their local area.

- The Tasmanian Health Service has successfully

negotiated a continued collaborative arrangement with MMG Ltd to support operational activities of the Rosebery Community Health Centre.

- All services within NW Primary Health Services have met mandated and required standards under accreditation. The PHS Management and staff continue reviewing and refining our planning and operating systems to support easy access to services within our community.



- Critical care facilities at RHH were improved with work in early 2018 and provides improved facilities for patients and staff including: replacement of the ceiling to reduce infection risks; installation of skylights to allow natural light within the unit; installation of an emergency communication speaker system; replacement of floor vinyl and replacement of hand basins in each bedspace. Other upgrades include the removal of the central bench to allow for more space within the clinical area and installation of IT cabling and improved lighting.
- The RHH implemented the core principles of the 'Still Aware' Program across Maternity Services including implementing awareness of still birth education for women and clinicians as well as using the 'Still Aware' resources.
- The first His bundle pacing procedures were performed at the Royal Hobart Hospital catheter lab. This novel pacing method is an option for appropriate patients to prevent heart failure after pacemaker implantation.
- To reduce waiting times for cardiac clinics a redesign of the clinic schedule was set in motion. From October 1 2018 the new schedule will increase capacity by 20-30 percent by reducing clinic cancellations, optimising use of staffing resources, clinic space utilisation and clinical workflow.
- The RHH Cardiac Surgical Unit achieved a milestone of 10 000 open heart procedures.
- The RHH Neurology Department was accredited for a third-year trainee in neurology.
- The Healthy Smiles for Two – Maternity Services Pilot Project was a One State, One Health System initiative. The program provides priority dental care for pregnant women who live in Tasmania's North West, who are either under the age of 18, or who have a current Health Care Card or Pensioner Concession Card. As part of the program, Oral Health Services Tasmania (OHST) also follows up after birth and offers appointments for the baby at 12 and 18 months of age for a dental check-up, and



to provide advice and support to help in the maintenance of good oral health. In 2017-18 the program was evaluated and, based on the success of the pilot project, OHST has now commenced a co-design project with women who have been through the program, staff at OHST, and the North West Midwifery unit to progressively roll the project out to all regions of Tasmania.

- OHST underwent its Periodic Review against the National Safety & Quality Health Services Standards on 27 & 28 February 2018. Three surveyors assessed OHST's ongoing compliance with the National Standards, and all actions/items were satisfactorily met with no recommendations being received. The three surveyors complimented OHST staff on their engagement with the National Standards and their dedication and commitment to providing safe and high quality care to OHST clients.
- Early in 2018 the redevelopment of the Southern Dental Centre in New Town was completed. This \$2.3 million project has resulted in a consolidated and improved reception/ waiting area, improved clinical flow, and three additional surgeries. In addition to the New Town development, OHST also moved into the new Glenorchy Health Centre where we have six surgeries. This is a significant increase from the single chair clinic that previously existed within the Glenorchy Primary School grounds and allows us to see adults as well as continuing to see children in their local community.
- In the North of the State, the OHST Special Dental Care Unit (SCDU) was opened within the Launceston General Hospital. Special Care Dental Units provide the dental assessment and management of patients whose acute medical treatment, medical condition or chronic condition impacts on their oral health and/or is affected by their oral health and/or poses significant risks for the delivery of routine dental care. The opening of the Launceston SCDU means Tasmanians now have access to these services in each region.



CELEBRATION OF 10 000 OPEN HEART SURGERIES



Award Recipients - From left to right: Dr David Alcock, Dr Simon Pitt, Dr Lia Freestone, Dr Philip Roberts-Thomson, Dr Jee-Yoong Leong, Dr Brian Herman, Carmel Fenton, Dr Andrew Turner, Molly Morgan, Toni Fitzgerald, Dr Mark Murton, Felicity Geeves, Dr Peter Peres, Jenni Young, Rosemary Miller, Leeanne Curtis, Jude Enright, Maria Gates, Hon Michael Ferguson MP, Dr Ashutosh Hardikar, Dr Keshav Bhattarai.

The Royal Hobart Hospital celebrated a milestone achievement of 10 000 open heart surgeries.

The Tasmanian Cardiothoracic Surgical Unit was established in 1991 to provide world class Cardiothoracic Surgical Services for Tasmanians who had previously travelled to the mainland. The first case was performed on 29 April 1991 and the 10 000th took place this year on 8 February 2018.

In 2015, the RHH Cardiothoracic Unit achieved zero 30-day or in-hospital mortality for one thousand consecutive Coronary Artery Bypass Surgery (CABG). According to an extensive literature search, this was the first time this had

been achieved by any surgical unit anywhere in the world.

The RHH averages about 150 to 200 coronary artery surgeries per year on top of 100 to 150 other major cardiac operations (on cardiac valves, on cardiac valves with coronary artery bypass or on the major blood vessels associated with the heart).

Dr Ash Hardikar would like to thank everyone for the achievements and success of the unit.

ROYAL HOBART HOSPITAL (RHH) REDEVELOPMENT



K-Block construction from Campbell Street, June 2018

The RHH has been serving the Tasmanian community for more than 200 years. However, the configuration and condition of the existing buildings has made it increasingly difficult to provide contemporary health services at the hospital. In addition, some of the hospital buildings are nearing the end of their functional life. The RHH redevelopment will help ensure the RHH can continue to meet the changing health needs of our community.

The Australian and Tasmanian Governments committed a total of \$689 million to the RHH Redevelopment Project, making it the largest ever health infrastructure project in Tasmania.

This substantial investment provides an opportunity to transform Australia's second oldest hospital so that it can deliver health services to Tasmanians into the future.

The Managing Contractor is making significant progress on construction of the new 10-storey inpatient building.



Hyper/hypobaric chamber being lifted into level 3 of K-Block

By June 2018, the floor slab for Level 8 of K Block was completed and the fit-out of the lower floors of K-Block was well underway.

More than \$20 million in much needed sitewide infrastructure upgrades are also underway with high and low voltage electricity systems being upgraded along with other essential services such as medical gasses and water and sewerage systems.

In May 2018, Tasmania's new state-of-the-art hyperbaric chamber was installed on Level 3 of K-Block.

The new chamber has been specially fitted with dual-capabilities to both pressurise (hyperbaric) and de-pressurise (hypobaric) the atmosphere.

Hyperbaric oxygen treatment is a well-known treatment for decompression illness and is essential for Tasmania's aquaculture industry.

It is also used to treat other conditions that affect many Tasmanians every year - tissue injury from radiation treatment for cancer, diabetic wounds and serious infections such as gangrene for example.

Hypobaric chambers are used for aerospace, or altitude research and training to simulate the effects of high altitude on the body, especially hypoxia (low oxygen) and hypobaric (low ambient air pressure).

The chamber is the first chamber with these combined capabilities in Australia and in the Southern Hemisphere.

The dual-capability chamber will create a world-class research facility unique in the Southern Hemisphere and will be one of just a few globally.

A number of prototype rooms have been constructed so that clinical staff can familiarise themselves with the delivery of services in new contemporary facilities.

The prototype rooms include: a neonatal paediatric intensive care room; a two bed room with an ensuite which has maternity and general ward bed heads; and a clean utility room.

K-Block remains on track to achieve practical completion in mid-2019 and operational commissioning will occur over the months to follow.

Operational commissioning is the preparation of a unit and its staff members for the occupation and commencement of operations.

An operational commissioning plan has now been developed that details the activities needed to ensure the safe, efficient and planned relocation of patients, staff and equipment to K-Block.

CONSUMER AND COMMUNITY ENGAGEMENT

The THS fosters partnerships with the community to develop valuable connections, build trust and raise awareness. We collaborate with a range of partners and stakeholders within our community. THS recognises support of the many stakeholders, volunteers, auxiliaries and community groups who help us to continue to provide excellent care to our community.

During the year the Governing Council endorsed the following principles:

Principles

PARTICIPATION – Consumers have the right to participate in, and about their own health, wellbeing and welfare in a meaningful way. Consumers and community are involved in the design and shaping of policies and decisions relating to the Tasmanian Health system.

PEOPLE-CENTRED – Meaningful engagement processes embrace the values and the needs of consumers, their families, carers, and the community.



MUTUAL RESPECT – Engagement undertaken with mutual respect and valuing each other's experiences and contributions.

ACCESSIBLE AND INCLUSIVE – Consumers and their families are a diverse group. Given this diversity, consumer participation opportunities need to be accessible and inclusive, with flexibility and a range of options for consumer participation. The needs of consumers and community experiencing barriers to service access and engagement are considered.

PARTNERSHIP – Working relationships between engagement partners are built on transparent and accountable processes which are publicly provided to consumers.

DIVERSITY – The engagement process values and supports all consumers, carers and community.

SUPPORT – Community Advisory and Engagement councils to take a formal leadership role in ensuring consumers, carers and community are provided with the support they need to engage meaningfully with the health and community services systems.

INFLUENCE – Consumers, carers and community engagement influence policy, planning and system reform.

CONTINUOUS IMPROVEMENT – Consumer, carer and community engagement is regularly reviewed and evaluated to drive continuous improvement.



Consumer Advisory Council (CAC) North

Since the establishment of the CAC THS North in 2014 it has continued to develop and mature as a consumer advocacy group and has become embedded within the administrative and operational structures of the Launceston General Hospital (LGH) and the rural inpatient facilities. It is accepted by clinicians as a trusted and independent resource to partner in codesign, refurbishments and new construction along with the evaluation of new health initiatives. The CAC provides a general sounding board to acquire the consumer perspective on health care.

The main focus for the CAC continues to be on maintaining the progress of Standard 2 criterion, *Service Planning; Service Design and Re-design; and Service Measurement and Evaluation*, along with developing and implementing strategies to address the 'unmet elements' within *Service Design and Re-design; and Service Measurement and Evaluation*. The CAC participation has led to increased consultation and engagement with staff.

The CAC continues to partner in service planning, designing care and measurement and evaluation.

The CAC continue to review relevant policies and protocols as well as patient information such as patient brochures, fact sheets and policy where relevant. The impact of this on *Service Planning; Service Design and Re-design; and Service Measurement and Evaluation* is leading to policy protocols and patient information that is patient centred; that is process that is influenced by 'what matters most' to the patient.

North West Consumer Engagement Reference Group (CERG)

There were 11 meetings held during 2017-18. An additional meeting was held in March 2018 to accommodate the review of the Group's quality plan and one member resigned due to work commitments.

Peter Radel nominated and was accepted as Chair of the group for a two-year term in early 2018.

CERG continues to review policy documents and collaborate with the north and south consumer groups.

The Chair met with King Island Hospital Site Manager / Director of Nursing and discussed consumer engagement and re-establishing links with the CERG, and also met with the Site Manager / Director of Nursing at Smithton District Hospital. To increase the opportunity for collaboration, CERG now includes the District Hospital Directors of Nursing in the email for request for agenda items. The CERG reviewed the King Island Hospital and Health Centre Community Reference Group paperwork in November 2017.

Members were also invited to a co-design workshop in Launceston presented by Dr Lynne Maher (New Zealand), of which two members were available to attend.

South Consumer and Community Engagement Council (CCEC)

The introduction of the National Quality and Health Service Standards in particular Standard 2 Partnering with Consumers has provided further opportunity to embed the principals of consumer participation and engagement within the organisation.

The membership of the committee comprises of representatives selected from a range of community demographic/interest areas including – youth, older persons, disability, diverse communities, mental health, men's, children and women's health, palliative care, rural and remote carers. Membership also includes Director Allied Health THS South with the Manager of Community Engagement attending most meetings as requested. The CCEC is chaired by a consumer.

The CCEC members have worked tirelessly over the past 12 months and have achieved in many areas including reviews of risk assessment profiles and reviews of patient experience surveys.

A major achievement was the new parking payment machine installed on level three of the

Argyle Street Carpark to assist access issues for patients attending the hospital and Wellington Clinics following sustained communication with the Hobart City Council.

Royal Hobart Hospital (RHH) Volunteer Service

The Royal Hobart Hospital (RHH) is proud to have the support of over 100 dedicated volunteers who donate more than 20 000 hours of their time each year to provide over 30 varied volunteer support services to a large number of areas within the hospital.

The RHH Volunteer Service Program seeks to contribute positively to the Hospital by working with staff to enhance the quality of service for patients, their family and visitors to the Hospital including, Neo Natal Paediatric Intensive Care Unit – Cuddles Program, Emergency Department - RHH, and the Cancer Support Centre.



RHH Cuddles Volunteers – Judy, Gloria and Sue ready to Cuddle



HUMAN RESOURCES STATISTICS

Total number of full-time equivalent (FTE) paid employees

As at end of financial year	2014-2015*	2015-2016*	2016-2017	2017-2018
	7 901.82	8 112.64	8 347.85	8 870.29

* Note due to organisational changes data has been remapped to the current organisational structure.

Total number of paid FTE by award

As at end of financial year	2014-2015*	2015-2016*	2016-2017	2017-2018
Allied Health Professional	851.68	880.25	888.56	949.64
Dental	33.38	33.83	32.19	39.08
Health and Human Services	2 798.47	2 817.60	2 861.78	3 021.69
Medical Practitioners	765.60	798.23	857.92	917.60
No Award	0.42	2.15	1.90	2.52
Nursing	3 351.20	3 478.92	3 602.78	3 837.44
Radiation Therapist	50.01	52.75	54.74	53.02
Senior Executive Service (SES)	6.00	5.00	6.00	7.00
Visiting Medical Practitioners**	45.06	43.91	41.99	42.30
Total	7 901.82	8 112.64	8 347.85	8 870.29

* Note due to organisational changes data has been remapped to the current organisational structure.

** Includes Rural Medical Practitioners.

Total head count number paid by employment category

As at end of financial year	2014-2015*	2015-2016*	2016-2017	2017-2018
Permanent full-time	2 857	2 920	2 860	2 992
Permanent part-time	4 459	4 647	4 951	5 249
Fixed-term full-time	885	777	849	882
Fixed-term part-time	1 008	971	1 013	1 042
Part 6**	16	16	17	18
Casual	924	1 161	1 097	1 220
Total	10 149	10 492	10 787	11 403

* Note due to organisational changes data has been remapped to the current organisational structure.

** Head of Agency, Holders of Prescribed Offices and Senior Executives and Equivalents appointed in accordance with Part 6 of the *State Service Act 2000*.

Total Head Count - number paid by salary bands and award

Salary Band	Allied Health Professional	Dental Officer Award	Health and Human Services Award	Medical Practitioners Award	Nurses Award	Other	Radiation Therapist	Senior Executive Service	Visiting Medical Practitioner	Grand Total
19 001-23 000						7				7
40 001-45 000			3			1				4
45 001-50 000			925							925
50 001-55 000			888		51					939
55 001-60 000	61		1 019		82					1 162
60 001-65 000	52		518		905	2				1 477
65 001-70 000	78		37	102	222		2			441
70 001-75 000	34		41	109	372		2			558
75 001-80 000	27		130		1638		3			1 798
80 001-85 000	34		103	22	929		3			1 091
85 001-90 000	216		7	57	243		2			525
90 001-95 000	76		14	53	134		5			282
95 001-100 000	404		14	49	275		2			744
100 001-150 000	197	16	137	234	228		38	2		852
150 001-200 000		35	1	175	4			4		219
200 001-300 000				212				1	17	230
300 001-400 000									148	148
400 001-500 000						1				1
Grand Total	1 179	51	3 837	1 013	5 083	11	57	7	165	11 403

*Base salary for award classification; Head Count not FTE.

Total head count number paid by gender

As at end of financial year	2014-15*	2015-16*	2016-17	2017-18
Female	7 816	8 103	8 362	8 834
Male	2 333	2 389	2 425	2 569
Total	10 149	10 492	10 787	11 403

*Note due to organisational changes data has been remapped to the current organisational structure.

Total head count number paid by age profile

As at end of financial year	2014-15*	2015-16*	2016-17	2017-18
15-19 years	14	31	31	45
20-24 years	487	566	592	685
25-29 years	910	999	1 076	1 157
30-34 years	915	1 022	1 079	1 181
35-39 years	906	970	1 006	1 094
40-44 years	1 138	1 079	1 031	1 084
45-49 years	1 425	1 455	1 440	1 424
50-54 years	1 646	1 574	1 594	1 594
55-59 years	1 534	1 545	1 581	1 666
60+ years	1 174	1 251	1 357	1 473
Total	10 149	10 492	10 787	11 403

*Note due to organisational changes data has been remapped to the current organisational structure.

Total head count number paid by award as at 30 June 2018

As at end of financial year	Total
Allied Health Professionals	1 179
Dental Officers	51
Health and Human Services Award	3 837
Medical Practitioners	1 013
No Award	11
Nursing	5 083
Radiation Therapist	57
Senior Executive Service	7
Visiting Medical Practitioners*	165
Total	11 403

*Includes Rural Medical Practitioners.

Average paid overtime* hours per FTE

As at end of financial year	2014-15**	2015-16**	2016-17	2017-18
Average paid overtime/callback per FTE	49.3	49.9	52.4	54.7

* Includes callback and overtime hours.

** Note due to organisational changes data has been remapped to the current organisational structure.

Turnover Rate

The turnover rate is the rate at which people were leaving the THS as at 30 June 2018*.

As at end of financial year	2014-15**	2015-16**	2016-17	2017-18
Turnover rate = total number of separations (FTEs) divided by the average paid FTE	11.3%	10.1%	9.6%	9.1%

* This includes all fixed term employment contracts such as graduate programs and doctors in training.

** Note due to organisational changes data has been remapped to the current organisational structure.

Average Personal Leave days taken per FTE*

As at end of financial year	2014-15**	2015-16**	2016-17	2017-18
Personal leave days per average paid FTE	12.6	11.7	11.9	12.6

* Includes sick and carers leave; based on a 7.6 hour day.

** Note due to organisational changes data has been remapped to the current organisational structure.

Average Long Service Leave days taken per FTE*

As at end of financial year	2014-15**	2015-16**	2016-17	2017-18
Average number of days used per paid FTE*	3.3	3.8	3.5	3.5

* Based on a 7.6 hour day.

** Note due to organisational changes data has been remapped to the current organisational structure.

Average Recreation Leave days taken per FTE*

As at end of financial year	2014-15**	2015-16**	2016-17	2017-18
Average number of days used per paid FTE	20.7	18.9	18.7	18.8
Number of FTEs with entitlements equal to or in excess of the 2 year limit	409.4	440.9	487.3	510.4

* Based on a 7.6 hour day

** Note due to organisational changes data has been remapped to the current organisational structure.

GENDER DIVERSITY

As at 30 June 2018, the overall gender profile for the THS is 77 per cent female and 23 per cent male.

The State Services' goal is to have equal representation of woman and men in Senior Executive Service, with a target of having at least 40 per cent women by 2020. The THS' Senior Executive Service gender profile as at 30 June 2018 was 57 per cent female and 43 per cent male, meeting the State Service commitment of 40 per cent.

The THS has developed a number of protocols for consultation to support flexible work arrangements and work life balance for all staff. The THS hospitals are accredited with the Baby Friendly Hospital Initiative and provisions are made for staff in order to support breast feeding mothers back into the workplace.

Senior Executive Service by Gender

	2014-2015	2015-2016	2016-2017	2017-2018
Male	4	3	3	3
Female	2	2	3	4
Total	6	5	6	7

Note excludes acting SES arrangements.

Senior Executive Service Level by Gender

	2014-2015		2015-2016		2016-2017		2017-2018	
	Male	Female	Male	Female	Male	Female	Male	Female
SES 1	1	1	-	1	-	-	-	1
SES 2	2	-	2	1	2	2	2	2
SES 3	1	-	1	-	1	-	1	-
SES 4	-	1	-	-	-	1	-	1
Total	4	2	3	2	3	3	3	4

* Note excludes acting SES arrangements.

Overall Headcount by Gender

The THS' gender profile has been stable over the past four years. As mentioned, the 2017-18 gender profile of the THS is 77 per cent female and 23 per cent male.

Gender Profile

	2014-2015	2015-2016	2016-2017	2017-2018
Male	2 333	2 389	2 425	2 569
Female	7 816	8 103	8 362	8 834
Total	10 149	10 492	10 787	11 403

Total Number Paid Employees by Gender and Salary Bands (Total Earnings) - Salary for Award Classification

Salary Bands	Male	Female	Total
19 001-23 000	7	-	7
40 001-45 000	1	3	4
45 001-50 000	184	741	925
50 001-55 000	329	610	939
55 001-60 000	160	1002	1 162
60 001-65 000	226	1251	1 477
65 001-70 000	97	344	441
70 001-75 000	111	447	558
75 001-80 000	272	1 526	1 798
80 001-85 000	151	940	1 091
85 001-90 000	124	401	525
90 001-95 000	52	230	282
95 001-100 000	146	598	744
100 001-150 000	309	543	852
150 001-200 000	128	91	219
200 001-300 000	157	73	230
300 001-400 000	114	34	148
400 001-500 000	1	-	1
Total	2 569	8 834	11 403

* Note excludes acting SES arrangements.

Classifications by Gender

The following information describes the gender profile of particular classification groups of employees, including General Stream employees, as well as those in particular occupations such as Allied Health Professionals, Nurses, Medical Practitioners etc. Data is by headcount.

General Stream

Classification	2017		2018	
	Male	Female	Male	Female
Bands 1-5	301	1 301	320	1 359
Bands 6-8	66	90	72	98
Bands 9-10	1	2	-	1
Graduate	-	2	-	2
Health Services Officer	511	1 336	561	1 422
Information and Communication Technology	3	-	2	-

Allied Health Professionals

Classification	2017		2018	
	Male	Female	Male	Female
AHP 1-2	76	375	74	387
AHP 3	89	369	98	423
AHP 4	41	99	36	104
AHP 5	22	35	23	34

Radiation Therapists

Classification	2017		2018	
	Male	Female	Male	Female
RT 1-2	7	29	8	24
RT 3	7	6	7	7
RT 4	4	4	5	3
RT 5	1	2	1	2

Dental Officers

Classification	2017		2018	
	Male	Female	Male	Female
DO 1-3	26	13	29	18
DO 4	3	-	3	-
DO 6	1	-	1	-

Nursing

	2017		2018	
	Male	Female	Male	Female
Grade 1	15	87	7	46
Grade 2	49	459	55	490
Grade 3-4	439	3 141	427	3 174
Grade 5	10	128	53	286
Grade 6	33	244	36	273
Grade 7	26	129	27	136
Grade 8	8	48	9	55
Grade 9	2	5	2	7

Medical Practitioners

	2017		2018	
	Male	Female	Male	Female
Rural Medical Practitioner	31	15	28	10
Visiting Medical Practitioner	101	28	95	32
Intern	55	42	48	54
Resident	50	69	66	65
Senior Resident	7	6	5	5
Registrar	166	150	181	150
Senior Registrar - Fellow	2	-	4	-
Senior Registrar – Dual Fellow	2	1	-	3
Career Medical Officer	13	5	17	7
Specialist	170	107	183	123
Senior Specialist	72	31	73	29

HUMAN RESOURCE AND ORGANISATIONAL DEVELOPMENT OVERVIEW

Across 2017-18, the Executive Director, Human Resources and Organisational Development led a Human Resource and Organisational Development Functional Review. The focus and main purpose of the review was to ensure Human Resources and Organisational Development was well positioned to meet the people requirements of the THS and to identify any gaps in our data and business systems; the capability of our staff; and delivery of key functions and services. The most significant outcomes from the review included:

- The implementation of a new Human Resources and Organisational Development statewide structure.
- The establishment of a dedicated organisational development function to better position the THS for positive growth.
- The strengthening of recruitment functions with the creation of a statewide Manager – Recruitment to promote and support consistent and efficient recruitment processes across the THS.
- The strengthening of a single statewide Medical Workforce Unit to improve the management and recruitment of the THS' medical workforce with a consistent statewide approach.
- An increased focus on HR data metrics as an enabler to effective management and support in business decisions.
- A road map of critical issues to address over the next 1-2 years.

WORK HEALTH, SAFETY AND WELLBEING

The THS is committed to providing and maintaining a safe and healthy workplace for all workers and visitors. Work was undertaken to develop a new Work, Health and Safety Management System and an associated plan. A Healthy and Safe Workplaces Commitment Statement was also developed.

During 2017-18 there was a strong focus on the management of Occupational Violence and Aggression with the implementation of a project dedicated to addressing this issue.

Work was also undertaken to identify priority areas and strategies have been developed and implementation commenced.

Key measurable objectives with comparisons to previous three financial years.

Objective	Measures/Targets	Benchmark (2014-15 FY)	Outcomes (2015-16 FY)	Outcomes (2016-17 FY)	Outcomes (2017-18 FY)
Reduce the total number of workers compensation claims	Number of injuries resulting in new workers compensation claims	466	458	430	469
Reduce cost of workers compensation	Total cost of workers compensation (including carry over claims)	\$11.39m	\$10.58m	\$12.53m	\$13.04m
Reduce the Lost Time Injury Frequency Rate (LTIFR)	Percentage of injuries resulting in >1 day off work per 1,000,000 hours worked	24.1	24.6	24.6	23.2
Reduce the Lost Time Injury Severity Rate (LTISR)	Number of days lost per 1,000,000 hours worked	1 288	1 256	1 237	1 371

AWARDS AND AGREEMENTS

Allied Health Professionals

Allied Health Professionals (Tasmanian State Service) Agreement 2012

Allied Health Professionals (Tasmanian State Service) Agreement 2014

Allied Health Professionals Public Sector Unions Wages Agreement 2016

Radiation Therapists (State Service) Union Agreement 2013

Radiation Therapists Agreement 2016

Nurses

Nurses and Midwives (Tasmanian State Service) Award

Nurses and Midwives (Tasmanian State Service) Interim Agreement 2013

Nurses and Midwives (Tasmanian State Service) Agreement 2014

Nurses and Midwives Work Value Agreement 2015

Nurses and Midwives (Tasmanian State Service) Agreement 2016

Caseload Midwifery Industrial Agreement 2017

Medical Practitioners

Medical Practitioners (Public Sector) Award

Rural Medical Practitioners (Public Sector) Agreement 2009

Rural Medical Practitioners (Public Sector) Agreement 2011

Rural Medical Practitioners (Public Sector) Agreement 2017

Salaried Medical Practitioners (AMA Tasmania/ DHHS) Agreement 2009

Salaried Medical Practitioners (Tasmanian State Service) Agreement 2017

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

Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2016

Dental Officers

Dental Officers Agreement 2016

Administrative and Operational

Health and Human Services (Tasmanian State Service) Award

Public Sector Unions Wages Agreement 2013

Public Sector Unions Wages Agreement 2016

Department of Health and Human Services -
Roy Fagan Centre Shift Work Arrangements
Agreement 2003

Department of Health and Human Services
- Wilfred Lopes Centre - Care Assistant Shift
Arrangements 2006

Department of Health and Human Services
Northside Clinic Attendant Shift Arrangements
Agreement 2010

Department of Health and Human Services
Mental Health Services NW Crisis Assessment
Team 10 Hour Shift Arrangements Agreement
2012

Tasmanian Health Service - Southern Region
Microbiology Laboratory Agreement 2016

QUALITY AND PATIENT SAFETY SERVICE

Key Initiatives

HeartSafe Project – Successful statewide multidisciplinary collaboration to ensure all Tasmanians with Acute Coronary Syndrome (ACS) have access to safe and high quality care in accordance with the Australian Commission on Safety and Quality in Health Care (ACSQHC) Acute Coronary Syndrome Clinical Care Standard.

Statewide collaboration for family initiated escalation of care for the deteriorating patient project – which promotes a system based on “Ryan’s Rule”, providing an alternate mechanism for families and carers to obtain emergency assistance if they are seriously concerned about a patient.

An electronic credentialing system was introduced across the THS to ensure consistency of process, and supporting our clinicians to work across multiple sites, providing better access to care for local communities.

Alerts and Recalls project in collaboration with the DHHS, to introduce an automated TGA alerts and recalls process through the Safety Event Reporting and Learning Systems, enhancing safe practice.

THS participation in the Mayo Clinic Mortality review Collaborative has created a meaningful mechanism to review patient deaths and shared learnings.

Consumer and Community Engagement Councils – North, South and North West have developed a suite of consumer principles that recognise and support a co-design approach for the strategic and operational priorities for the Tasmanian Health system.

The development and use of Patient Story videos provides an opportunity for patients/families to talk about their experiences of the THS health system, and promotes meaningful patient centred feedback to Executives, clinical leaders and the workforce.

Accreditation preparation for onsite visits has been a priority for the Patient Safety Service this period, and staff have worked extremely hard over the last six months towards the upcoming surveys.

Accreditation

Area	Last Survey	Last Accreditation Event
Statewide Services		
Oral Health Services	National Safety and Quality in Health Care Standards	Periodic Review February 2018 Self Assessment May 2018
Mental Health Services	National Safety and Quality in Health Care Standards	Self Assessment March 2018
Forensic Health Services	National Safety and Quality in Health Care Standards	Self Assessment March 2018
Alcohol and Drug Services	National Safety and Quality in Health Care Standards	Self Assessment March 2018
THS South		
THS South (RHH, subacute & community)	National Safety and Quality in Health Care Standards	Self Assessment February 2018 Periodic Review August 2018
Midlands Multipurpose Health Centre – Residential Aged Care	Residential Aged Care Standards	Announced visit April 2018
Community Care Services - South Commonwealth Home Services Programme (CHSP)	Home Care Standards	Onsite review January and April 2018
THS North West		
MCH	National Safety and Quality in Health Care Standards	Periodic Review October 2017 Self Assessment May 2018
NWRH	National Safety and Quality in Health Care Standards	Periodic Review October 2017 Self Assessment May 2018
NW District Hospitals (Smithton, King Island and West Coast)	National Safety and Quality in Health Care Standards	Self Assessment July 2017
NW Community Health Nursing and Home Care	National Safety and Quality in Health Care Standards	Progress report December 2017
Community Health Nursing and Home Care Commonwealth Home Support Programme	Home Care Standards	Onsite review November 2017
Netherby Home	Residential Aged Care Standards	Onsite Review December 2017
Lyell House	Residential Aged Care Standards	Assessment Contact December 2017
THS North		
Launceston General Hospital and Mental Health Services North	National Safety and Quality in Health Care Standards	Organisational Wide Survey May 2018
Primary Health North (hospitals)	National Safety and Quality in Health Care Standards	Organisational Wide Survey May 2018
Primary Health North – Commonwealth Home Support Programme	Home Care Standards	Onsite Review March 2018
Flinders Island Residential Aged Care	Residential Aged Care Standards	Assessment Contact April 2018



OUR PERFORMANCE

PERFORMANCE AGAINST SERVICE AGREEMENT

In accordance with Section 44 of the *Tasmanian Health Organisations Act 2011* the Service Agreement between the Minister for Health and the THS Governing Council clearly sets out the service delivery and performance expectations for the funding provided to the THS for the 2017-18 financial year. As such, the Service Agreement is the key accountability agreement between the Minister for Health and the THS.

The 2017-18 Service Agreement for THS consisted of:

- Part A Tasmanian Public Sector Health System – Accountabilities
- Part B THS Profile
- Part C Performance Framework
- Part D Statement of Purchaser Intent (SoPI)
- Part E 2017-18 Priorities
- Part F Key Performance Indicators
- Part G Funding Allocation and Activity Schedules

THS Service Agreement 2017-18 performance

Performance Domain	KPI No.	KPI Name	KPI Target	1st Quarter Result	2nd Quarter Result	3rd Quarter Result	4th Quarter Result	Comments				
Acceptability	AC1	Consumer experience - % of clients surveyed						Indicators not developed by DHHS				
	AC2	Consumer experience – consistent and coordinated care										
	AC3	Consumer experience – discharge planning										
Accessibility	ACC1	Percentage of Triage I emergency department presentations seen within recommended time	100% (all specified facilities)					Target achieved by all facilities in each quarter				
			RHH						100%	100%	100%	100%
			LGH						100%	100%	100%	100%
			NWRH						100%	100%	100%	100%
			MCH						100%	100%	100%	100%
	ACC2	Percentage of all emergency department presentations seen within recommended time	80% (all specified facilities)									
			RHH						51.7%	58.4%	48.5%	50%
			LGH						64.5%	63.6%	64.6%	65.8%
			NWRH						70.3%	80.6%	85.1%	87.7%
			MCH						67%	72.5%	76.7%	90.3%
	ACC3	Percentage of all emergency department presentations who do not wait to be seen	≤5% (all specified facilities)					Target achieved by all facilities in each quarter				
			RHH						3.7%	3.2%	3.8%	3.2%
			LGH						2.4%	2.5%	2.4%	1.9%
			NWRH						3.1%	1.8%	1.5%	1.3%
			MCH						3.1%	2.2%	2.4%	0.8%
	ACC4	Percentage of all emergency patients with an ED length of stay less than four hour	80% (all specified facilities)									
			RHH						59.5%	63.4%	55.3%	55.7%
			LGH						60.6%	61.8%	59.3%	59%
			NWRH						65.3%	71.1%	73.3%	75%
			MCH						73.6%	78.6%	79.1%	80.7%
	ACC5	Percentage of patients admitted through the ED with an ED length of stay less than eight hours	90% (all specified facilities)					Target not achieved in any quarter across all facilities				
			RHH						61.1%	69.9%	60.8%	56.8%
			LGH						48.6%	58.8%	57.3%	56.2%
			NWRH						59.9%	76.1%	77.1%	79.5%
			MCH						72.6%	83.6%	80.3%	80.6%

Performance Domain	KPI No.	KPI Name	KPI Target	1st Quarter Result	2nd Quarter Result	3rd Quarter Result	4th Quarter Result	Comments
Accessibility	ACC6	Percentage of all ED patients with an ED length of stay less than 24 hours	100% (all specified facilities)					
			RHH	97.3%	98.7%	98.4%	97.4%	
			LGH	93.7%	95.8%	95.8%	94.4%	
			NWRH	98.6%	99.6%	99.8%	99.7%	
			MCH	99.5%	99.9%	99.5%	99.5%	
	ACC7	Elective Surgery - Average overdue days						KPI Removed
	ACC8	Elective Surgery Category 1 admitted within the recommended time	Dec 17: 95% Jun 18 100% (Statewide)		75.9%		74%	
	ACC9	Elective Surgery – Category 1 Maximum wait days	Dec 17: 35 Jun 18: 30 (Statewide)		427		340	
	ACC10	Elective Surgery Category 2 treat in turn rates	Dec 17: 60% Jun 18: 60% (Statewide)		33.2%		16%	
	ACC11	Elective Surgery Category 2 admitted within the recommended time	Dec 17: 80% Jun 18: 95% (Statewide)		64.7%		57.9%	
	ACC12	Elective Surgery – Category 2 maximum wait days	Dec 17: 115 Jun 18: 100 (Statewide)		577		621	
	ACC13	Elective Surgery Category 3 treat in turn rates	Dec 17: 60% Jun 18: 60% (Statewide)		23.3%		23.6%	
	ACC14	Elective Surgery Category 3 admitted within the recommended time	Dec 17: 85% Jun 18: 95% (Statewide)		86.9%		81.1%	
	ACC15	Elective Surgery – Category 3 maximum wait days	Dec 17: 400 Jun 18: 400 (Statewide)		730		1 214	
	ACC16	Percentage of all Aged Care Assessment Team (ACAT) clients seen 'on time' in all settings	90% (Statewide)	94.5%	96.6%	97.5%	97.9%	
	ACC17	Proportion of 'Emergency' clients managed on the same day that they are triaged (Oral Health)	80% (Statewide)	96.4%	97.1%	95.8%	97.9%	
	ACC18	Percentage of clients assessed within 28 days of screening mammogram	>90% (Statewide)	99%	100%	94.7%	97.3%	
	ACC19	Eligible women screened for breast cancer	Sep 17: 8 735 Dec 17: 7 043 Mar 18: 7 678 Jun 18: 8 243 (Statewide)	8 388	7 911	9 030	8 774	
Effectiveness	EF1	28 Day re-admission rate (Mental Health)	≤14% (all specified regions) (Statewide)	15.8%	17.3%	12.4%	10.6%	
	EF2	Acute 7 day post discharge community care (Mental Health)	85% (all specified regions)	82.4%	79.8%	83.2%	81.9%	
	EF3	28 Day Readmission Rate – all patients (excludes mental health patients)	<5% (all specified facilities)	1.3%	1.1%	1%	0.7%	
Activity	ACT1	National Weighted Activity Units (NWAUs)	153 785 (Statewide)	41 070	81 434	119 220	157 989	
	ACT2	Elective surgery admissions	16 200 (Statewide)	4 843	9 248	13 385	17 402	
	ACT3	Dental Weighted Activity Units (DWAUs)	126 542 (Statewide)	25 156	61 973	95 544	133 114	Target exceeded
Efficiency	EFF1	Admitted patient episode coding (clinical coding) including contracted care - timeliness	100% within 42 days of separation (Statewide)	99.7%	99.5%	99.7%	99.9%	
	EFF2	Admitted patient episode coding (clinical coding) including contracted care - accuracy	100% within 30 days of advice of error from the Department (Statewide)	100%	100%	100%	100%	

Performance Domain	KPI No.	KPI Name	KPI Target	1st Quarter Result	2nd Quarter Result	3rd Quarter Result	4th Quarter Result	Comments
Efficiency	EFF3	Ambulance offload delay - 15 minutes	85% within 15 mins (all specified facilities)					
			RHH	68.3%	75.6%	69.1%	68%	
			LGH	72.7%	82.8%	85.8%	74.2%	
			NWRH	82.4%	93.9%	98.1%	98.9%	
			MCH	88.8%	92.1%	91.9%	94.4%	
	EFF4	Ambulance offload delay - 30 minutes	100% within 30 mins (all specified facilities)					
			RHH	74.9%	81.7%	75.4%	73.2%	
			LGH	79.4%	87.2%	89.9%	80.2%	
			NWRH	89.8%	97.3%	98.9%	99.8%	
			MCH	93.3%	95.8%	95.4%	97.2%	
	EFF5	Hospital initiated postponements (HIPs)	Dec 17: 11.6% Jun 18: 10.2% (Statewide)	11.6%		12.8%		
Safety	SAF1	Hand Hygiene compliance	≥80% (all specified facilities)					
			RHH	75.1%		79.9%	Result not yet available	Performance reported tri-annually through the Tasmanian Infection Prevention and Control Unit (June, March, October)
			LGH	80.2%		78.2%		
			NWRH	81.8%		81.2%		
			MCH	73.3%		82.6%		
	SAF2	Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate	≤2.0 per 10 000 patient days (all specified facilities)					
			RHH	0.1	0.1	0.1	Result not yet available	Performance reported through the Tasmanian Infection Prevention and Control Unit Target achieved by all facilities in all periods available for reporting
			LGH	0.1	0.2	0.1		
			NWRH	0.0	0.0	0.1		
			MCH	0.2	0.0	0.0		
	SAF3	Seclusion rates	< 8 per 1 000 patient days (all specified regions) Statewide	5.9	3.6	6.1	4.2	
	SAF4	Percentage of discharge summaries transmitted within 48 hours of separation	100% (Statewide)	60%	66%	54%	100%	
	SAF5	Percentage of Initial Reportable Event Briefs sent to the Department's Clinical Governance Officer within the defined timeframe	80% (Statewide)	66.7%	100%	88.9%	Result not yet available	Target achieved in two of the three quarters available for reporting
	SAF6	Percentage of Reportable Event Brief Investigation Reports sent to the Department's Clinical Governance Officer within the defined time frame	80% (Statewide)	0%	0%	0%	Result not yet available	Target not achieved in any of the three quarters available for reporting
Finance	FIN1	Variation from funding - full year projected	Expenditure within funding allocation (Statewide)					



SUPPLEMENTARY INFORMATION

CLIMATE CHANGE

Commitment to Reducing Greenhouse Gas Emissions

The Tasmanian Health Service makes a proportional contribution toward Tasmania's greenhouse gas emissions reduction goals.

Total THS	Current Position 2017-18		
Activity	Volume		tCO ₂ -e ²
Electricity	57.93	GWh	11 007
Natural gas	43 512	GJ	2 242
Unleaded petrol	442.28	kL	1 023
Diesel fuel	274.38	kL	747
Air travel	6.55million	km	1 036
Total THS			16 054



CAPITAL WORKS AND ASSET MANAGEMENT

The THS utilise shared services provided by Asset Management Services (AMS), Department of Health and Human Services for asset management. AMS is responsible for delivering key property management elements of planning, procurement and sustainability for the THS. Capital works are delivered by AMS and the RHH Redevelopment project team. Many of the capital works projects delivered by AMS are on behalf of the THS.

Major Capital Works Program

In 2017-18, THS commenced, progressed and delivered a number of significant capital works projects, while the RHH Redevelopment continued its construction program on the RHH site.

Capital works projects completed in 2017-18 included the Launceston Integrated Care Centre and the Acute Medical and Surgical Unit at the Launceston General Hospital.

Construction started on a number of new major projects including the new district hospital at St Helens, the Kingston Health Centre and the expansion and redevelopment of the 4K children's ward at the Launceston General Hospital.

Works also continued on the Glenorchy Health Centre and the new 22 bed ward at the Repatriation Hospital. Both of these were completed in early 2018-19.

A new expanded plating line at Cambridge Kitchen is nearing completion. This will allow the current plating line to be relocated from the RHH thereby freeing up the current space as part of the RHH redevelopment works.

The design and tender for the construction of a new helipad and new Ambulance Station at the Mersey Community Hospital (MCH) are complete and construction commenced in the first quarter of 2018-19.

The new Rehabilitation Centre at the MCH is the first project to commence as part of the Government's \$35 million commitment to upgrade the campus. A master planning exercise is underway to review services and determine a future priority works program.

The Statewide Rural Health Facility Infrastructure Upgrades will see a range of facilities undergo roof repairs or replacements and upgrades to heat and ventilation air conditioning (HVAC) systems.

Completed Major Capital Works 2017-18

Completed Major Capital Works in 2017-18	Total Cost \$'000
Launceston Integrated Care Centre ¹	22 700
Hospital and Health Centre Maintenance ²	8 340
Launceston General Hospital - Acute Medical and Surgical Unit ³	45 990
National Health and Hospitals Network - Capital - Emergency Department - Royal Hobart Hospital ⁴	3 737

Notes:

¹ The Launceston Integrated Care Centre experienced temporary delays related to implementation of new IT systems in 2016-17. The Australian Government contributed \$15 million towards the Launceston Integrated Care Centre, \$4.5 million from the University of Tasmania and \$3 million from the State Government.

² Projects under this program included the LGH substation upgrade; Launceston Ambulance Station Structural Works; Flinders Island Sewer Upgrade; Fire Systems Protection Upgrade; Body Protection Wiring Rectification; LGH Intensive Care Unit/Emergency Department Lift Upgrade; Hobart Private Hospital Chiller and Heat Pump Installations; and Emergency Power Supplies.

³ The LGH Medical and Surgical Unit project was initially allocated \$40 million by the Australian Government. The THS has provided supplementation of approximately \$5 million, through internal sources. An additional \$990 000 was also contributed from the Crown Land Administration Fund.

⁴ The National Health Reform initiatives: Elective Surgery, Emergency Department and Sub-Acute were primarily funded by the Australian Government under the National Partnership Agreement on Improving Public Hospital Services.

Ongoing Major Capital Works 2017-18

Ongoing Major Capital Works in 2017-18 ¹	2017-18 Expenditure \$'000	Estimated total cost \$'000	Estimated cost to complete \$'000	Estimated completion year
Essential Maintenance	1 604	na	na	Ongoing
Campbell Town Ambulance Station	12	2 960	2 948	2021
Glenorchy Health Centre ²	5 212	21 000	831	2018
Health Transport and Coordination Infrastructure ³	989	10 000	6 683	2018 ⁴
Hobart Repatriation Hospital Redevelopment	5 633	7 000	1 367	2018
Kingston Health Centre ⁵	632	6 500	5 328	2019
Launceston General Hospital – Cladding Replacement	122	2 000	1 878	2019
Launceston General Hospital – Ward 4K Upgrade + WACS precinct	935 ⁶	7 850	6 768	2020
Mersey Community Hospital Redevelopment	196	35 000	34 804	2021
Mersey Community Hospital – SCIF Project	13	1 900	1 346	2018
Royal Hobart Hospital – Inpatient Precinct Project ⁷	113 482	569 200	282 741	2019
Royal Hobart Hospital – Pharmacy Redevelopment	3 761	3 761	2020
St Helens District Hospital	2 814	12 100	8 302	2019
Statewide Cancer Services ⁸	3	63 274	71	2019 ⁹
Statewide Hospital Critical Facility Upgrades	2 014	10 500	8 486	2020
Statewide Rural Health Facility Infrastructure Upgrades	553	4 700	4 147	2021

Notes:

- 1 This table does not include expenditure prior to 1 July 2016. It reflects 2016-17 expenditure and anticipated expenditure in future periods.
- 2 Completion of the Glenorchy Health Centre (formerly referred to as the Glenorchy Community Health Centre) was temporarily delayed while a review of the Integrated Care Centre model of care was undertaken. Construction commenced in early 2017 and practical completion was achieved in March 2018. Minor fit out updates to be finished in late 2018.
- 3 Expenditure for improved infrastructure is associated with changes to patient coordination, transport and accommodation arising from the One Health System reforms.
- 4 The estimated completion date for this program has changed from that reported in last year's Annual Return due to delays experienced in site purchase negotiations and the introduction of a whole of government solution for teleconferencing services.
- 5 Completion of the Kingston Health Centre (formerly referred to as the Kingston Community Health Centre) was temporarily delayed as a result of ongoing negotiations for land acquisition and while a review of the Integrated Care Centre model of care was completed. Construction commenced in early 2018 and is anticipated for completion in 2018/19.
- 6 The first stage of the Launceston General Hospital Ward 4K upgrade and Women and Childrens Precinct is expected to be completed in late 2019, with the development completed by mid 2020.
- 7 The estimated total cost of this component of the RHH Redevelopment project is \$569.2 million, which reflects \$340 million of Australian Government funding and \$229.2 million of State Government funding.
- 8 The total Australian Government commitment to the State-wide Cancer Services project is \$36.3 million, with \$23.9 million funded by the State Government and \$2.8 million provided through donations.
- 9 The estimated completion date for this program has changed from that reported in last year's Annual Return due to delay caused by a need to source a new portal system provider.

CONSULTANCIES, CONTRACTS AND TENDERS

The Tasmanian Health Service (THS) 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 THS policy to support Tasmanian businesses whenever they offer best value for money for the Government.

See Table 1 for a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over (excluding GST).

Tables 2 and 3 provide detailed information on consultancies and other contracts with a value of \$50 000 or over (excluding GST).

Table 4 provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Instructions 1114 or 1217.

Table 5 provides a summary of contracts where approval to aggregate the procurement was obtained in accordance with Instructions 1119 and 1225.

Table 1 - Summary of Participation by Local Businesses

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	90
Total number of contracts awarded to Tasmanian businesses	31
Value of contracts awarded ^{1,2}	\$60 302 627
Value of contracts awarded to Tasmanian businesses ^{1,2}	\$40 538 518
Total number of tenders called and/or quotation processes run	17
Total number of bids and/or written quotations received	124
Total number of bids and/or written quotations received from Tasmanian businesses	43

Notes:

1. In accordance with the requirements of the Treasurer's Instructions, the values in this table do not include the value of options to extend.
2. All values exclude GST.

Table 2 - Consultancies Awarded¹

Consultancies awarded in the 2017-18 financial year with a value of \$50 000 or over:

Consultant Name	Location	Consultancy Description	Period of Consultancy	Total Value \$ ²
Grosvenor Management Consulting Pty Ltd	ACT	Palliative Care Clinical Service Model Review	25/07/2017 - 31/12/2017	75 366

Notes:

1. Where an overarching procurement process exists (for example Common Use Contracts and Agency Panel arrangements) individual engagements are not reported.
2. All values exclude GST.

Table 3 - Contracts Awarded¹

Contracts awarded in the 2017-18 financial year with a value of \$50 000 or over and excluding consultancy contracts.

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
3M Australia Pty Ltd	NSW	3M Codefinder and Grouping Software	01/07/2017 - 30/06/2018	282 815
Abbott Australasia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
A-dec Trading Company Inc t/a A-dec Australia	NSW	Supply of Clinical Dental Equipment ⁶	01/06/2017 - 31/05/2020	255 600
Advanced Biomedical (Sales) Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
Alcon Laboratories (Australia) Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
AMO Australia Pty Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
Applied Medical Australia Pty Limited	Qld ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
Australian Orthopaedic Fixations Pty Ltd	SA	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
B Braun Australia Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
Balance Medical Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
Bard Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
Baxter Healthcare Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020	0 ⁴
			Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴
Baxter Healthcare Pty Ltd	NSW ⁵	Reverse Osmosis Filtration Units	18/06/2018 - 02/12/2025	1 006 848
			Option to extend ³ 03/12/2025 - 02/12/2028	157 500
Becton Dickinson Pty Ltd	NSW	Launceston General Hospital and Royal Hobart Hospital - Blood Culture Analysers	04/09/2017 - 03/09/2021	277 200
			Option to extend ³ 04/09/2021 - 03/09/2024	277 200

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
Biotronik Australia Pty Ltd	NSW ⁵	Supply of Cardiac Implantable Electronic Devices and Associated Accessories	01/04/2018 - 31/03/2021 Option to extend ³ 01/04/2021 - 31/03/2023	0 ⁴ 0 ⁴
Biotronik Australia Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Boston Scientific Pty Ltd	NSW	Supply of Cardiac Implantable Electronic Devices and Associated Accessories	01/04/2018 - 31/03/2021 Option to extend ³ 01/04/2021 - 31/03/2023	0 ⁴ 0 ⁴
Boston Scientific Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Carefusion Australia 316 Pty Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Carestream Health Australia Pty Ltd	Vic ⁵	Launceston General Hospital - Mobile X-Ray Equipment	18/08/2017 (one-off purchase)	97 765
Carl Zeiss Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
CK Surgitech Pty Ltd	Qld	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
CMC Property Services Pty Ltd	Vic ⁵	Northern Dental Centre - Cleaning Services	02/10/2017 - 01/10/2021	252 080
Cochlear Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Coloplast Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
ConMed Linvatec Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Cook Medical Australia Pty Ltd	Qld	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Corin (Australia) Pty Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
CryoLife Aust Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Culpan Medical Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
Cyclotek (Aust) Pty Ltd	Vic	Royal Hobart Hospital - Radiopharmaceutical FDG for PET Scanning	07/08/2017 - 06/08/2020 Option to extend ³ 07/08/2020 - 06/08/2023	2 124 000 2 124 000
Designs for Vision (Aust) Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Device Technologies Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Exactech Australia Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Extend Medical	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
GE Healthcare Australia Pty Ltd	Vic ⁵	Royal Hobart Hospital - 1.5T MRI Unit - Maintenance Service Agreement	24/06/2018 - 23/06/2021	345 000
GE Healthcare Australia Pty Ltd	Vic ⁵	Royal Hobart Hospital - Department of Medical Imaging - Ultrasound Machine	30/10/2017 - 29/10/2023	155 000
Getinge Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Getinge Australia Pty Ltd	Qld	Large Capacity Steam Sterilisers	01/10/2017 - 30/09/2022	249 144
Global Orthopaedic Technology Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Hansen Yuncken Pty Ltd	Tas	Royal Hobart Hospital - ICU Ceiling Replacement	08/01/2018 - 29/05/2018	1 137 560
Heraeus Medical Australia Pty Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Ikaria Australia Pty Ltd	Vic	Royal Hobart Hospital - Provision of Nitric Oxide	01/09/2017 - 31/08/2019	192 816
Inovanz Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
IQ Medical Pty Ltd	SA	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Johnson & Johnson Medical Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
KLS Martin Australia Pty Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
Kone Elevators Pty Ltd	Vic ⁵	Hobart Private Hospital - Major Upgrade to 5 Passenger Lifts	26/03/2018 - 27/03/2020	1 292 270
Life Systems Medical Pty Ltd	Vic	Supply of Cardiac Implantable Electronic Devices and Associated Accessories	01/04/2018 - 31/03/2021 Option to extend ³ 01/04/2021 - 31/03/2023	0 ⁴ 0 ⁴
Lifehealthcare Distribution Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Lima Orthopaedics Australia Pty Ltd	Vic ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
LivNova Australia Pty Ltd	Vic	Supply of Cardiac Implantable Electronic Devices and Associated Accessories	01/04/2018 - 31/03/2021 Option to extend ³ 01/04/2021 - 31/03/2023	0 ⁴ 0 ⁴
LMT Surgical Pty Ltd	Qld	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Masters Contracting Pty Ltd	Tas	Royal Hobart Hospital - Pathology Refrigeration Upgrade	03/10/2017 - 01/12/2017	105 700
Matrix Surgical Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Medacta Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Medartis Australia & New Zealand Pty Ltd	Qld	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Med-El Implant Systems Australasia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Medical & Optical Instruments Australia Pty Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Medical Specialties Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Medical Technologies Australia Pty Ltd	NSW	Royal Hobart Hospital - FibroScan Machine	11/01/2018 - 11/01/2020	183 850
Medtronic Australasia Pty Ltd	NSW ⁵	Supply of Cardiac Implantable Electronic Devices and Associated Accessories	01/04/2018 - 31/03/2021 Option to extend ³ 01/04/2021 - 31/03/2023	0 ⁴ 0 ⁴
Medtronic Australasia Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
Moffat Pty Ltd	Vic	Royal Hobart Hospital - Meal Delivery System - Burlodge Pods	09/03/2018 (one-off purchase)	72 958
National Surgical Pty Ltd	Qld	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Optimization Zorn Corporation	USA	Royal Hobart Hospital - Tasmanian Infant Hearing Screening Program - Service Agreement and Upgrade	30/10/2017 - 29/10/2022	110 000
Penumbra Neuro Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Pyramed Pty Limited	Qld	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Reid Healthcare Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Roche Diagnostics Australia Pty Ltd	NSW	Royal Hobart Hospital and Launceston General Hospital - Pathology - Immunohistochemistry Staining Machines	13/09/2017 - 30/11/2021	1 417 000
Roche Diagnostics Australia Pty Ltd	NSW ⁵	Royal Hobart Hospital - Pathology - Nucleic Acid Extraction System	30/05/2018 (one-off purchase)	170 000
Secure Parking Pty Ltd	Vic ⁵	Launceston General Hospital Precinct - Operation and Management of Car Parking ⁶	01/07/2018 - 01/10/2019	190 978
Siemens Healthcare Pty Ltd	Vic ⁵	Royal Hobart Hospital - CT Scanner - Service Maintenance Agreement	10/10/2017 - 09/10/2019	242 800
Siemens Healthcare Pty Ltd	Vic ⁵	Royal Hobart Hospital - Department of Medical Imaging - Angiography System - Maintenance Service Agreement ⁶	21/09/2019 - 20/03/2021	199 560
Smith & Nephew Pty Limited	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Sonova Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
St Jude Medical Australia Pty Ltd	NSW ⁵	Supply of Cardiac Implantable Electronic Devices and Associated Accessories	01/04/2018 - 31/03/2021 Option to extend ³ 01/04/2021 - 31/03/2023	0 ⁴ 0 ⁴
Stryker Australia Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴

Contractor Name	Location	Contract Description	Period of Contract	Total Value \$ ²
Surgical Specialties Pty Limited	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Surgiplus Medical	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Tasmanian Hotel and Catering Supplies	Tas	Royal Hobart Hospital - Cambridge Production Facility - Conveyor/Stripper Station	05/03/2018 (one-off purchase)	142 272
Tasmanian Hotel and Catering Supplies	Tas	Royal Hobart Hospital - Food Services - Breakfast Trolleys	26/04/2018 (one-off purchase)	72 546
Teleflex Medical Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Terumo Australia Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Toshiba Medical Systems ANZ Pty Limited	Vic ⁵	BreastScreen Tasmania - Ultrasound Equipment	01/08/2017 - 31/07/2023	151 500
Trewavis Surgical Instruments Pty Ltd	Vic	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
W L Gore & Associates (Australia) Pty Ltd	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Wright Medical Australia Pty Limited	NSW	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴
Zimmer Biomet Pty Ltd	NSW ⁵	Supply of Prostheses	01/12/2017 - 30/11/2020 Option to extend ³ 01/12/2020 - 30/11/2022	0 ⁴ 0 ⁴

Notes:

1. Where an overarching procurement process exists (for example Common Use Contracts and Agency Panel arrangements) individual engagements are not reported.
2. All values exclude GST.
3. In accordance with Treasurer's Instruction 1111, the period of a contract for reporting purposes includes the value, or estimated value, of any possible options to extend. Where applicable, the principal period of the contract is identified as well as any options to extend; this does not signify that the options have been or will be exercised by the THS.
4. A '0' contract value signifies a contract for which a value cannot be estimated, being dependent on purchasing patterns
5. An organisation whose principal place of business is not in Tasmania but has a permanent office or presence in Tasmania and employs Tasmanian workers
6. Where a commencement date is prior to 1 July 2017 or from 1 July 2018 onwards, the contractual arrangements for the procurement were finalised in 2017-18.

Table 4 - 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 Instructions 1114 and 1217 the Head of Agency for the THS is the Secretary of the Department of Health and Human Services.

Details of contracts awarded by the THS in 2017-18 as a result of a process approved in accordance with Instructions 1114 and 1217.

Contractor Name	Contract Description	Reasons for Approval	Total Value \$ ^{1,2}
3M Australia Pty Ltd	3M Codefinder and Grouping Software	The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons.	282 815
Roche Diagnostics Australia Pty Ltd	Royal Hobart Hospital and Launceston General Hospital - Pathology - Immunohistochemistry Staining Machines	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.	1 417 000
Carestream Health Australia Pty Ltd	Launceston General Hospital - Mobile X-Ray 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.	97 765
GE Healthcare Australia Pty Ltd	Royal Hobart Hospital - 1.5T MRI Unit - Maintenance Service Agreement	The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons.	345 000
Hansen Yuncken Pty Ltd	Royal Hobart Hospital - ICU Ceiling Replacement	In so far as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the agency, the services could not be obtained in time using an open or selective tender.	1 137 560
Ikaria Australia Pty Ltd	Royal Hobart Hospital - Provision of Nitric Oxide	The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons.	192 816
Medical Technologies Australia Pty Ltd	Royal Hobart Hospital - FibroScan Machine	The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons.	183 850

Contractor Name	Contract Description	Reasons for Approval	Total Value \$ ^{1,2}
Optimization Zorn Corporation	Royal Hobart Hospital - Tasmanian Infant Hearing Screening Program - Service Agreement and Upgrade	<p>The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for the following reasons:</p> <p>(ii) the protection of patents, copyrights, or other exclusive rights, or proprietary information.</p> <p>(iii) due to an absence of competition for technical reasons.</p>	110 000
Roche Diagnostics Australia Pty Ltd	Royal Hobart Hospital - Pathology - Nucleic Acid Extraction System	<p>The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons.</p>	170 000
Siemens Healthcare Pty Ltd	Royal Hobart Hospital - CT Scanner - Service Maintenance Agreement	<p>The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons.</p>	242 800
Siemens Healthcare Pty Ltd	Royal Hobart Hospital - Department of Medical Imaging - Angiography System - Maintenance Service Agreement	<p>The goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for the following reasons:</p> <p>(ii) the protection of patents, copyrights, or other exclusive rights, or proprietary information; and</p> <p>(iii) due to an absence of competition for technical reasons.</p>	199 560

Notes:

1. The values in this table include the value, or estimated value, of any possible options to extend.

2. All values exclude GST.

Table 5 – Disaggregation Exemptions

Treasurer's Instructions 1119(5) and 1225(5) provide heads of agencies with discretion to approve an exemption from the requirement to disaggregate substantial contracts where the benefits of aggregation clearly outweigh the potential negative impact on local SME suppliers/the local economy.

Contracts awarded by the THS in 2017-18 as a result of such an approval.

Contract Description	Total Value\$ ^{1,2}
Large Capacity Steam Sterilisers	249 144
Launceston General Hospital and Royal Hobart Hospital - Blood Culture Analysers	554 400
Supply of Clinical Dental Equipment	255 600
Hobart Private Hospital - Major Upgrade to 5 Passenger Lifts	1 292 270
Transport and Intensive Care Ventilator Equipment	925 100

Notes:

1. The values in this table include the aggregated value and the value, or estimated value, of any possible options to extend.

2. All values exclude GST.

RIGHT TO INFORMATION

Right to Information Act 2009 Annual Reporting Statistics – 2017-18

Section A: Number of Applications

1.	Number of applications for assessed disclosure of information received during 2017-18	48
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Section B: Applications Accepted

2.	Number of applications for assessed disclosure accepted for decision	38
3.	Number of applications for assessed disclosure received not accepted for decision	10
3.1	Number of applications where fee not paid , and no agreement to waive the fee	9
3.2	Despite assistance under s 13(6), number of applications not in writing or not containing the minimum information as prescribed in the regulations	1
3.3	Number of applications still under negotiation (s13(7)) prior to acceptance	0

Notes The sum of the numbers recorded at questions 2 and 3 must equal the number recorded at question 1.
The sum of the numbers recorded at questions 3.1 to 3.4 must equal the number recorded at question 3.

Section C: Applications Decided

4.	Number of applications accepted for assessed disclosure and decided	49
4.1	Number of applications accepted during 2017-18 and decided during 2017-18	38
4.2	Number of applications accepted during 2016-17 and decided during 2017-18	11

Note The total recorded at question 4 must equal the sum of 4.1 and 4.2

5.	The number of accepted applications decided during 2017-18 where the outcome was:	
5.1	The information requested was provided in full	29
5.2	The information requested was provided in part .	10
5.3	None of the information requested was provided	10

Notes The sum of 5.1 to 5.3 must equal the total recorded at question 4.

Notes In relation to 5.2 and 5.3, this means that only some or no information was provided by your agency, i.e. the information may be exempt or you may have transferred part or all of the application to another agency etc.

Section D: Reasons for Decisions

For applications **decided** during 2017-18 (ie those counted for questions 5.2 and 5.3) the reasons why the information requested was **not** provided in full:

Not in possession, exempt information

6.	The number of accepted applications decided where information requested was not in the possession of the public authority or Minister (s.5) including when the information requested is located at the Archives Office and is available for inspection at that Office (s.11(3)).		0
	6.1	Number of applications where no information requested was in possession	0
	6.2	Number of applications where some of information requested was not in possession	0
7.	The number of accepted applications decided where information requested related to an excluded person or body (s.6)		0
	7.1	Number of applications where all information requested related to an excluded person or body	0
	7.2	Number of applications where some of the information requested related to an excluded person or body	0

Transferred

8.	The number of applications that were transferred (s.14)		8
	8.1	Number of applications transferred in full	8
	8.2	Number of applications transferred in part	0

Deferred

9.	The number of accepted applications where the provision of information requested was deferred (s.17)		0
	9.1	Number of applications where provision of all of the information requested was deferred	0
	9.2	Number of applications where provision of some of the information requested was deferred	0

Refused

10.	The number of accepted applications refused during 2017-18		7
	10.1	Information requested was already available for inspection or purchase (s.9)	1
	10.2	Information requested cannot be produced using normal computer means and producing it would substantially and unreasonably divert resources (s.10)	0
	10.3	Information requested was or is to be disclosed by other means, eg by active or routine disclosure (s.12)	6
	10.4	Providing the information requested would substantially and unreasonably divert resources (s.19)	0
	10.5	Information requested is a repeat of a previous application (s.20(a))	0
	10.6	The application for information is vexatious or lacks definition even after negotiation (s.20(b))	0

Notes More than one reason for refusal may be used in relation to a single application.

The sum of the numbers recorded for questions 10.1 to 10.6 must be equal to or be greater the total recorded at question 10.

Exemptions

II.	The number of applications decided during 2016-17 where information requested was exempted from disclosure in full or part	18
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For applications exempted in full or in part, the number of applications for which the following sections were used as reasons for exempting information from disclosure was:

II.1	Executive Council Information (s.25)	0
II.2	Cabinet Information (s.26)	0
II.3	Internal briefing information of a Minister (s.27)	2
II.4	Information not relating to official business (s.28)	0
II.5	Information affecting national or state security, defence or international relations (s.29)	0
II.6	Information relating to the enforcement of the law (s.30)	1
II.7	Legal professional privilege (s.31)	0
II.8	Information relating to closed meetings of council (s.32)	0
II.9	Information communicated by other jurisdictions (s.34)	0
II.10	Internal deliberative information (s.35)	5
II.11	Personal information of a person other than the applicant (s.36)	8
II.12	Information relating to the business affairs of a third party (s.37)	1
II.13	Information relating to the business affairs of a public authority (s.38)	0
II.14	Information obtained in confidence (s.39)	2
II.15	Information on procedures and criteria used in certain negotiations of public authority (s.40)	0
II.16	Information likely to affect the State economy (s.41)	0
II.17	Information likely to affect cultural, heritage and natural resources of the State (s.42)	0

Notes If a section is used one or more times in assessing the information requested in a single application, it is counted as one.

More than one reason for exemption (if applicable) may be counted in relation to a single application.

The sum of the numbers recorded for questions II.1 to II.17 must be equal to or be greater the total recorded at question II.

Withdrawn

12.	The number of accepted applications where the application was withdrawn by the applicant before a decision	3
12.1	Number of applications withdrawn in full	3
12.2	Number of applications withdrawn in part	0

Section E: Time to Make Decisions

13.	Number of accepted applications decided between 1 and 20 working days of the application being accepted	24
14.	Number of accepted applications decided after 20 working days of the application being accepted	25
Of the applications decided after 20 working days		
14.1	Number of applications that involved an extension negotiated with the applicant under s.15(4)(a)	19
14.2	Number of applications that involved an extension gained through an application to the Ombudsman under s.15(4)(b)	0
14.3	Number of applications that involved consultation with a third party under s.15(5)	0

Notes The sum of the numbers recorded for questions 13 and 14 must equal the total recorded at question 4.

The sum of the numbers recorded for questions 14.1 to 14.3 must be equal to or less than the total recorded at question 14.

Section F: Reviews

Internal Reviews

15.	Number of internal reviews that were requested	1
16.	Number of internal reviews that were decided	1
16(a)	Number of internal reviews that were requested in 2017-18 and decided during 2017-18	1
16(b)	Number of internal reviews that were requested in 2016-17 and decided during 2017-18	0
For the internal reviews that were decided in 2017-18		
16.1	Number where the original decision upheld in full	0
16.2	Number where the original decision upheld in part	1
16.3	Number where the original decision reversed in full	0
16.4	Number resolved by other means	0

Notes The sum of the numbers recorded for questions 16(a) and 16(b) must equal the total recorded at question 16.

The sum of the numbers recorded for questions 16.1 to 16.4 must be equal the total recorded at question 16.

An application for a review may also be resolved by being withdrawn by an applicant, the reaching of a negotiated agreement, the issuing of a direction for a new decision to be made, or information being released by other means.

External Reviews (Ombudsman)

17.	Number of external reviews that were requested in 2017-18	0
18.	Number of external reviews that were decided in 2017-18	0
18(a)	Number of external reviews that were requested in 2017-18 and decided during 2017-18	0
18(b)	Number of external reviews that were requested in 2016-17 and decided during 2017-18	0
For the external reviews that were decided in 2017-18		
18.1	Number where the original decision upheld in full	0
18.2	Number where the original decision upheld in part	0
18.3	Number where the original decision reversed in full	0
18.4	Number resolved by other means	0

Notes The sum the numbers recorded for questions 18(a) and 18(b) must equal the total recorded at question 18.

The sum the numbers recorded for questions 18.1 to 18.4 must be equal the total recorded at question 18.

An application for a review may also be resolved by being withdrawn by an applicant, the reaching of a negotiated agreement, the issuing of a direction for a new decision to be made, or information being released by other means.

MINISTERIAL DIRECTIONS AND PERFORMANCE ESCALATIONS

Register of Ministerial Directions from 1 July 2017

Date	Title	Details
July 2017 to June 2018	Performance Escalation	<p>During 2017-18, level one performance escalations, for unsatisfactory performance, were in place against the following service agreement KPIs:</p> <ul style="list-style-type: none"> • Percentage of all emergency department presentations seen within recommended time • Percentage of all emergency patients with an ED length of stay less than four hours • Percentage of patients admitted through the ED with ED length of stay less than eight hours • Percentage of all ED patients with an ED length of stay less than 24 hours • Ambulance offload delay – 30 minutes <p>Consistent with the requirements of a level one performance escalation, the THS was required to submit performance improvement plans for all five KPIs to the Minister for Health, outlining the strategies that would be implemented to remediate performance and a timeframe for the achievement of KPI targets specified in the 2017-18 Service Agreement.</p>

RESEARCH, TRIALS AND PUBLICATIONS

Research and Trials 2017-18

A strong program of quality improvement and service evaluation is in evidence around the state, and there is growing involvement in research collaborations with other health care providers and the university sector.

Research and Trial information can be found at
https://www.ths.tas.gov.au/annual_reports

Publications 2017-18

Journal Articles, Books and Book Chapters by
THS Staff can be found at
https://www.ths.tas.gov.au/annual_reports

GLOSSARY

A&RS	Audit and Risk Subcommittee
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
ACGB	Australian Centre for Grief and Bereavement
ACHS	Australian Council on Healthcare Standards
ACP	Advance Care Planning
ACSQHC	Australian Commission on Safety and Quality in Healthcare
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	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. A formal admission is the administrative process by which a hospital records the commencement of treatment/care or accommodation of a patient. A statistical admission is the administrative process by which a hospital records the commencement of treatment/care or accommodation of a patient.
Admissions from elective surgery waiting lists:	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.
AHMAC	Australian Health Ministers' Advisory Council
AIHW	Australian Institute of Health and Welfare
AIHSM	Australian Institute of Health Service Management
AMS	Asset Management Services
ANZSPM	Australia and New Zealand Society for Palliative Medicine
APHCRI	Australian Primary Health Care Research Institute
AMS	Asset Management Services
ATO	Australian Taxation Office
ATS	Australasian Triage Scale
BEIMS	Building Engineering Information Management System
CAC	Consumer Advisory Council
CALD	Culturally and linguistically diverse
CEAG	Community Engagement Advisory Group
CEC	Consumer Engagement Committee
CEO	Chief Executive Officer
CERG	Consumer Engagement Reference Group
CFO	Chief Financial Officer
CHaPS	Child Health and Parenting Services
CHC	Community Health Centre
CIP	Capital Improvements Program
CIP-EM	Capital Improvements Program - Essential Maintenance
CNC	Clinical Nurse Consultant
COAG	Council of Australian Governments
CoNECs	Community Nursing Enhanced Connections Service

COO	Chief Operating Officer
COPE	Commonwealth Own Purpose Expenditure
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.
CPI	Consumer Price Index
CSC	Royal Hobart Hospital Cancer Support Centre
CSO	Community Sector Organisation
DCHSC	Devonport Community and Health Services Centre
DFA	Disability Framework for Action 2005 -2010
DH	District Hospital
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)
DMR	Digital Medical Record
DON	Director of Nursing
Dr	Doctor
ECO	Employee Contact Officer
ED	Emergency Department
Elective admission (Urgency status assigned)	Elective admissions: 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.
ER	Employee Relations
FACN	Fellow of the Australian College of Nursing
FBT	Fringe Benefits Tax
FRAME	Federation of Rural Australian Medical Educators
FTE	Full Time Equivalent
GC	Governing Council
GEM	Geriatric Evaluation and Management
GGs	General Government Sector
GHC	Glenorchy Health Centre
GM5	Give Me Five For Kids
GP	General Practitioner
GPLO	General Practice Liaison Officer
GST	Goods and Services Tax
HACC	Home and Community Care
HIV	Human immunodeficiency virus
HOA	Heads of Agreement
HoMER	Harmonisation of Multi-Centre Ethical Review
HR	Human Resources
HRT	Health Round Table
HSO	Health Service Officer
HSR	Health and Safety Representative
HVAC	Heating, Ventilation and Air Conditioning
IAS	International Accounting Standards
IASB	International Accounting Standards Board
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
M&M	Morbidity and Mortality
MAIB	Motor Accidents Insurance Board
MAGNET	MAGNET designation is recognised as the highest and most prestigious credential of healthcare organisation can achieve for nursing excellence and quality patient care.
MCH	Mersey Community Hospital
MGP	Midwifery Group Practice
MHS-N	Mental Health Services - North
MOC	Models of Care
MOU	Memorandum of Understanding
MPC	Multipurpose Centre
MPS	Multipurpose Service
MRI	Magnetic Resonance Imaging
NEP	National Efficient Price
NHCDC	National Hospital Cost Data Collection
NHRA	National Health Reform Agreement
NICU	Neonatal Intensive Care Unit
NICS	Northern Integrated Care Service
NMBA	Nursing and Midwifery Board of Australia
NPA-IHST	National Partnership Agreement on Improving Health Services in Tasmania
NPICU	Neonatal Paediatric Intensive Care Unit
NPPs	National Partnership Payments
NSQHSS	National Safety and Quality Health Service Standards
NWPH	North West Private Hospital
NWRH	North West Regional Hospital
PAH	Pulmonary arterial hypertension
PHN	Primary Health North
PIU	Paediatric Inpatient Unit
PSC	Partnerships Subcommittee
QI	Quality Improvement
QS&CRS	Quality Safety and Clinical Risk Subcommittee
RACMA	The Royal Australasian Collage of Medical Administrators
RANZCP	The Royal Australian and New Zealand College of Psychiatrists
RBF	Retirement Benefit Fund
RCA	Root Cause Analysis
RCS	Rural Clinical School
RHH	Royal Hobart Hospital
RJRP	Right Job Right Person
RTI	Right to Information
SAAP	Supported Accommodation Assistance Program
SAB	Staphylococcus Aureus bacteraemia
SAMP	Strategic Asset Management Plan
Scheduled admissions:	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.
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

SME	Small Medium Enterprise
SMHS	Statewide Mental Health Services
SPA	Superannuation Provision Account
SRLS	Safety Reporting and Learning System
STD	Sexually transmitted disease
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.
TCP	Transitional Care Program
TasEquip	An accessible, equitable, sustainable and efficient statewide service delivery platform that enables individuals who require equipment and assistive technology to live safely at home and participate in the community.
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) was 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.
THEO	Tasmania Health Education Online
THO - S	Tasmanian Health Organisation-South
THO - N	Tasmanian Health Organisation-North
THO - NW	Tasmanian Health Organisation-North West
THP	Tasmania's Health Plan
THS	Tasmanian Health Service
THS GC	Tasmanian Health Service Governing Council
TI	Treasurer's Instruction
TIPCU	Tasmanian Infection Prevention and Control Unit
TML	Tasmania Medicare Local
Transfer	A transfer is when the physical location of the patient changes. Patients 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.
TRDF	Tasmanian Role Delineation Framework
TRMF	Tasmanian Risk Management Fund
UTAS	University of Tasmania
WACS	Women's and Children's Services
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 with 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
YTD	Year to Date

LEGISLATION

Legislation Governing the Operations of THS

<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>Control Board (See the department of Justice under the Minister for Justice)</i>
<i>Disability Discrimination Act 1992</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 Insurance Act (1973) 1974 No. 42 (CTH)</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>National Health Act 1953 No. 95 (CTH)</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</i>
<i>Public Health Act 1997</i>
<i>Public Interest Disclosures Act 2002</i>
<i>Radiation Protection Act 2005</i>
<i>Racial Discrimination Act 1975</i>
<i>Right to Information Act 2009</i>
<i>Sex Discrimination Act 1984</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>Motor Accidents (Liabilities and Compensations) Act 1973 (Tasmania)</i>
<i>Royal Derwent Hospital (Sale of Land) Act 1995</i>
<i>Surrogacy Contract Act 1993</i>

Broadly Applicable Legislation

<i>Acts Interpretation Act 1931</i>
<i>Archives Act 1983</i>
<i>Building Act 2000</i>
<i>Civil Liability Amendment Act 2008</i>
<i>Coroners Act 1995</i>
<i>Copyright Act 1968</i>
<i>Dangerous Substances (Safe Handling Act) 2005</i>
<i>Defamation Act 2005</i>
<i>Economic Regulator Act 2009</i>
<i>Emergency Management Act 2006</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>Mutual Recognition (Tasmania) Act 1993</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>

SUPERANNUATION DECLARATION

I, Craig Watson, Chief Corporate Officer, Tasmanian Health Service hereby certify that the Tasmanian Health Service has met its 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.



Craig Watson

Chief Corporate Officer,
Tasmanian Health Service

PRICING POLICIES

The Tasmanian Health Service (THS) undertakes 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 THS levy fees and charges in accordance with the provisions of the following Acts:

- ▶ *Adoption Act 1988*
- ▶ *Anatomical Examinations Act 2006*
- ▶ *Health Act 1997*
- ▶ *Pharmacy Control Act 2001*
- ▶ *Public Health Act 1997*
- ▶ *Tasmanian Health Organisations Act 2011*
- ▶ *Ambulance Service Act 1982*
- ▶ *Food Act 2003*
- ▶ *Health Services Establishments Act 2006*
- ▶ *Poisons Act 1971*
- ▶ *Radiation Protection Act 2005*

The THS maintain a Revenue Policy that provides information on the financial requirements for funding a program from sources outside of the Organisation. This policy is subject to ongoing review.

Fees are charged in accordance with Tasmanian legislation including the *Health Act 1997* and the *Tasmanian Health Organisations Act 2011*.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosures Act 2002* encourages and facilitates disclosures about any improper conduct of public officers or public bodies and protects public officers who make disclosures regarding such conduct. The THS will afford natural justice to all parties involved in the investigation of a disclosure. The THS is committed to the aims and objectives of the Public Interest Disclosures Act. We recognise the value of transparency and accountability in our administrative and management practices.

We support the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

The THS Public Interest Disclosure Policy and Protocol were prepared in accordance with Guidelines and Standards published by the Tasmanian Ombudsman. The Policy and Protocol are available via the THS Strategic Document Management System and are reviewed by the Ombudsman every three years.

There were no public interest disclosures during the reporting period.



FINANCIAL STATEMENTS

For the year ended 30 June 2018

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Statement of Certification

The accompanying Financial Statements of the Tasmanian Health Service (THS) and its related bodies 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 *Tasmanian Health Service Act 2018* to present fairly the financial transactions for the year ended 30 June 2018 and the financial position as at the end of the year.

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.



Mr Craig Watson

Chief Corporate Officer

Tasmanian Health Service

24 September 2018

Statement of Comprehensive Income for the year ended 30 June 2018

	Notes	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Grants	5.1	1 253 406	1 357 657	1 251 219
Sales of goods and services	5.2	187 564	179 459	192 122
Interest	5.3	317	155	198
Other revenue	5.4	22 396	36 495	36 274
Total revenue and other income from transactions		1 463 683	1 573 766	1 479 813
Expenses from transactions				
Employee benefits	6.1	959 452	1 097 671	1 006 196
Depreciation and amortisation	6.2	40 615	41 435	41 047
Supplies and consumables	6.3	429 613	450 500	445 367
Grants and subsidies	6.4	7 070	7 049	6 858
Finance costs		0	0	2
Other expenses	6.5	23 340	24 618	25 659
Total expenses from transactions		1 460 090	1 621 273	1 525 129
Net result from transactions (net operating balance)		3 593	(47 507)	(45 316)
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	7.1	2	(39)	(29 499)
Net gain/(loss) on financial instruments and statutory receivables/payables	7.2	0	18	(9)
Other gains/(losses)	7.3	0	(4 168)	0
Total other economic flows included in net result		2	(4 189)	(29 508)
Net result from continuing operations		3 595	(51 696)	(74 824)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in property, plant and equipment revaluation surplus	11.1	22 002	92 040	17 025
Total other comprehensive income		22 002	92 040	17 025
Comprehensive result		25 597	40 344	(57 799)

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 3 of the accompanying notes.

Statement of Financial Position as at 30 June 2018

	Notes	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	12.1	54 139	40 789	55 658
Receivables	8.1	24 374	20 579	24 847
Other financial assets	8.2	18 551	16 693	17 161
<i>Non-financial assets</i>				
Inventories	8.3	14 160	9 404	9 748
Assets held for sale	8.4	0	0	82
Property, plant and equipment	8.5	1 020 791	1 069 924	973 379
Intangibles	8.6	520	3 237	4 344
Other assets	8.7	4 505	4 675	5 279
Total assets		1 137 040	1 165 301	1 090 498
Liabilities				
Payables	9.1	65 570	82 599	63 446
Employee benefits	9.2	233 693	262 566	244 161
Other liabilities	9.4	7 612	15 044	18 028
Total liabilities		306 875	360 209	325 635
Net assets		830 165	805 092	764 863
Equity				
Contributed capital	11.3	583 796	581 894	581 894
Reserves	11.1	249 195	315 580	223 494
Accumulated funds		(2 826)	(92 382)	(40 525)
Total equity		830 165	805 092	764 863

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 3 of the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Grants - continuing operations		1 214 066	1 324 384	1 220 662
Sales of goods and services		189 002	181 490	189 854
GST receipts		32 873	45 497	39 320
Interest received		317	155	198
Other cash receipts		22 396	36 495	32 482
Total cash inflows		1 458 654	1 588 021	1 482 516
Cash outflows				
Employee benefits		(958 373)	(1 077 868)	(990 867)
Finance costs		0	0	(2)
GST payments		(32 772)	(45 257)	(39 723)
Grants and transfer payments		(7 070)	(7 049)	(6 858)
Supplies and consumables		(431 610)	(432 428)	(442 036)
Other cash payments		(23 301)	(24 278)	(25 398)
Total cash outflows		(1 453 126)	(1 586 880)	(1 504 884)
Net cash from/(used by) operating activities	12.2	5 528	1 141	(22 368)
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		2	180	13
Total cash inflows		2	180	13
Cash outflows				
Payment for acquisition of non-financial assets		(11 035)	(16 190)	(11 523)
Total cash outflows		(11 035)	(16 190)	(11 523)
Net cash from/(used by) investing activities		(11 033)	(16 010)	(11 510)
Net increase/(decrease) in cash and cash equivalents held		(5 505)	(14 869)	(33 878)
Cash and deposits at the beginning of the reporting period		59 644	55 658	89 535
Cash transferred in due to restructure		0	0	1
Cash and deposits at the end of the reporting period	12.1	54 139	40 789	55 658

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 3 of the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2018

	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2017		581 894	223 494	(40 525)	764 863
Net Result		0	0	(51 696)	(51 696)
Other Comprehensive Income		0	92 040	0	92 040
Total comprehensive result		0	92 040	(51 696)	40 344
Transfers from asset revaluation reserve to accumulated surplus	11.1	0	46	(46)	0
Transfer sale proceeds to the Crown Lands Administration Fund (CLAF)		0	0	(115)	(115)
Balance as at 30 June 2018		581 894	315 580	(92 382)	805 092

	Notes	Contrib Equity \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2016		581 593	206 463	34 492	822 548
Net Result		0	0	(74 824)	(74 824)
Other Comprehensive Income		0	17 025	0	17 025
Total comprehensive result		0	17 025	(74 824)	(57 799)
Transfers from asset revaluation reserve to accumulated surplus	11.1	0	6	(6)	0
Transfer sale proceeds to the Crown Lands Administration Fund (CLAF)		0	0	(187)	(187)
Transactions with owners in their capacity as owners:					
Administrative restructure - net assets received	11.2	301	0	0	301
Balance as at 30 June 2017		581 894	223 494	(40 525)	764 863

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 2018

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NOTE I TASMANIAN HEALTH SERVICE OUTPUT SCHEDULES

I.1 Establishment of the Tasmanian Health Service

The Tasmanian Health Service (THS) is a Statutory Authority that commenced operations on 1 July 2015 as a key component of the Tasmanian Government's *One State, One Health System, Better Outcomes* reform program. Prior to this, health services in Tasmania were provided through three regionally based Tasmanian Health Organisations (THOs), being THO-North, THO-North West and THO-South. The THOs were established under the *Tasmanian Health Organisation Act 2011* as a result of the National Health Reform Agreement, and commenced on 1 July 2012. Upon commencement, the THS replaced the THOs and appointed a single Governing Council and Chief Executive Officer to oversee the provision of health services in Tasmania state wide.

Effective from 1 July 2018, the *Tasmanian Health Service Act 2018* repealed the *Tasmanian Health Organisation Act 2011*, under which the THS was established. Under the *Tasmanian Health Service Act 2018*, the THS will continue as a separate legal entity governed by an Executive reporting directly to the Secretary of the Department of Health.

I.2 Output Group Information

Comparative information has not been restated for external administrative restructures.

Budget information refers to original Budget estimates reflected in the 2017-18 Budget Papers and has not been subject to audit.

	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Expense by Output			
I.1 Admitted Services	819 545	902 335	835 206
I.2 Non-admitted Services	197 398	215 076	215 495
I.3 Emergency Department Services	119 583	150 817	138 317
I.4 Community and Aged Care Services	208 225	222 025	215 224
I.5 Statewide and Mental Health Services	113 860	129 482	119 456
I.6 Forensic Medicine Services	1 479	1 538	1 431
Total	1 460 090	1 621 273	1 525 129

NOTE 2 EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funding		Australian Govt Funding	
	2018 Actual \$'000	2017 Actual \$'000	2018 Actual \$'000	2017 Actual \$'000
Specific Purpose Payments				
Activity Based Funding	360 667	366 470	341 024	311 565
Block Funding	478 363	313 521	62 819	59 309
National Partnership Payments				
Health Services	0	0	5 618	32 556
Commonwealth Own Purpose Expenditures				
Mersey	0	0	0	74 029
Other	5 569	4 155	33 457	39 971
Total	844 599	684 146	442 918	517 430

Specific Purpose Payments (SPPs) are payments from the Australian Government to the Tasmanian Government arising from national agreements that set out the Australian Government's agreed objectives and outcomes, outputs, roles and responsibilities and performance indicators for each sector. SPPs are distributed to the states on the basis of their population shares.

National Partnership Payments (NPPs) are similar to SPPs but 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 3 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

Budget information refers to original estimates as disclosed in the 2017-18 Budget Papers and is not subject to audit.

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

3.1 Statement of Comprehensive Income

	Note	Budget \$'000	2018 Actual \$'000	Variance \$'000	Variance %
Other revenue	(a)	22 396	36 495	14 099	63.0%
Employee benefits	(b)	959 452	1 097 671	(138 219)	(14.4%)
Other gains/(losses)	(c)	0	(4 168)	(4 168)	n/a

Notes to Statement of Comprehensive Income variances

- (a) The variance in Other Revenue relates primarily to the continuation of a number of Training More Specialist Doctors in Tasmania agreements that were anticipated to cease in the 2017 financial year (\$10.8 million).
- (b) The increase in Employee benefits against budget is attributable to a number of factors, the most prominent being the increased usage of third party staff (\$42.5 million), the accrual of leave expenditure (\$10.3 million) and termination payments made throughout the financial year (\$1.2 million). The remaining variance is associated with the increase in the full time equivalent (FTE) staff for the THS in the 2018 financial year. The budget for Employee benefits was subsequently adjusted to \$1,034.8 million after the release of the Budget Papers, leaving a resultant variance of \$62.8 million.
- (c) The variance of \$4.2 million to the Budget Papers in Other gains/(losses) is attributable to the de-recognition of a number of leasehold assets related to the Mersey Community Hospital, which were recognised in the value of the building asset upon its transfer on 1 July 2017.

3.2 Statement of Financial Position

Budget estimates for the 2017-18 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2016-17. As a result, the actual variances from the Budget estimate will be impacted by the difference between estimated and actual opening balances for 2017-18. The following variance analysis therefore includes major movements between the 30 June 2017 and 30 June 2018 actual balances.

	Note	Budget \$'000	2018 Actual \$'000	2017 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	54 139	40 789	55 658	(13 350)	(14 869)
Receivables	(b)	24 374	20 579	24 847	(3 795)	(4 268)
Other financial assets	(c)	18 551	16 693	17 161	(1 858)	(468)
Inventories	(d)	14 160	9 404	9 748	(4 756)	(344)
Intangibles	(e)	520	3 237	4 344	2 717	(1 107)
Payables	(f)	65 570	82 599	63 446	17 029	19 153
Employee benefits	(g)	233 693	262 566	244 161	28 873	18 405
Other liabilities	(h)	7 612	15 044	18 028	7 432	(2 984)

Notes to Statement of Financial Position Budget Variances

- (a) The decrease in Cash and deposits as at 30 June 2018 reflects the THS utilising funds held in cash reserves to undertake additional activity in the 2018 financial year.
- (b) The decrease in Receivables of \$3.8 million is related to improvements in the collection of patient billing as well as changes in the timing of invoices being raised.
- (c) The decrease in Other financial assets of \$1.9 million relates to improvements in patient billing throughout the financial year resulting in lower outstanding patient accounts as at 30 June 2018.
- (d) The decrease in Inventories of \$4.7 million is attributable to the reduced demand for Hepatitis C medication. The Budget Papers increased the Inventories budget based on the 2016 actuals, when the medication was included in the Pharmaceutical Benefits Scheme for the first time.
- (e) The increase of \$2.7 million in Intangibles to the Budget Papers is related to the completion of the statewide TrakED project that was capitalised in the 2017 financial year.
- (f) The variance to budget for Payables of \$17 million reflects the increase in the liability that the THS holds with regards to interstate charging from delays in the settlement process with other states for prior year activity (\$20.6 million).
- (g) The variance for Employee benefits of \$28.9 million reflects the increase in THS staffing due to increased patient demand and new service initiatives. The variance is also related to increases in the annual and long service leave entitlements reflecting a general increase in staff numbers.
- (h) The increase in Other liabilities of \$7.4 million is primarily related to the inter-entity creditor with the then Department of Health and Human Services (DHHS) (\$3.3 million) and increases in the provision for employee on-costs associated with the increase in employee numbers for the THS.

Notes to Statement of Financial Position Actual Variances

- (a) The decrease in Cash and deposits of \$14.8 million relates to a decrease in cash held due to operating activities.
- (b) The decrease in Receivables of \$4.3 million relates to delays experienced in the 2017 financial year, where a large number of invoices raised in May 2017 were still outstanding as at 30 June 2017.
- (e) The variance in Intangibles of \$1.1 million is related to amortisation for the TrakED project being recorded for the full financial year in 2018. The variance is also due to a decrease in the work in progress for intangibles, with a number of items relating to the statewide Patient Flow Manager project being reviewed and reclassified to information technology in Property, plant and equipment.
- (f) The variance for Payables of \$19.1 million reflects an increase in the THS' interstate charging liability, due to delays in the prior year settlement process with other states (\$20.6 million). This is offset partially with a decrease in the creditors on desk recorded at 30 June 2018.
- (h) The decrease of \$2.9 million in Other liabilities primarily relates to a decrease in revenue in advance with regards to the antenatal clinic capital works for the Mersey Community Hospital which was completed and capitalised during the financial year, as well as a decrease in revenue received in advance for Training More Specialist Doctors in Tasmania agreements.

3.3 Statement of Cash Flows

	Note	Budget \$'000	2018 Actual \$'000	Variance \$'000	Variance %
GST receipts	(a)	32 873	45 497	12 624	38.4%
Other cash receipts	(b)	22 396	36 495	14 099	63.0%
Employee benefits	(c)	(958 373)	(1 077 868)	119 495	(12.5%)
GST payments	(d)	(32 772)	(45 257)	12 485	(38.1%)
Payment for acquisition of non-financial assets	(e)	(11 035)	(16 190)	5 155	(46.7%)

Notes to Statement of Cash Flows variances

- (a) The increase in Goods & Services Tas (GST) receipts is offset by the increase in GST payments.
- (b) Refer to note 3.1 (a).
- (c) Refer to note 3.1 (b).
- (d) The increase in GST payments is offset by the increase in GST receipts.
- (e) The increase in Payment for acquisition of non-financial assets is due to the THS acquiring additional items of property, plant and equipment than originally anticipated, including radiology equipment, ultrasounds, ventilation and statewide information technology equipment.

NOTE 4 UNDERLYING NET OPERATING BALANCE

Non-operational capital funding reflects 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. Accordingly, the net operating balance will portray a position that is better than the true underlying financial result.

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

Non-operational expenditure that is removed from the net operating balance consists of capital transfers to the THS from the then DHHS.

	Notes	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Net result from transactions (net operating balance)		3 593	(47 507)	(45 316)
<i>Less impact of:</i>				
Non-operational capital funding				
Assets transferred	5.1	0	33 273	30 557
Total		0	33 273	30 557
Underlying Net operating balance		3 593	(80 780)	(75 873)

NOTE 5 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.

5.1 Grants

Grants payable by the Australian Government are recognised as revenue when the THS 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.

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

	2018 \$'000	2017 \$'000
Continuing Operations		
Grants from the Australian Government		
Commonwealth Recurrent Grants - Block Funding	62 820	59 309
Commonwealth Recurrent Grants - Activity Based Funding	353 084	320 502
COPEs Receipts	35 825	34 574
Specific Grant - Mersey Community Hospital	0	76 002
Other Commonwealth Grants	4 814	32 299
Total	456 543	522 686
Grants from the State Government		
State Grants - Block Funding	422 422	312 024
State Grants - Activity Based Funding	367 226	385 427
State Grants - Mersey	78 140	0
Total	867 788	697 451
Capital grants		
Assets Transferred	33 273	30 557
Total	33 273	30 557
WIP expensed grants		
Expenses Transferred	53	525
Total	53	525
Total revenue from Grants	1 357 657	1 251 219

5.2 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.

	2018 \$'000	2017 \$'000
Residential Rent Income	602	669
Commercial Rent Income	872	862
Pharmacy Non-Pharmaceutical Benefits Scheme	1 692	1 334
Prostheses	5 997	7 507
Inpatient, Outpatient Nursing Home Fees	55 641	55 301
Dental	7 925	8 039
Pharmaceutical Benefits Scheme Co-payments	481	833
Pharmaceutical Benefits Scheme Revenue from Medicare	61 040	75 021
Private Patient Scheme	34 288	32 391
Other Client Revenue	1 014	732
Hobart Private Hospital Revenue	1 353	942
Other user charges	8 554	8 491
Total	179 459	192 122

5.3 Interest

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

5.4 Other revenue

Other revenue primarily relates to 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.

	2018 \$'000	2017 \$'000
Wages and Salaries Recoveries	18 882	18 555
Food recoveries	5 261	5 096
Multipurpose Centre Recoveries	269	321
Workers Compensation Recoveries	3 353	2 785
Operating Recoveries	5 003	4 743
Donations	1 246	1 445
Industry Funds	2 481	3 329
Total	36 495	36 274

NOTE 6 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.

6.1 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.

(a) Employee expenses

	2018 \$'000	2017 \$'000
Wages and salaries including FBT	877 876	799 475
Annual leave	56 774	51 345
Long service leave	12 528	14 750
Sick leave	30 780	27 521
Other employee expenses - recruitment & staff development	10 571	12 763
Other employee expenses - other staff allowances	1 217	832
Superannuation expenses - defined contribution and benefits schemes	107 925	99 510
Total	1 097 671	1 006 196

(b) Remuneration of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the THS, directly or indirectly.

Remuneration during 2017-18 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long term employee expenses include long service leave, superannuation obligations and payments made on departure.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of four weeks.

The following were key management personnel of the THS at any time during the financial year and unless otherwise indicated were key management personnel for the entire year.

	Short-term benefits		Long-term benefits			
	Salary ¹ \$'000	Other Benefits ² \$'000	Super- annuation ³ \$'000	Other Benefits and Long- Service Leave ⁴ \$'000	Termination Benefits ⁵ \$'000	Total \$'000
2018						
Key management personnel						
Governing Council						
- John Ramsay (Governing Council Chair)	160	12	15	0	0	187
- Dr Emil Djakic	34	13	3	0	0	50
- Professor Denise Fassett	34	9	3	0	0	46
- Barbara Hingston	47	0	4	0	0	51
- Mark Scanlon (Chair Audit and Risk Sub-Committee)	34	0	3	0	0	37
- Professor Judith Walker (Chair Partnerships Sub-Committee)	35	5	3	0	0	43
- Martin Wallace (Chair Financial Management and Performance Sub-Committee)	35	2	3	0	0	40
- Dr Judith Watson	34	12	3	0	0	49
- Assoc. Professor Deborah Wilson (Chair Quality and Safety Sub- Committee)	34	6	3	0	0	43
Total Governing Council Remuneration	447	59	40	0	0	546

	Short-term benefits		Long-term benefits			
2018	Salary ¹ \$'000	Other Benefits ² \$'000	Super-annuation ³ \$'000	Other Benefits and Long-Service Leave ⁴ \$'000	Termination Benefits ⁵ \$'000	Total \$'000
Executive Directors						
Chief Executive Officer - Dr David Alcorn	421	(1)	42	0	385	847
Chief Operations Officer - Nicola Dymond	241	43	25	6	0	315
Chief Financial Officer - Craig Watson	205	26	27	5	0	263
Executive Director Human Resources and Organisational Development - Suzanne McCavanagh	164	47	19	4	0	234
Executive Director Nursing & Midwifery - Susan Gannon	192	92	19	4	0	307
Executive Director Allied Health - Paula Hyland	142	19	18	4	0	183
Executive Director Patient Safety - Dr Annette Pantle (01/07/2017 - 30/11/2017)	91	95	17	0	0	203
Executive Director Medical Profession - Dr Antonio Xabregas	217	206	50	6	0	479
Executive Director Corporate Systems - Scott Adams (01/07/2017 - 09/03/2018)	130	17	11	(13)	0	145
Director Strategy & Planning - Sharyn Cody	142	4	16	(9)	0	153
Total Executive Management Remuneration	1,945	548	244	7	385	3,129
Total Key Management Personnel Remuneration	2,392	607	284	7	385	3,675

1 Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.

2 Other benefits includes all other forms of non-salary benefits such as motor vehicles and parking, fringe benefit tax payable in respect of these benefits, payments in lieu of leave, annual leave movements and any other compensation paid or payable.

3 Superannuation means the contribution to the superannuation fund of the individual.

4 Other long term benefits and long service leave includes the movements in the discounted long service leave balances.

5 Termination Benefits include accrued annual and long service leave entitlements and termination payments.

	Short-term benefits		Long-term benefits			
2017	Salary¹ \$'000	Other Benefits² \$'000	Super- annuation³ \$'000	Other Benefits and Long- Service Leave⁴ \$'000	Termination Benefits⁵ \$'000	Total \$'000
Key management personnel						
Governing Council						
- John Ramsay (Governing Council Chair)	160	11	15	0	0	186
- Dr Emil Djakic	34	11	3	0	0	48
- Professor Denise Fassett	34	0	3	0	0	37
- Barbara Hingston	48	0	5	0	0	53
- Mark Scanlon (Chair Audit and Risk Sub-Committee)	34	1	3	0	0	38
- Professor Judith Walker (Chair Partnerships Sub-Committee)	34	2	3	0	0	39
- Martin Wallace (Chair Financial Management and Performance Sub-Committee)	34	2	3	0	0	39
- Dr Judith Watson	34	9	3	0	0	46
- Assoc. Professor Deborah Wilson (Chair Quality and Safety Sub- Committee)	34	2	3	0	0	39
Total Governing Council Remuneration	446	38	41	0	0	525
Executive Directors						
Chief Executive Officer						
- Dr David Alcorn	411	37	41	11	0	500
Chief Operations Officer						
- Craig Watson (01/07/2016 - 15/08/2016)	27	4	4	1	0	36
- Nicola Dymond (08/11/2016 - 30/06/2017)	139	68	13	0	0	220
Chief Financial Officer						
- Eleanor Patterson (01/07/2016 - 15/08/2016)	20	5	3	1	0	29
- Craig Watson (16/08/2016 - 30/06/2017)	195	30	25	4	0	254
Executive Director Human Resources and Organisational Development						
- Matthew Double (01/07/2016 - 06/11/2016)	61	4	6	4	0	75
- Suzanne McCavanagh (22/05/2017 - 30/06/2017)	13	6	1	0	0	20
Executive Director Nursing, Midwifery						
- Suzan Gannon (22/08/2016 - 30/06/2017)	129	42	13	0	0	184
Executive Director Allied Health						
- Paula Hyland (05/06/2017 - 30/06/2017)	5	1	1	3	0	10
Executive Director Patient Safety						
- Dr Annette Pantle	210	194	36	5	0	445
Executive Director Medical Profession						
- Dr Antonio Xabregas (19/09/2016 - 30/06/2017)	160	138	36	5	0	339

2017	Short-term benefits		Long-term benefits		Termination Benefits ⁵ \$'000	Total \$'000
	Salary ¹ \$'000	Other Benefits ² \$'000	Super-annuation ³ \$'000	Other Benefits and Long-Service Leave ⁴ \$'000		
Executive Director Corporate Systems - Scott Adams	160	30	15	4	0	209
Total Executive Management Remuneration	1 530	559	194	38	0	2 321
Acting Key management personnel - Wendy Rowell (Chief Operations Officer,	47	7	6	0	0	60
- Rebecca Howe (Executive Director Human Resources and Organisational Development, 07/11/2016 - 30/04/2017)	72	12	9	1	0	94
Total Key Management Personnel Remuneration	2 095	616	250	39	0	3 000

1 Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.

2 Other benefits includes all other forms of non-salary benefits such as motor vehicles and parking, fringe benefit tax payable in respect of these benefits, payments in lieu of leave, annual leave movements and any other compensation paid or payable.

3 Superannuation means the contribution to the superannuation fund of the individual.

4 Other long term benefits and long service leave includes the movements in the discounted long service leave balances.

5 Termination Benefits include accrued annual and long service leave entitlements and termination payments.

(c) Related party transactions

There are no material related party transactions requiring disclosure.

6.2 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.

Key estimate and judgment

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	5-55 years

Buildings are depreciated over their remaining useful life.

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 the THS.

Major amortisation periods are:

Software	3-20 years
----------	------------

(a) Depreciation

	2018 \$'000	2017 \$'000
Plant, equipment and vehicles	11 376	10 852
Buildings	29 361	30 025
Total	40 737	40 877

(b) Amortisation

	2018 \$'000	2017 \$'000
Intangibles	698	170
Total	698	170
Total depreciation and amortisation	41 435	41 047

6.3 Supplies and Consumables

	2018 \$'000	2017 \$'000
Consultants	2 712	2 007
Property Services	33 415	30 071
Maintenance	19 190	18 695
Communications	7 868	7 774
Information Technology	8 881	6 236
Travel and Transport	11 567	11 143
Medical, Surgical and Pharmacy Supplies	271 355	276 625
Advertising and Promotion	324	103
Patient and Client Services	31 204	30 222
Leasing Costs	3 781	3 596
Equipment and Furniture	6 336	6 733
Administration	9 016	7 865
Food Production Costs	9 605	9 560
Other Supplies and Consumables	5 625	6 012
Corporate Overhead Charge	27 440	27 048
Service Fees	1 966	1 424
Audit Fees - financial audit internal and external	215	253
Total	450 500	445 367

Audit Fees includes expenditure related to the audit of these financial statements. The total audit fee for this financial year is \$198 870 (2017: \$194 000).

6.4 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 the THS 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.

	2018 \$'000	2017 \$'000
Other Grants		
Grant - Other	7 049	6 858
	7 049	6 858
Total	7 049	6 858

6.5 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.

	2018 \$'000	2017 \$'000
Salary on-costs	10 894	10 653
Tasmanian Risk Management Fund premium	13 174	13 731
Other	550	1 275
Total	24 618	25 659

NOTE 7 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.

7.1 Net gain/(loss) on 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.

Key Judgement

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. The THS' 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 the THS was deprived of it.

All impairment losses are recognised in 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.

	2018 \$'000	2017 \$'000
Net gain/(loss) on disposal of physical assets	(39)	(29 499)
Total net gain/(loss) on non-financial assets	(39)	(29 499)

7.2 Net gain/(loss) on financial instruments and statutory receivables/payables

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.

Key Judgement

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.

	Notes	2018 \$'000	2017 \$'000
Impairment of receivables	8.1	(18)	(9)
Total		(18)	(9)

7.3 Other gains/(losses)

Other gains/(losses) includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result.

	2018 \$'000	2017 \$'000
Net gain/(loss) on disposal	(4 168)	0
Total net other gain/(loss)	(4 168)	0

The total net gain/(loss) is related to the de-recognition of improvements on leasehold assets related to the Mersey Community Hospital which were recognised on the transfer of the building asset on 1 July 2017.

NOTE 8 ASSETS

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

8.1 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.

	2018 \$'000	2017 \$'000
Receivables	21 131	25 692
Less: Provision for impairment	(552)	(845)
Total	20 579	24 847
Sales of goods and services (inclusive of GST)	14 908	18 608
Tax assets	5 671	6 239
Total	20 579	24 847
Settled within 12 months	20 579	24 847
Total	20 579	24 847

Reconciliation of movement in provision for impairment of receivables	2018 \$'000	2017 \$'000
Carrying amount at 1 July	845	1 012
Amounts written off during the year	(275)	(181)
Amounts recovered during the year	0	5
Increase/(decrease) in provision recognised in profit or loss	(18)	9
Carrying amount at 30 June	552	845

8.2 Other financial assets

Other financial assets are recorded at fair value.

	2018 \$'000	2017 \$'000
Accrued Revenue	16 693	17 161
Total	16 693	17 161
Settled within 12 months	16 693	17 161
Total	16 693	17 161

8.3 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.

	2018 \$'000	2017 \$'000
Pharmacy	5 675	6 127
Catering	324	287
Linen	1 113	1 360
General Supplies	2 292	1 974
Total	9 404	9 748
Consumed within 12 months	9 404	9 748
Total	9 404	9 748

8.4 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 at the lower of carrying amount and fair value less costs to sell.

(a) Carrying amount .

	2018 \$'000	2017 \$'000
Land	0	38
Buildings	0	44
Total	0	82
Settled within 12 months	0	82
Settled in more than 12 months	0	0
Total	0	82

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

	Carrying value at 30 June \$'000	Fair value measurement at end of reporting period		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2017				
Land	38	0	38	0
Buildings	44	0	44	0
Total	82	0	82	0

8.5 Property, plant and equipment

Key estimate and judgement

(i) Valuation basis

Property, plant and equipment is 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 the THS 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 the THS 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

The THS' land and building assets were revalued independently by the Valuer-General of Tasmania as at 30 June 2018. 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).

(a) Carrying amount

	2018 \$'000	2017 \$'000
Land		
Land at fair value	76 250	61 276
Total land	76 250	61 276
Buildings		
Buildings at fair value	1 394 626	834 426
Less: Accumulated depreciation	(468 688)	(868)
Total	925 938	833 558
Leasehold Improvements at fair value	15 416	26 587
Less: Accumulated depreciation	(9 888)	(11 079)
Total	5 528	15 508
Total buildings	931 466	849 066
Plant, equipment and vehicles		
At cost	114 027	103 455
Less: Accumulated depreciation	(60 191)	(49 433)
Total plant, equipment and vehicles	53 836	54 022
Work in progress		
Buildings	5 060	2 754
Plant, equipment and vehicles	3 312	6 261
Total work in progress	8 372	9 015
Total property, plant and equipment	1 069 924	973 379

(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 is defined as the net amount after deducting accumulated depreciation and accumulated impairment losses.

2018	Land Level 2 \$'000	Buildings Level 2 & 3 \$'000	Plant equipment & vehicles \$'000	Work in progress \$'000	Total \$'000
Carrying value at 1 July	61 276	849 066	54 022	9 015	973 379
Additions - THS acquisition	1 895	0	(290)	14 585	16 190
Additions - DHHS capital grant	0	0	0	33 273	33 273
Disposals	0	(4 295)	(125)	0	(4 420)
Revaluation increments (decrements)	13 079	78 733	228	0	92 040
Transfers between classes	0	0	0	409	409
WIP transfers	0	37 323	11 378	(48 701)	0
WIP expensed	0	0	0	(209)	(209)
Depreciation	0	(29 361)	(11 377)	0	(40 738)
Carrying value at 30 June	76 250	931 466	53 836	8 372	1 069 924

2017	Land Level 2 \$'000	Buildings Level 3 \$'000	Plant equipment & vehicles \$'000	Work in progress \$'000	Total \$'000
Carrying value at 1 July	57 339	865 444	57 892	5 852	986 527
Additions - THS acquisition	0	610	5 062	3 606	9 278
Additions - DHHS capital grant	0	23 954	2 539	2 747	29 240
Disposals	0	(28 732)	(872)	0	(29 604)
Net transfers through restructuring	1 544	1 441	(4)	4	2 985
Revaluation increments (decrements)	2 429	14 603	0	0	17 032
Assets held for sale	(36)	(46)	0	0	(82)
Transfers between classes	0	(92)	(167)	0	(259)
WIP transfers	0	1 909	425	(2 334)	0
WIP expensed	0	0	0	(860)	(860)
Depreciation	0	(30 025)	(10 853)	0	(40 878)
Carrying value at 30 June	61 276	849 066	54 022	9 015	973 379

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 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.

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 fair value to the extent that relevant observable inputs are not available.

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

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	853 248	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.

8.6 Intangibles

An intangible asset is recognised where:

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

Intangible assets held by the THS 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 the THS are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

Intangible assets with a finite useful life held by the THS principally comprise computer software.

(a) Carrying amount

	2018 \$'000	2017 \$'000
Intangibles with a finite useful life		
Other non-current assets at cost	3 956	3 956
Less: Accumulated amortisation	(1 296)	(598)
Total	2 660	3 358
Capital Work in progress	577	986
Total Intangibles	3 237	4 344

(b) Reconciliation of movements

	2018 \$'000	2017 \$'000
Carrying amount at 1 July	4 344	700
Intangible Assets - Purchases	0	1 830
Additions - DHHS Capital Grant	0	1 316
Work in progress at cost	0	409
Transfers between classes	(409)	259
Amortisation - Intangible assets	(698)	(170)
Carrying amount at 30 June	3 237	4 344

8.7 Other assets

Other assets are recorded at fair value and include prepayments.

(a) Carrying amount

	2018 \$'000	2017 \$'000
Prepayments	4 675	5 279
Total	4 675	5 279
Recovered within 12 months	4 387	4 812
Recovered in more than 12 months	288	467
Total	4 675	5 279

(b) Reconciliation of movements

	2018 \$'000	2017 \$'000
Carrying amount at 1 July	5 279	4 375
Additions	4 675	5 130
Utilised	(5 279)	(4 226)
Carrying amount at 30 June	4 675	5 279

NOTE 9 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.

9.1 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 THS becomes obliged to make future payments as a result of a purchase of assets or services.

	2018 \$'000	2017 \$'000
Creditors	30 620	35 252
Accrued Expenses	51 979	28 194
Total	82 599	63 446
Settled within 12 months	46 750	42 075
Settled in more than 12 months	35 849	21 371
Total	82 599	63 446

Settlement is usually made within 30 days.

9.2 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, 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.

	2018 \$'000	2017 \$'000
Accrued salaries	42 609	35 874
Annual leave	84 822	77 864
Long service leave	117 892	115 137
Sabbatical leave	8 892	7 906
Other Employee Benefits	8 351	7 380
Total	262 566	244 161
Expected to settle wholly within 12 months	118 504	106 623
Expected to settle wholly after 12 months	144 062	137 538
Total	262 566	244 161

Other employee benefits is comprised of Purchased leave, Development leave, TOIL provisions and State Service Accumulated Leave Scheme (SSALS) entitlements.

9.3 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.

Key estimate and judgement

The THS 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.

9.4 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 2018, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

	2018 \$'000	2017 \$'000
Revenue received in advance		
Other revenue received in advance	967	3 122
Other Liabilities		
Employee benefits - on-costs	3 090	2 750
Inter entity balance	3 399	3 187
Other liabilities	7 588	8 969
Total	15 044	18 028
Settled within 12 months	13 008	16 200
Settled in more than 12 months	2 036	1 828
Total	15 044	18 028

The inter entity balance comprises transactions arising from interaction between the then DHHS and the THS, including goods and services tax (GST) and cash settlement entries.

Other liabilities represents funds held by the THS for distribution under the Private Patients Scheme, as well as Tasmanian Government Card outstanding balances.

NOTE 10 COMMITMENTS AND CONTINGENCIES

10.1 Schedule of Commitments

	2018 \$'000	2017 \$'000
By Type		
<i>Capital Commitments</i>		
Property, Plant and Equipment	125	0
<i>Other Capital Commitments</i>	125	0
<i>Operating Lease Commitments</i>		
Motor Vehicles	4 082	5 039
Medical Equipment	6 353	1 935
Rent on Buildings	51 450	59 933
Information Technology	8 328	9 463
<i>Total Lease Commitments</i>	70 213	76 370
<i>Other Commitments</i>		
Miscellaneous Grants	19 690	23 879
Miscellaneous Goods and Services contracts	137 947	176 590
<i>Total Other Commitments</i>	157 637	200 469
Total	227 975	276 839
By Maturity		
<i>Capital Commitments</i>		
One year or less	125	0
<i>Total Capital Commitments</i>	125	0
<i>Operating Lease Commitments</i>		
One year or less	18 499	18 066
From one to five years	46 485	45 742
More than five years	5 229	12 562
<i>Total Operating Lease Commitments</i>	70 213	76 370
<i>Other Commitments</i>		
One year or less	41 386	46 818
From one to five years	94 549	111 272
More than five years	21 702	42 379
<i>Total Other Commitments</i>	157 637	200 469
Total	227 975	276 839

The THS 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.

The THS is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

Motor Vehicles (Operating lease)

The THS' Motor Vehicle Fleet is managed by LeasePlan Australia as part of a Whole-of-Government arrangement with the Department of Treasury and Finance as lessor. Lease payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Lease terms for the majority of existing vehicles are for a period of three years or 60 000 km's, whichever comes first, with no change to the lease rate. No restrictions or purchase options are contained in the lease.

Medical Equipment

The THS 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)

The THS leases a range of properties/tenancies around the State for service delivery purposes.

Information Technology

The THS is party to a number of IT related contracts to support clinical and non clinical IT systems.

Miscellaneous Grants

The THS provides Grants to external services providers to deliver alcohol and drug rehabilitation services, as well as palliative, respite and community care.

Miscellaneous goods and services contracts

The THS is party to contracts for the supply of various clinical and non clinical services, including security, pathology, radiology, maternity and other medical services.

10.2 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.

	2018 \$'000	2017 \$'000
Quantifiable contingent liabilities		
<i>Contingent claims</i>		
Medical negligence and workers compensation claims	6 039	6 217
Total quantifiable contingent liabilities	6 039	6 217

As at 30 June 2018, the THS had a number of legal claims against it for medical negligence and workers compensation. These claims are reported at the estimated net cost to the THS.

The THS manages legal claims through the Tasmanian Risk Management Fund (TRMF). An excess of \$50 000 remains payable for every claim and amounts over that excess are met by the TRMF.

NOTE II RESERVES

II.1 Reserves

2018	Land \$'000	Building \$'000	Artwork \$'000	Total \$'000
Asset revaluation reserve				
Balance at the beginning of financial year	5 868	217 585	41	223 494
Transfers to accumulated surplus	(4)	50	0	46
Revaluation increments/(decrements)	13 079	78 732	229	92 040
Balance at the end of financial year	18 943	296 367	270	315 580
2017	Land \$'000	Building \$'000	Artwork \$'000	Total \$'000
Asset revaluation reserve				
Balance at the beginning of financial year	3 438	202 984	41	206 463
Transfers to accumulated surplus	53	(47)	0	6
Revaluation increments/(decrements)	2 377	14 648	0	17 025
Balance at the end of financial year	5 868	217 585	41	223 494

(a) Nature and purpose of reserves

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 8.5.

11.2 Administrative Restructuring

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.

Prior year's restructuring of administrative arrangements relate to the transfer of Child Health and Parenting Services from the then DHHS to the THS.

The transfer of assets and liabilities for Child Health and Parenting Services took place on 1 January 2017. These are detailed in the Statement of Changes in Equity under the heading Administrative restructure, and are detailed in the following Statement of Financial Position:

Total Transfer to THS	2018 \$'000	2017 \$'000
Assets		
<i>Financial assets</i>		
Cash and deposits	0	1
Receivables	0	13
Property, plant and equipment	0	2 985
Other assets	0	0
Total assets	0	2 999
Liabilities		
Payables	0	28
Employee benefits	0	2 640
Other liabilities	0	30
Total liabilities	0	2 698
Net assets transferred	0	301

The revenues and expenditure recorded for the THS in the 2017 financial year are directly related to the administrative restructure for Child Health and Parenting Services.

11.3 Contributed Capital

	2018 \$'000	2017 \$'000
Contributed capital		
Balance at the beginning of financial year	581 894	581 593
Administrative restructure - net assets received	0	301
Balance at the end of financial year	581 894	581 894

NOTE 12 CASH FLOW RECONCILIATION

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.

12.1 Cash and deposits

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

	2018 \$'000	2017 \$'000
Special Deposits and Trust Fund balance		
T477 THS Patient Trust & Bequest Account	17 530	19 152
T533 THS Operating Account	23 216	36 464
Total	40 746	55 616
Other cash held		
Other Cash equivalents not included above	43	42
Total	43	42
Total cash and deposits	40 789	55 658

Other cash equivalents represents cash held by the THS derived from Private Patient Scheme debtor payments, as well as petty cash and cash floats.

12.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2018 \$'000	2017 \$'000
Net result from transactions (net operating balance)	(47 507)	(45 316)
Depreciation and amortisation	41 436	41 048
Capital grants income	(33 273)	(30 557)
WIP expensed	209	860
Doubtful debts	18	(9)
Transfer of assets due to restructure	0	(2 685)
Decrease (increase) in Receivables	4 268	(3 567)
Decrease (increase) in Other assets	1 072	(5 855)
Decrease (increase) in Inventories	344	1 307
Increase (decrease) in Employee entitlements	18 405	19 266
Increase (decrease) in Payables	19 153	(860)
Increase (decrease) in Other liabilities	(2 984)	4 000
Net cash from/(used by) operating activities	1 141	(22 368)

NOTE 13 FINANCIAL INSTRUMENTS

13.1 Risk Exposures

(a) Risk management policies

The THS has exposure to the following risks from its use of financial instruments:

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

The Governing Council and the Chief Executive Officer had overall responsibility for the establishment and oversight of the THS' risk management framework. Risk management policies are established to identify and analyse risks faced by the THS, 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 THS 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		
Receivables	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.
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.

The THS has made no changes to its credit risk policy during 2017-18. The THS does not hold any security instrument for its Cash and deposits, Other financial assets and Receivables.

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

The following tables analyse financial assets that are past due but not impaired.

Analysis of financial assets at 30 June 2018 but not impaired	Not past due \$'000	Past due 30-120 days \$'000	Past due >120 days \$'000	Total \$'000
Receivables	9 287	5 032	6 260	20 579
Other financial assets	16 693	0	0	16 693
Total	25 980	5 032	6 260	37 272

Analysis of financial assets at 30 June 2017 but not impaired	Not past due \$'000	Past due 30-120 days \$'000	Past due >120 days \$'000	Total \$'000
Receivables	12 725	7 821	4 301	24 847
Other financial assets	17 161	0	0	17 161
Total	29 886	7 821	4 301	42 008

(c) Liquidity risk

Liquidity risk is the risk that the THS will not be able to meet its financial obligations as they fall due. The THS' 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 THS becomes obliged to make future payments as a result of a purchase of assets or services.	Settlement of invoices 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 THS becomes obliged to make payments as a result of the purchase of assets or services. The THS 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 the THS 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.

Maturity analysis for financial liabilities 2018	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undis- counted \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	46 750	11 728	24 121	0	0	0	82 599	82 599
Other financial liabilities	13 008	2 036	0	0	0	0	15 044	15 044
Total	59 758	13 764	24 121	0	0	0	97 643	97 643

Maturity analysis for financial liabilities 2017	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undis- counted \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	42 075	9 332	12 039	0	0	0	63 446	63 446
Other financial liabilities	16 200	1 828	0	0	0	0	18 028	18 028
Total	58 275	11 160	12 039	0	0	0	81 474	81 474

(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 the THS is exposed to is interest rate risk.

The THS currently has no financial liabilities at fixed interest rates.

13.2 Categories of Financial Assets and Liabilities

	2018 \$'000	2017 \$'000
Financial assets		
Cash and cash equivalents	40 789	55 658
Receivables	37 272	42 008
Total	78 061	97 666
Financial Liabilities		
Financial liabilities measured at amortised cost	82 599	63 446
Total	82 599	63 446

The THS' maximum exposure to credit risk for its financial assets is \$78 million (2017: \$97.7 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. The THS actively manages its credit risk exposure for the collectability of its receivables and outstanding loans.

13.3 Reclassification of Financial Assets

No reclassification of Financial Assets occurred during 2017-18.

NOTE 14 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT

Transactions relating to activities undertaken by the THS in a trust or fiduciary (agency) capacity do not form part of the THS' activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered.

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.

14.1 Activities Undertaken Under a Trustee or Agency Relationship

Account/Activity	Opening balance \$'000	Net transactions during 2017-18 \$'000	Closing balance \$'000
T477 Patient Trust and Hospital Bequest Account	5 408	(104)	5 304
Mental Health Services Client Trust Account	21	2	23

NOTE 15 EVENTS OCCURRING AFTER BALANCE DATE

Effective from 1 July 2018, the *Tasmanian Health Service Act 2018* repealed the *Tasmanian Health Organisation Act 2011*, under which the THS was established. Under the *Tasmanian Health Service Act 2018*, the THS will continue as a separate legal entity governed by an Executive reporting directly to the Secretary of the Department of Health. As part of this, the previous roles of Chief Executive Office and Governing Council will not continue from 1 July 2018. The THS is still required under the Act to prepare financial statements for auditing and inclusion in an annual report to be tabled in Parliament.

NOTE 16 OTHER SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

16.1 Objectives and Funding

Under the National Health Reform Agreement (NHRA), funding is provided to the THS 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). Funding due to the THS under Australian Government National Partnership Agreements and Commonwealth Own Purpose Expenditure programs is paid as grants. The THS also 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 THS controls resources to carry on its functions.

As legislated, the principal purpose of the THS 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 THS' Service Agreement and within the budget provided in the Service Agreement.

16.2 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 *Tasmanian Health Service Act 2018*.

The Financial Statements were signed by the Chief Corporate Officer of the THS on 24 September 2018.

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 16.4.

The Financial Statements have been prepared on a going concern basis. The continued existence of the THS in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the THS' administration and activities.

The THS has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

16.3 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the THS' functional currency.

16.4 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the THS 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:

- *2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 *Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The THS does not have cash flows arising from financing activities and as such, there is no additional disclosure required in Note 12. There is no financial impact.
- *2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* - The objective of this Standard is to amend AASB 136 *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and to clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*.

(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 9 *Financial Instruments* and 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* - the objective of these Standards is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. These standards apply to annual reporting periods beginning on or after 1 January 2018. The financial impact is decreasing the trade receivables amount by \$0.775 million and reducing the Provision for Doubtful Debts to nil (reduction of \$0.552 million) in the Statement of Financial Position. This has a net impact on Trade Receivables balance of reducing it by a further \$0.223 million.
- 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, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 *Amendments to Australian Accounting Standards - Effective Date of AAS 15*, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The financial impact is assessed as nil for the THS as there is no change to the timing of the recognition of revenue as a result of adopting this standard.
- 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The financial impact is assessed as nil for the THS as there is no change to the timing of the recognition of revenue as a result of adopting this standard.
- 2016-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 15* - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. The financial impact is assessed as nil for the THS as there is no change to the timing of the recognition of revenue as a result of adopting this standard.
- AASB 16 *Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result in most of the THS's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value assets and short-term leases with a term at commencement of less than 12 months. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The THS's current operating lease costs is shown at note 6.3. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the THS's current operating lease position can be found at note 10.1. As at 30 June 2018, the THS has non-cancellable operating lease commitments of \$70.2 million, as disclosed at note 10.1. A preliminary assessment indicates that these arrangements will meet the definition of a lease under AASB 16 and as a result it is anticipated that these will be recognised as right-to-use assets with an offsetting lease liability on the Statement of Financial Position. For the 2018 financial year, it has been determined it is not practicable to provide an exact quantification of the effect of AASB 16 until the THS performs a detailed review of all contracts for leases.

- AASB 1058 *Income of Not-for-Profit Entities* - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The financial impact is assessed to be an additional \$1.696 million recognised as donations revenue and associated expenditure of \$1.696 million incurred in the consumption of these services in the Statement of Comprehensive Income.
- AASB 1059 *Service Concession Arrangements: Grantors* – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2019. The impact of this standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. It has been assessed that there is no financial impact for the THS as these types of arrangements are not provided.

16.5 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.

16.6 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards at Note 16.4.

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

Restructures of Outputs within the THS (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedule at Notes 1.1 and 1.2

16.7 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.

16.8 Departmental Taxation

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

16.9 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.

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

To the Secretary of the Department of Health and Members of Parliament

Tasmanian Health Service

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Tasmanian Health Service (THS), which comprises the statement of financial position as at 30 June 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement by the Chief Corporate Officer of the THS.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the THS' financial position as at 30 June 2018 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Tasmanian Health Service Act 2018* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the THS in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the financial report.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Revenue from sale of goods and services <i>Refer to note 5.2</i>	
<p>The THS recognises significant revenue from the sales of goods and services.</p> <p>The majority of services are for fee paying privately insured or otherwise compensable patients, reimbursements of services provided to other organisations and Medicare or pharmaceutical benefits scheme government payments.</p> <p>Sales of goods and services are recognised when consideration is received or receivable in respect of a wide range of services rendered captured through discrete systems.</p> <p>Due to the number of revenue streams and systems at varying sites across the THS, the manual nature of some billing processes, and the significant revenue amounts received, we identified a number of significant risks around the accuracy and completeness of revenue.</p>	<ul style="list-style-type: none"> • Evaluating the design and implementation of relevant application controls in selected systems. • Confirming process controls to support the completeness, accuracy and integrity of patient billing in selected systems. • Examining reconciliations of information from subsidiary systems to the general ledger. • Performing substantive testing over a sample of sales of goods and services transactions. • Performing analytical procedures to assess revenue generated. • Assessing the adequacy of relevant disclosures in the financial statements.
Property, plant and equipment <i>Refer to note 6.2 and 8.5</i>	
<p>Property, plant and equipment at 30 June 2018 includes land, buildings and leasehold improvements totalling \$1.01bn recognised at fair value.</p> <p>The fair value of land is valued with reference to observable prices in an active market. Inputs consider recent market conditions for comparable assets.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuation of land and buildings. • Evaluating the appropriateness of the valuation methodology applied to determine fair values.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>The valuation of buildings is based on either:</p> <ul style="list-style-type: none"> • observable prices for similar buildings or capitalisation of assessed rental income • current replacement cost, which considers the cost to construct assets with similar utility. <p>The calculation of fair values is judgemental and highly dependent on a range of assumptions and estimates.</p> <p>THS recognises property, plant and equipment granted by the Department of Health at its fair value when control is obtained, it is probable that future economic benefits will flow and amounts can be reliably measured. Assets granted during the year ended 30 June 2018 included the Mersey Community Hospital.</p> <p>The calculation of building depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions can significantly impact depreciation charged.</p>	<ul style="list-style-type: none"> • Critically assessing assumptions and other key inputs in the valuation model, including corroboration of market related assumptions to external data. • Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations. • Evaluating management's assessment of the useful lives. • Performing substantive analytical procedures on depreciation expense. • Reviewing accounting treatment for the initial recognition and measurement of the granted assets. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the Chief Corporate Officer for the Financial Report

The Chief Corporate Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Tasmanian Health Service Act 2018*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Corporate Officer is responsible for assessing the THS' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the THS is to be dissolved by an Act of Parliament, or cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

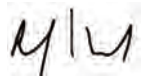
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material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

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

From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

INDEPENDENT AUDITOR'S REPORT Cont'd

I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Rod Whitehead
Auditor-General

Tasmanian Audit Office

24 September 2018
Hobart

NOTES

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