



Tasmanian Health Organisation
North



Annual Report 2012-2013

What we do

The community we serve

2012-13 at a glance

We deliver health services to

142,000

Tasmanians

We represent

28%

of Tasmania's population

We delivered

40,536

Hospital separations
(6.6% more than last year)

across

19 sites

1 acute hospital,
8 rural hospitals and
5 community health centres

Our average age is

41 years

compared with 40 across Tasmania
and 37 across Australia

35,805

Weighted hospital separations
(2.4% more than last year)

316

Acute hospital beds

16%

of us are aged 65 years and over
compared with 16% across
Tasmania and
14% across Australia

11,204

Operations
including 8,192 elective
surgery procedures

76

Aged Care beds

We have a life expectancy (from birth) of

80 years

compared with 80 years across
Tasmania and 82 years across
Australia

289,911

Outpatient Attendances

spending

\$328.9m

in 2012-13

30%

of us are concession card holders
compared with 30% across Tasmania
and 23% across Australia

44,552

Emergency Department Attendances
(4.2% more than last year)

employing

2,852

people (2,191 Full-time equivalent staff)
44% nurses, 11% medical
practitioners and 9% allied health
providers

Our mortality rate
(per 1,000 people) is

7.2

compared with 6.6 across Tasmania
and 5.6 across Australia

2,754

Admissions to rural hospitals
(0.5% more than last year)

Supported by nearly

400

volunteers

17.2%

of our population identify
themselves as daily smokers
compared with 16.2% across
Tasmania

88,463

Community health occasions of service
including community nursing, home help,
personal care and home maintenance

Receiving feedback through

150

compliments

317

complaints
(LGH only)

29.2%

of our population identify
themselves as drinking alcohol
at potentially harmful levels
compared with 26.7% across
Tasmania

1,411

Aged Care Assessments
from 1,730 referrals

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Chairman's Letter of Transmittal

Dear Ministers

In accordance with the requirements of the *Tasmanian Health Organisation Act 2011*, it is my pleasure to present to you on behalf of the Governing Council the first annual report of the Tasmanian Health Organisation – North (THO-North) for 2012-13.

The National Health Reforms agreed in August 2011 by the Australian Government and all state and territory governments demanded a major restructure of the health system in Tasmania and across the whole of Australia. The *Tasmanian Health Organisations Act 2011* was developed to meet the objectives of National Health Reform in establishing Local Hospital Networks. The Act was proclaimed in December 2011 and three Local Hospital Networks, known as Tasmanian Health Organisations (THOs), were formally established from 1 July 2012.

The THOs have a clear responsibility and accountability for delivering high quality, efficient and integrated healthcare services in their area, through the public hospital system and primary and community health services. The regional boundaries of the THOs are the same as the previous Area Health Services which the THOs have superseded.

The THOs are bodies corporate not operating for financial gain, each with its own independent Governing Council, which are accountable to the responsible Ministers for the provision of health services to the community in their region. I have been appointed Chair of the three THO Governing Councils as a mechanism to achieve coordination, efficiency and statewide consistency where appropriate.

A small THO Secretariat has been established in Launceston to coordinate the activities of the three THOs and to minimise duplication of effort by them.

The THOs are now the providers of public health services throughout Tasmania. The Department of Health and Human Services purchases services from the THOs on behalf of the community. It is also "system manager", meaning that it leads the planning and coordination of services across the state.

This annual report provides an overview of the activity, performance, highlights, challenges and achievements of the THO – North for its first year of operation. While some of the highlights for 2012-13 are common to the three THOs and reflect whole of system constraints, others are unique to the local environment and the challenges peculiar to the region that the THO serves.

Associate Professor Alasdair MacDonald was appointed to the Commission on Delivery of Health Services in Tasmania early in the year and, because of the potential for conflict of interest with his role as a member of the Governing Council of THO – North, he resigned from the Governing Council. We were very pleased that Associate Professor Amanda Dennis was appointed to the vacancy created by Alasdair's resignation.

From the perspective of the THO - North Governing Council the major highlights during 2012-13 were:

- Establishment of our new governance structure to reflect increased local accountability to drive improvement in health systems and services in the region;
- Appointment of John Kirwan, initially, as Acting Chief Executive Officer with a wealth of experience, skill, commitment and enthusiasm;



- Establishment of an Audit and Risk Subcommittee, chaired by Mark Scanlon to support the work of the Governing Council;
- Implementation of the new funder, purchaser, and provider relationships and addressing inevitable tensions that emerged with devolution of responsibility and new systems and accountabilities;
- Publication of our first Annual Business Plan and entering into our inaugural Service Agreement with the Minister for Health;
- Two joint meetings of the three THO Governing Councils, with their Chief Executive Officers, to work on matters of common interest;
- Participation in the development of a state-wide clinical governance framework;
- The building of new relationships with service delivery and community partners in the region;
- Closing the gap between the local price and the “national efficient price” for hospital services in preparation for the implementation of the new funding model from 2014-15; and
- Achievement of the 2012-13 financial task with reduced productive capacity due to capital works while we faced increasing demand for services.

The year under review was the second year of operation of Tasmanian health services since a reduction in funding was applied by the State Government to ensure that the state would live within its means. The clear priority for the THO in its first year was to oversee an approach to financial management which would enable it to provide the services required by the community within the funds available, as documented in our first Service Agreement with the Minister for Health.

I have routinely participated in regular performance monitoring meetings with the Executive of the THO and officers of the Strategic Purchasing and Performance unit of the Department of Health and Human Services. The meetings have been conducted in a constructive spirit and the parties have shared information and views about our performance against targets for access to emergency care and elective surgery and other measures of quality and finance.

The Tasmanian Health Assistance Package is a welcome injection of focus and resources in improving the performance and sustainability of the Tasmanian health system over the next three years and I look forward to the report from the Commission on the Delivery of Health Services and Tasmania’s Clinical Services Plan in providing recommendations that will further assist THO – North in this quest.

Strong partnerships in the region and coordination with other THOs will help in our delivery of appropriate health services in the right setting at the right time. In the Northern region the ageing population, increasing prevalence of chronic disease and high prevalence of lifestyle risk factors will continue to challenge our ability to achieve activity targets within our allocated budget. Notwithstanding this, I am confident that with the support of my colleagues on the Governing Council, the continued hard work of our Chief Executive Officer and his team of dedicated staff and collaboration with our valued regional partners, THO – North will continue to deliver high quality health services and achieve service and performance improvements.

I thank the Minister and the Department of Health and Human Services for their cooperation and support. Both in the establishment of my post and in the establishment and development of the THOs, they have been unfailingly accessible and supportive.

Our community can be confident that THO- North will be a vigorous advocate for, and committed provider of, services which are accessible, effective, appropriate, acceptable and – above all – safe. It is clear that this commitment is shared with our Minister and her Department.



Graeme Houghton

Chair, Tasmanian Health Organisations

From the Chief Executive Officer

The Tasmanian Health Organisation – North (THO – North) relies on the skill, ability and professionalism of its staff, volunteers and supporters for its success.

Coupled with this are important partnerships - with the University of Tasmania for the teaching and training of our current and future workforce, all the northern general practitioners, Tasmania Medicare Local and its various primary health services, Calvary Healthcare Tasmania for palliative care, teaching and help in times of high demand, the Launceston Eye Hospital for ophthalmic surgery and One Care for its support for patients as they transition to aged care.

The THO - North has a loyal and committed staff with a low workforce turnover. Current staff at the Launceston General Hospital (LGH) alone has achieved 32,000 years of continuous service. Thanks to everyone who works long hours to ensure our clients receive the best of care.

This is the first annual report of the THO - North which together with the Service Agreement and Business and Corporate Plans is clear evidence of the National Health Reforms being implemented.

This first year of operation has seen a maturing of the relationship between THO - North and the central Government agency the Department Health and Human Services (DHHS). The change has allowed us to focus on the provision of services to the patients and population of the North. Leading this is our own statutory role and responsibilities through the Governing Council to the Minister for Health and Treasurer.

The key document is our Service Agreement and the suite of quality, activity and cost indicators that THO - North negotiated with the DHHS. The establishment of specific levels of accountability with an associated performance framework, using Activity Based Funding (ABF) are all major reforms. These agreements and our performance against them are on the public record. This Annual Report is another level of transparency.

The Australian Government's MyHospitals website has led to increased public scrutiny. Some of the reporting has not been favourable for the LGH; however, we are working hard to ensure our comparative performance is improving. This level of accountability is not without its challenges but it has opened a dialogue with the community over what can and cannot be provided within the resources we are allocated.



2012-13 was the first financial year as a statutory Authority operating under the *Tasmanian Health Organisation Act 2011* and one of the key requirements of the Tasmanian Government was that THO - North make budget and deliver on the levels of activity in the Service Agreement.

THO - North continued its strong financial management strategy commenced under the previous Area Health Services structure and again continued to provide services to the Northern community within its budget resources.

During 2012-13 THO - North received two performance escalation, Level 1 notices from the Department. One related to original estimates of a budget deficit, which was withdrawn, and the second was for unacceptable performance in meeting Emergency Department (ED) KPIs. There has since been significant improvements in this area.

Under ABF, the Commonwealth and States have agreed to a funding model that is premised on using the Nationally Efficient Price (NEP) as the corner stone. This funding model, in the main, applies to inpatient care at the LGH, with other areas funded under different, mainly block funded models. The Commonwealth has a clear preference to move as many areas as possible to block funding.

THO - North has been working closely with the DHHS to identify all costs and to ensure they are accurately recoded and reported. This effort has been rewarded with the LGH now close to the NEP. This improvement is important as it allows us to understand where we have cost disadvantages and why. It also allows the Governing Council to consider potential surpluses for reinvestment and challenge criticisms that we are an expensive health service.

Activity levels of THO - North services remain high across the board and are reported elsewhere in this report. The LGH ED and inpatient wards particularly are experiencing record occupancy levels. The challenge we face is when the level of demand, both in numbers and acuity, increases at a pace that creates unacceptable pressure. We have been successful in addressing demand to date through a mixture of initiatives. The key being the hard work and commitment of our staff combined with new models of care and expanded services. The prospect of improved ICT/eHealth program remains unfulfilled.

All THO-North services are now required to meet the new National Safety and Quality Health Service Standards (NSQHS Standards). LGH is currently accredited under the Australian Council of Health Care Standards (ACHS) until the end of 2015 and Primary Health is progressing with accreditation under ACHS in 2015. Following an assessment of the risk and resources required to meet the NSQHS Standards, it was decided to not pursue full ACHS accreditation until the new standards had been met.

In 2013-14 we welcome Mental Health to THO - North, another step towards providing a fully integrated health system.



John Kirwan

Chief Executive Officer, THO - North

About this Report

The THO's are required under section 53 of the *Tasmanian Health Organisation Act 2011* to produce an annual report in respect of their operations, performance, financial reports and the other particulars as required by section 53 of the Act.

This is the inaugural annual report for THO-North since its commencement on 1 July 2012.







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Governing Council

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

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



From left to right: Assoc. Prof Amanda Dennis, Assoc. Prof Alasdair MacDonald, Ross Hart, Graeme Houghton, Mark Scanlon and Prof Denise Fassett

Member Details

Associate Professor Amanda Dennis MB BS(Syd) FRANZCOG

Amanda commenced as a Governing Council member in November 2012. Until her appointment to the Governing Council Amanda was the Co-Director of Women's and Children's Services at the Launceston General Hospital. Amanda is a Consultant Obstetrician and Gynecologist working in both the public and private sectors in Launceston. Amanda is the Discipline Leader for Obstetrics and Gynaecology for the University of Tasmania and a member of the State Council of Obstetric and Paediatric Mortality and Morbidity (COPPM). Amanda is a member of the Tasmanian State Committee of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists.

Professor Denise Fassett RN Phd

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

Mr Ross Hart LLB

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

Mr Mark Scanlon B.Bus MBA FCPA FAICD

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

Associate Professor Alasdair MacDonald

Alasdair is a General and Acute Care Medicine Physician with an interest in Stroke Medicine. Alasdair is the President of the Adult Medicine Division of the Royal Australasian College of Physicians (RACP) and his current appointments include Director of Medicine at the Launceston General Hospital and Clinical Associate Professor at the University of Tasmania. Alasdair is a Past President of Internal Medicine Society of Australia and New Zealand. At the RACP he chairs operational committees, is involved in Physician Training and is a member of the National Examination Panel. He was appointed in 2011 by the Federal Health Minister to the National Lead Clinician Group; he is also on the Clinical Advisory Committee to the Independent Hospital Pricing Authority and the Clinical Advisory Committee to the Australian Commission for Safety and Quality in Healthcare. He sits on several State Health Committees including as Chair of the Tasmanian Lead Clinician Group and is one of the three ministerially appointed Commissioners into the Delivery of Healthcare to Tasmania. Upon his appointment to the Commission on the Delivery of Healthcare to Tasmania Alasdair, resigned his position from the THO-North Governing Council in October 2012.

Graeme Houghton BSc, MHA, FCHSM, CHM

Graeme holds a Bachelor of Science and Master of Health Administration and is a Fellow of the Australasian College of Health Service Management. Graeme has held appointments as Chief Executive Officer of Fairfield Hospital, Austin Hospital, Repatriation General Hospital (Daw Park) and The Royal Victorian Eye and Ear Hospital. Graeme also has experience in the private hospital sector and as a Hospital Standards and Accreditation Adviser to the National Department of Health in Papua New Guinea.

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

Governing Council Members Attendance Report

Board member	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	June 2013
Amanda Dennis	●	●	●	●	✓	✓	✓	✓	✓	✓	✓
Denise Fassett	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓
Ross Hart	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	○
Alasdair MacDonald	x	✓	✓	○	●	●	●	●	●	●	●
Mark Scanlon	✓	✓	✓	✓	✓	✓	✓	○	✓	✓	✓
Graeme Houghton	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Legend: Attended - ✓ Apology - x Leave of Absence - ○ Not a member at the time of meeting - ●

Audit & Risk Sub-Committee Meeting

Member	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	June 2013
Ross Hart	✓	✓	✓	✓	✓	✓	✓	✓	✓	○
Graeme Houghton	x	✓	✓	x	✓	✓	x	✓	✓	✓
Mark Scanlon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Legend: Attended - ✓ Apology - x Leave of Absence - ○ Not a member at the time of meeting - ●

Governing Council Member Remuneration

Band	Number of Members	Aggregate of Governing Council Fees	Aggregate of Committee Fees	Super-annuation	Other	Total
>\$50,000	1	\$51,031	-	\$4,592	\$8,522	\$64,145
<=\$50,000	5	\$99,225	\$14,712	\$10,752	-	\$124,688



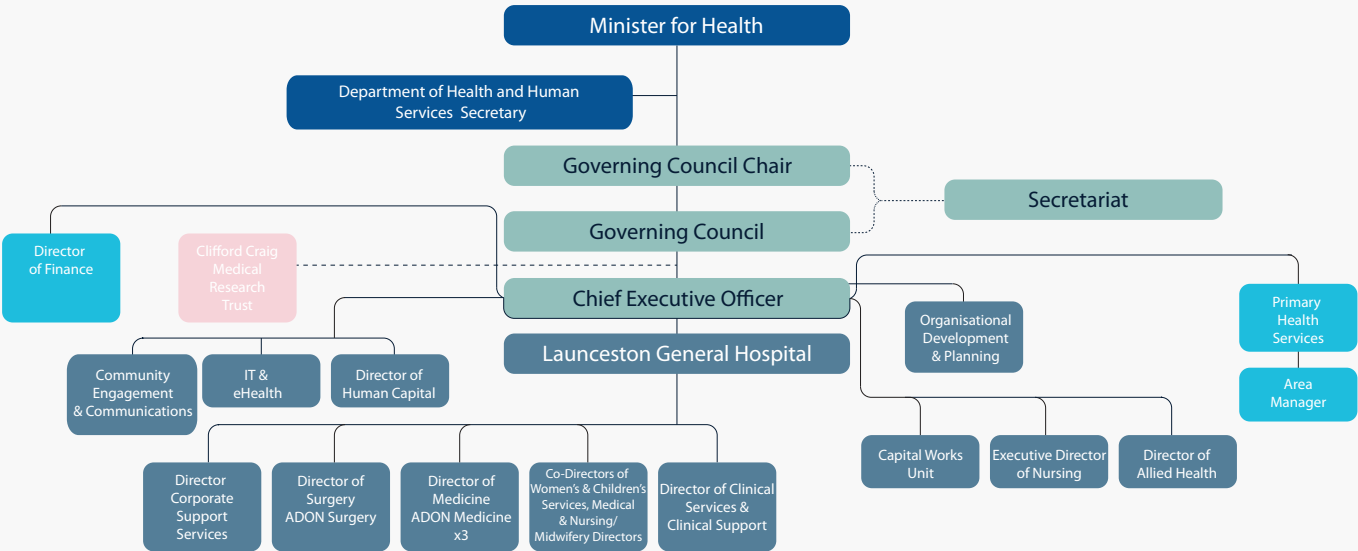


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Organisational Chart



Our Organisation

In August 2011, the Prime Minister announced that in partnership with states and territories, a National Health Reform Agreement had been reached. Under the agreement, all governments agreed to major reforms to the organisation, funding and delivery of health and aged care.

The National Health Reform Agreement (2011) required the establishment of Local Hospital Networks, known in this State as Tasmanian Health Organisations (THOs). Tasmanian legislation was implemented on 1 July 2012 to establish three THOs under the *Tasmanian Health Organisations Act (2011)*.

Under the new arrangements THOs are required to enter a service agreement with the Minister to deliver a specified number of services at a nationally efficient price.

The National Health Reform Agreement sets out the roles of the states and territories as health system managers:

- establishing legislation and governance arrangements of public hospital services;
- system-wide public hospital service planning, purchasing and performance;
- planning, funding and delivering capital;
- planning, funding (with the Commonwealth) and delivering teaching, training and research; and
- statewide public hospital industrial relations, including negotiation of enterprise bargaining agreements, and remuneration and employment terms and conditions.

In Tasmania, the *Tasmanian Health Organisations Act 2011* (the Act) has put this system manager role into effect by:

- specifying the functions and powers of the THOs and the limitations on these powers;
- the functions and powers of the responsible Ministers under the Act;
- the ministerial guidance and direction provided under the Act;
- the reporting requirements under the Act; and
- the performance management requirements under the Act.

As the Departments for the respective Ministers, Treasury and the Department of Health and Human Services will perform the roles and functions of the responsible Ministers under the Act.

Treasury's role will cover high-level powers and functions, the Ministerial Charter as well as financial management and reporting.

Executive Management Team



Back row from left to right: Sue McBeath, Susan Crave, John Kirwan, Sonia Purse, Grant Smith, Cindy Hollings, Dr Chris Bailey, Lorinda Upton-Greer, Lou Partridge

Front row from left to right: Dr Peter Renshaw, Rebecca Howe, Phillip Morris, Helen Bryan, Cameron Matthews, Catherine Austen, Rod Meldrum.

Absent: Dr Alasdair MacDonald, Lee Wallace, Mr Brian Kirkby, Cassandra Sampson



Our Services

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

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

THO - North services are delivered from a range of urban and rural acute, primary health and residential aged care facilities.

In addition to the 414 bed Launceston General Hospital, there are eight 24-hour rural health facilities which provide 88 inpatient beds and 76 residential aged care beds and a number of community health centres.

The majority of these services are provided from government owned or leased facilities although some programs are provided to people in their home environments e.g. community nursing, personal care and domestic assistance.

The Launceston General Hospital is Tasmania's second largest hospital and the major referral centre for Northern Tasmania. The Hospital provides acute care, outpatient, community, aged care and subacute services. It provides emergency care, intensive care, maternity services and specialty medical and surgical services.

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

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

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

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

OUR VISION

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

OUR MISSION AND PURPOSE

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

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

OUR VALUES

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

As an organisation we place a high value on:

- Mutual respect and open communication;
- Collaboration and team work;
- Patient centred care;
- Excellence and innovation;
- Evidence informed approaches;
- Continual improvement; and
- Learning, teaching, training and professional development.

OBJECTIVES

Our objectives are aligned with the four outcome areas and are:

To ensure that our patients receive safe and high quality services

- Continually review and improve corporate and clinical governance;
- Effectively manage risks through the implementation of an area wide risk management framework and refinement of our business continuity plans;
- Implement national patient safety and quality initiatives through all service areas and achieve accreditation;
- Deliver health services and health support services that are consistent with the intent of the Australian Charter of Healthcare Rights;
- Continue to roll out new models of care within available resources;
- Deliver care which is consistent with our values; and
- Actively engage with our consumers and encourage feedback.

To meet service and performance targets within available resources

- Align our business processes with existing resources;
- Provide quality data and reports to our managers and supervisors in relation to performance and performance expectations;
- Monitor and analyse performance targets and support managers and supervisors to address under-performance;
- Roll out an organisational wide business planning and reporting process over the three year planning cycle; and
- To provide accurate and timely reports to key stakeholders including the Governing Council and Department as required.

To prepare our workforce to meet future challenges

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

To operate effectively and efficiently

- Continue effective budget management strategies in a planned manner with a focus on the effective management of associated issues and risks;
- Introduce core elements of the e-Health within available resources;
- Create effective partnerships with key stakeholders and service providers;
- Collaborate with the department and other THO's to ensure consistency in health service planning; and
- Work with the Department in developing a service planning framework that reflects medium to long term performance and purchasing intentions.



Working with patients through an inter-professional goal directed therapy model.

Outpatient Rehabilitation (OPR) is a multidisciplinary outpatient rehabilitation team that provides rehabilitation services to Tasmanian Health Organisation – North (THO-N) clients. The OPR service was established to strengthen rehabilitation and sub-acute services.

Mr X was referred to OPR after a below knee amputation. Mr X identified goals of walking, returning to driving, playing golf, increasing activities around the home including preparing light meals and waltzing with his wife at their 60th wedding anniversary.


Mr X was able to undergo intensive reconditioning by engaging in the outpatient rehabilitation “Up and Onwards Group” program. This group is facilitated by an allied health assistant with physiotherapy and occupational therapy support. It offered an opportunity to Mr X to focus on high intensity functional fitness prior to prosthetic training.

Support was provided to Mrs X through access to a carer's group run through OPR at the same time as the activity group attended by her husband. This group supports carers to manage the changing environment at home, which includes increased burden of care and emotional change. Supporting the carer and developing their skills maximises the carer's capacity to support the rehabilitation program of their family member.

Mr X worked intensively with the service but in the week of discharge from the OPR had a fall at home, breaking his hip and resulting in further surgery and a hospital stay. The OPR team model supported his early discharge from this acute admission, reducing his length of stay on the rehabilitation ward.

During this second episode of care Mr X continued to work hard. In December 2012 he waltzed with his wife in front of family, friends and therapists at his 60th wedding anniversary. He and his wife stated that their time with the OPR team had been “Life changingYou have given us back our quality of life”.





Supporting a coordinated early discharge model for complex patients, meeting patient goals and filling gaps in the community

Mr A is a 55 year old gentleman who experienced a stroke leaving him with speech, language and vision difficulties and weakness in his right arm.

Due to the significant nature of his deficits Mr A experienced significant frustration with the hospital environment resulting in premature discharge. Often patients with similar deficits may have had a period of inpatient assessment and rehabilitation, but for Mr A it was not seen as an option as it was perceived as not conducive to his mental health or safety.

He was discharged to the services offered at the time: outpatient Speech Pathology and short term outpatient Physiotherapy. Services within Primary Health were also engaged, but were fragmented across a number of different areas and communication between services was difficult. It was extremely difficult to provide a coordinated model of care that covered his and his wife's needs.

Mr A was transferred to the Outpatient Rehabilitation Service when it commenced and the team was able to provide a single point for his rehabilitation.

The team worked with Mr A to plan for the future, provided carer support and coordinated appointments which improved his progress and reduced the strain on his wife.

The team worked with Mr A to meet his rehabilitation goals of improving his communication skills and re-engaging in social activities. At the time of discharge he was involved in meaningful community activities i.e., working as a volunteer with the Launceston Volunteer for Community Service and accessing a Men's Shed group. Baptcare Gateway is supporting him to explore paid employment options.





Image supplied courtesy of The Examiner

Our Locations



- 32 Campbell Town MPS
- 33 Longford CHC
- 34 Toosey Inc. (Longford)
- 35 Deloraine DH
- 36 Westbury CHC
- 37 Public Palliative Care Beds at Calvary
- 38 Northern Integrated Care Service
- 39 Kings Meadows CHC
- 40 St Marys CHC
- 41 Ravenswood CHC
- 42 Mayne Street Day Centre
- 43 John L Grove Rehabilitation Unit
- 44 Beaconsfield MPS
- 45 George Town DH
- 46 North East Soldiers Memorial Hospital (Scottsdale)
- 47 St Helens DH
- 48 Cape Barren Island Nursing Centre
- 49 Flinders Island MPC

Our Community and Volunteers

The THO-North, its Governing Council, Executive, staff and patients gratefully acknowledge the time, effort and financial support provided to the entire THO-North by our Volunteers, Auxiliaries and financial donors during 2012-13.

The value of the respective contributions go far beyond the financial benefits to the Organisation and contributes to the community fabric and level of community engagement with THO-North which goes to make the THO an integral part of the community of the North.

The auxiliaries contributing to THO-North are;

- Beaconsfield Branch – District Health Service
- Beaconsfield District Health Auxiliary
- Beauty Point Auxiliary
- Central Auxiliary LGH
- Campbell Town/Ross Auxiliary
- 4K Children's Ward
- Deloraine Hospital Auxiliary
- Flinders Island Auxiliary
- George Town Auxiliary
- Holman Clinic/Cancer Ward Auxiliary
- Rehabilitation Auxiliary (3R LGH)
- Rowella Auxiliary
- St Marys Hospital Auxiliary
- St Helens Hospital Auxiliary
- Scottsdale Hospital Auxiliary
- Toosey Hospital Auxiliary
- Palliative Care North Auxiliary
- Northern Council of Auxiliaries

Across the region 18 auxiliaries with 300 plus hardworking volunteer members raised more than \$800,000 for the THO-North in 2012-13. This money has been used to buy items as diverse as a public address system, televisions, sewing machine and bed quilts to medical equipment including neonatal oxygen blenders, bladder scanners, blood pressure monitors and specialist lifting equipment.



150 Years of Caring

The Launceston General Hospital celebrated its 150th birthday in May 2013 and hundreds joined in the party. A week-long program of events and activities, led by the LGH Historical Committee, marked this major milestone.

It was fitting that the first activity was held on International Nurse's Day. The LGH ex-Trainees Association and the Australian Nursing Federation sponsored a breakfast at the hospital. Breakfast was followed by lunch in the Northern Integrated Care Service (NICS) building and tours of the "old" school and nurses' home.

Ex-trainee association representative and former LGH tutor Deanna Ellis was the driving force behind the International Nurse's Day activities including sourcing different LGH nurses uniforms from across the decades.

In the evening, Holy Trinity Church held a special dedication evensong service to mark the LGH's birthday with current and former staff donning academic dress for the occasion.

A specially-curated art exhibition was one of the highlights of the week. More than 20 local artists were invited to submit pieces themed on the history of medicine through art. This was the first time that a group of artists had come together on a common theme in association with the LGH to prepare an eclectic exhibition. The exhibition was the first in a new art space now known as the ARTrium in the NICS building.

It also included the unveiling of a commissioned bronze bust of former LGH surgeon superintendent Sir John Ramsay. The bust by Victorian sculptor Peter Corlett took more than nine months to complete and was funded through a grant from the James and Diana Ramsay Foundation. Foundation chairman Mr Nicholas Ross and board member Dr Timothy Edwards joined Sir John's granddaughter Patricia Fullerton in unveiling the sculpture. The bust has been placed on Sir John's original surgical cabinet in the ARTrium.

As a birthday gift to the LGH, the Historical Committee commissioned a lectern to be used in the new ARTrium space. The piece was designed and made by Simon Ancher, from the School of Fine Furniture.

Thousands of hours of writing, collating and editing went into the publication of a new book, Launceston General Hospital 150 Years of Caring, to mark the hospital's sesquicentenary. The book was launched by the Premier of Tasmania, Lara Giddings, who said: "The LGH has played a long, colourful and meaningful role in the lives of many northern Tasmanians. It goes without saying that it's an institution the community holds very dear to its heart."

The book was edited by Paul Richards, Barbara Valentine, Dan Huon and Tom Dunning. The authors and contributors were LGH staff (past and present), historians, retired medicos, journalists and community members.

A three-day medical and historical research seminar was held alongside the other 150 activities with a program including local and nationally-recognised speakers. The LGH Historical Committee brought Professor Paul Gatenby, from the Australian National University, Dr R McIntyre and Professor Len Harrison, from the Walter and Eliza Hall Medical Research Institute, to Launceston for the seminar series which was opened by the Governor of Tasmania, His Excellency Peter Underwood AC.

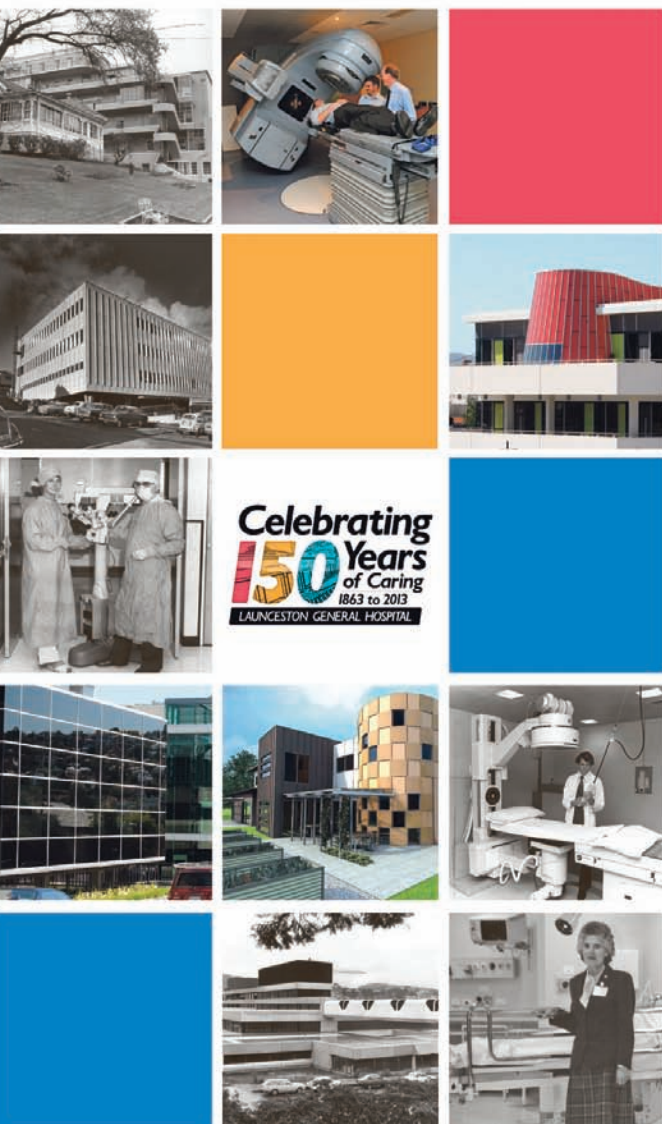




From Left to Right: Lyn Rigby, Helen Coates and Fay Johnson – Central Auxiliary Kiosk Volunteers



The book editors of the LGH Historical Committee for the Sesquicentenary – from left to right Paul Richards, Dan Huon, Barbara Valentine and Tom Dunning



150 YEARS OF MEDICAL milestones

1863 The new Launceston General Hospital was built on Mulgrave Square and officially opened 14 May 1863.

1896 Dr Frances Drake brought the first x-ray equipment to Launceston in October 1896.

1911 Dr John Ramsay successfully transferred pancreatic tissue in an attempt to combat diabetes.

1916 During a surgical procedure Dr John Ramsay performed the first open heart massage. The patient survived.

1919 Tasmania was the first state requiring women to undertake a training course to register as midwives.

1927 The first radium needles were bought by Dr W.P. Holman to treat cancer patients.

1930 G. Thompson, a resident at the hospital, became the first to introduce pneumothorax as a treatment modality for TB.

1943 Drs. Pride and Booth formed a thyroid clinic and Dr Grove introduced radioactive iodine isotope facilities in 1950.

1944 Dr Keverall McIntyre, an obstetrician and gynaecologist, invented the neonatal respirator.

1964 The LGH was the first, outside of major interstate hospitals, to start an Intensive Care Unit.

1966 Dr Rowley Gale started vascular surgery in Tasmania.

1967 The Department of Nuclear Medicine was established.

1970 Mr Tim Hogg and Mr David McIntyre performed the first Chamley total hip replacement.

1973 Mr David Lees started microsurgery and in 1974 the LGH performed the first successful reattachment of an amputated hand in Australia.

1977 Professor Berni Einoder started arthroscopic surgery in Tasmania.

The LGH/QVH was the first hospital in Australia to trial and start Neonatal Hypothyroid screening which continues today.

1996 The first peripheral endovascular surgical procedure in Tasmania was performed by Drs. Bosanac, Stary and Scott. Late 1990s Australian first for Granulocyte Colony Stimulating Factors. These stimulate stem cell growth, in patients with haematological, medical oncology disease/infections.

2001 First dedicated stroke unit in the State early 2000s. First nationally for Autologous Red Cell harvesting pre-surgery for re intubation during or post-surgery. Monoclonal Antibody therapy (Mabthera) Rituximab for the treatment of lymphoma.

2003 4n@home was the first program that allowed premature babies to have early discharge with tube feeding by parents at home supported by the unit.

2006 Dr H Nguyen performed the first laparoscopic decompression of a pericardial tamponade condition.

2011 One of the first sites in Australia to offer workplace-based assessments for international medical graduates.

2012 Opening of State's first Acute Medical Unit (AMU). First Tasmanian Paediatric Polysomnography sleep study service.

2013 LGH celebrates its 150th birthday.

Tasmanian Health Organisation - North
Charles St, Launceston
Ph: 6348 7111

Department of Health and Human Services



Supplied courtesy of The Examiner


Our Workforce

The THO-North Human Resources Management Committee has completed a Strategic Workforce Plan. In order to continue to provide high quality safe services, THO-North must continue to attract and retain a workforce that can meet our current and future service delivery needs.

The Health and Wellbeing Subcommittee of the THO-North Health and Safety and Wellbeing Committee, has formed to focus on health and wellbeing initiatives to support the staff of THO-North.

The initiatives put in place by the Committee include the Launceston General Hospital cafeteria implementing optional half serves, poster and information on the sugar content of beverages served in the cafeteria and health food options. The Subcommittee has also been exploring exercise initiatives to support staff.





It is official. Scottsdale's North Eastern Soldiers Memorial Hospital (NESMH) is one of the best places to work in Tasmania

WorkSafe Tasmania named the hospital as having the best workplace health and well-being program in the State in 2012. It was also highly commended for its overall occupational health and safety programs.

The award citation read: "The organisation has found that a happy and healthy workforce is more resilient in facing the challenges that working in health provides and the benefits of the program have been felt across the entire business."

Nurse Unit Manager at the time Sue Bucher said the motivation behind the hospital's health and wellbeing program was to have productive, enthusiastic and motivated workers who were positive role models for the community.

The program was developed over a number of years and is run across six areas – nutrition, physical activity, health initiatives, environment, wellbeing, and illness and injury prevention. It is based on inclusion and consultation with "healthy workplace" a standing agenda item at all team meetings.

Its success has included a reduction in lost time injuries, a low attrition rate, an increase in staff physical activity and a greater utilisation of flexible working hours.

Ms Bucher said the NESMH was also a leader in anti-smoking as the first rural non-smoking site in the State in 2008.

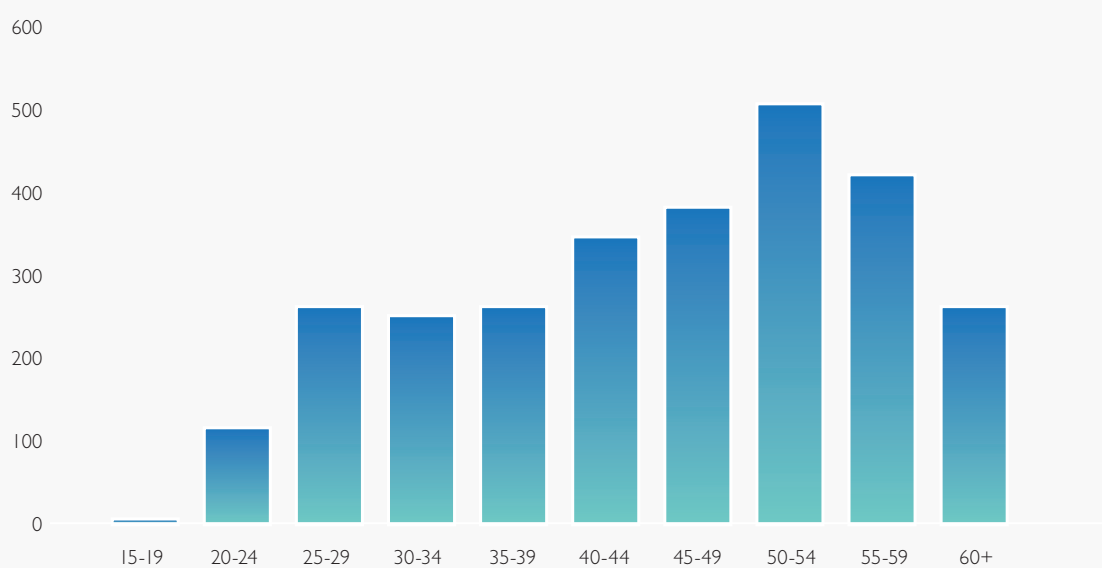
"Healthy meals are on the menu, the number of confectionery based fund raisers has been limited and a vending machine has been removed from the hospital foyer after its contents were unable to be replaced with healthy options," Ms Bucher said.

"There are water stations throughout the facility and the hospital is trying to be a role model for the rest of the community with ride to work day convoys including workers from other sites," she said.

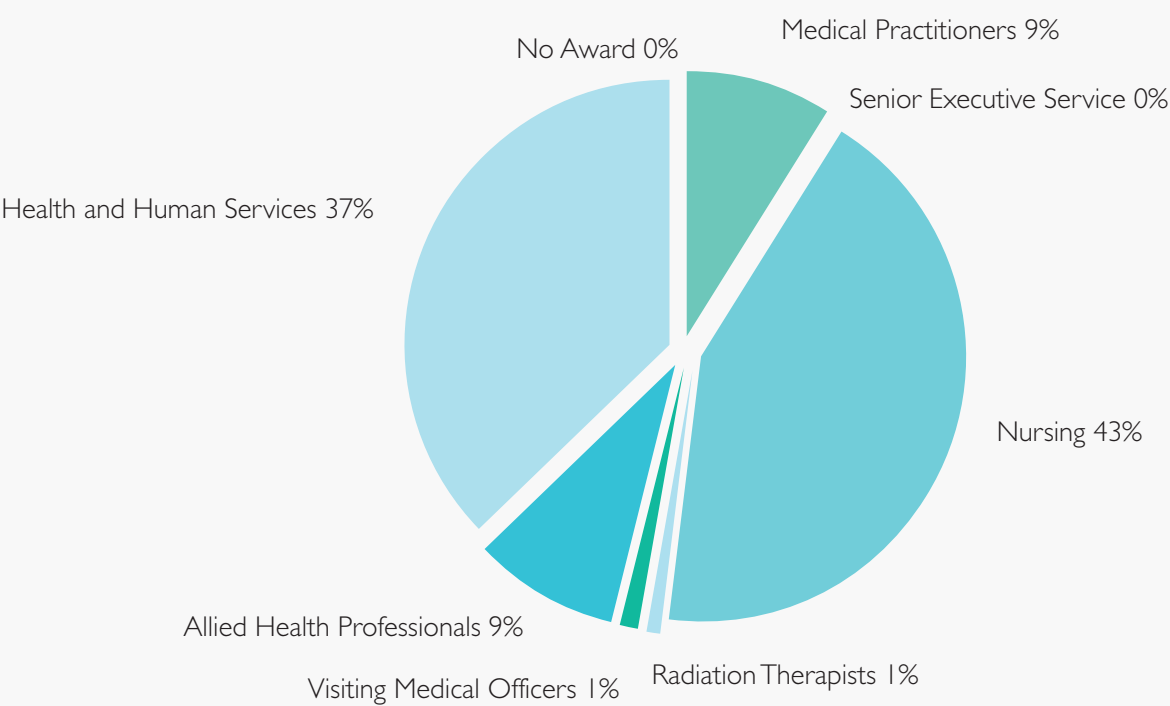
And such has been the success that the hospital is considering getting a second bike rack.



Age Demographic of Employees as at 30 June 2013




Staff Composition by Award





Supplied courtesy of The Examiner



Retiring Director of Surgery Professor Berni Einoder has had a long association with the Launceston General Hospital and he won't be giving that up easily.

Professor Einoder "officially" retired from the top surgical post at the end of May but will remain as a senior specialist.

His medical career began when he graduated from Monash University and was awarded MB BS Honours in 1967. His first job as a junior doctor was at the Alfred Hospital in Melbourne.

What followed was a stint in Nauru where he and his colleagues were the only doctors for all the islands putting their skills to the test.

Later he returned to Melbourne as a surgical registrar at Preston and Northcote Community /Austin Hospitals from 1971-73. He was invited to be the senior orthopaedic registrar at St Vincent's Hospital in 1975 and the LGH in 1975. He also undertook fellowships in Sussex, Vienna, Graz and Ljubljana.

In 1984 Professor Einoder was elected chairman of the LGH medical staff which gave him a seat on the hospital board. In 1986 he became chairman of surgery and in 1992 started the monthly Morbidity and Mortality meetings to critically appraise all unwanted clinical outcomes.

Professor Einoder has served on many national and international medical and community bodies including the Australian Orthopaedic Association (AOA), the Tasmanian Racing Board, the Ben Lomond ski patrol and the international Arthroscopy and Knee Surgeons board. He was awarded the AOA medal in 2005 and later life membership, an Order of Australia Medal in 2006 and holds life membership of the North Launceston Football Club and Arthroplasty Society.

Tasmanian Health Organisation – North CEO John Kirwan said Professor Einoder's commitment to the hospital, the surgical program and the Northern Tasmanian community was second to none.

"We are fortunate that his experience and knowledge will not be lost to the system as we undertake the major rebuilding and expansion of the operating suite, a fitting tribute to his drive and vision."

In the LGH Sesquicentenary book, Launceston General Hospital 150 Years of Caring, Professor Einoder describes a love of teaching, playing the piano, gardening and snow skiing. Some pursuits he may now find some extra time to enjoy in retirement.

Awards and Agreements

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

Allied Health Professionals

Allied Health Professionals (Tasmanian Public Sector) Industrial Agreement 2010

Ambulance Service Officers

Ambulance Tasmania Agreement 2010

Tasmanian Ambulance Service Agreement 2007

Tasmanian Ambulance Service Award 2009

Tasmanian Ambulance Service – Patient Extrication (Preservation of Entitlements) Agreement 2006

Medical Practitioners

Medical Practitioners (Public Sector) Award 2007

Rural Medical Practitioners (Public Sector) Agreement 2009

Salaried Medical Practitioners (Australian Medical Association Tasmania/DHHS) Agreement 2009

Nurses

Caseload Midwifery Industrial Agreement 2012

Midwifery Group Practice at Mersey Community Hospital Agreement

Nurses and Midwives Heads of Agreement 2010

Nurses (Tasmanian Public Sector) Award 2005

Nurses (Tasmanian Public Sector) Enterprise Agreement 2007

Nurses (Tasmanian Public Sector) Enterprise Agreement – Variation 2008

Radiation Therapists

Radiation Therapists (Public Sector) Industrial Agreement 2009

Radiation Therapists State Service Unions Agreement 2012

Visiting Medical Practitioners

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

Other Awards and Agreements Not Covered Above

Department of Health and Human Services – Child and Family Services Support Workers' Agreement 2003

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

Department of Health and Human Services – Public and Environmental Health Service Staff On Call and Call
Back Agreement 2000

Department of Health and Human Services – Rostered Carers Agreement 2008

Department of Health and Human Services – Roy Fagan Centre Shift Work Arrangement Agreement 2003

Department of Health and Human Services Support Workers Agreement 2009

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

Health and Human Services (Tasmanian State Service) Award

Miscellaneous Workers (Public Sector) Award

Senior Executive Service

Tasmanian State Service Award

Our Performance

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

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

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

It consists of:

- Part A - provides an overview of the service profile of the THO
- Part B - outlines the KPIs against which THO performance will be monitored and assessed
- Part C - outlines contracted service volumes and associated activity based funding and other contracted services for which block funding is provided
- Part D – Outlines the Minister's Direction to the THO regarding its relationship with the System Purchasing and Performance Group and the service manuals that have been or will be issued by the Group during 2013-2014. The manuals became, or will become, operational as from their issue date, and
- Part E – Provides detail on the National Partnership Agreement on Improving Health Services in Tasmania as it relates to this Agreement.

The Service Agreement for 2012-13 can be accessed at http://www.dhhs.tas.gov.au/tho/service_agreements

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

There have been routine and regular performance review meetings between THO-North and DHHS during 2012-13 to regularly monitor the progress towards the KPI's in the 2012-13 Service Agreement.

KPI	Performance Indicator Activity	Detail	Target	Result
1	Variation from budget – YTD actual (cash) – (reporting suspended in 2012-13)		n/a	n/a
2	Variation from budget – full year projected (cash)		0	● \$13 million
3	Variation from budget – YTD actual (accrual) – (reporting suspended in 2012-13)		n/a	n/a
4	Variation from budget – full year projected (accrual) – (reporting suspended in 2012-13)		n/a	n/a
KPI Activity				
1	Weighted separations		31,100	● 32,012.5
2	Elective surgery admissions		4,424	● 4,554
KPI Safety and Quality				
1	Hand hygiene compliance		70%	● 74.90%
2	Healthcare associated staphylococcus aureus (including MRSA) bacteraemia (target is 2.0 cases per 10 000 patient bed days)		2	● 1.3
3	Healthcare associated clostridium difficile infection (target is 4.0 cases per 10 000 patient bed days)		4	● 1.9
KPI Emergency Department Access				
1	Percentage of all emergency department patients who have physically left the emergency department within four hours	Jul 2012 to Dec 2012	72%	● 61.9%
		Jan 2013 to Jun 2013	78%	● 64.8%
2	Percentage of all emergency department presentations seen within the recommended triage time		80%	● 65.0%
3	Percentage of emergency department did not wait presentations		< 5%	● 3.9%
4	Incidence of ambulance presentations to emergency departments experiencing offload delay		< 10%	● 9.8%
5	Total time (hours) spent by ambulance presentations in offload delay		No formal target established	833.1

Key: ● = outside target/not meeting target ● = on target ● = within target/meeting target

KPI	Performance Indicator	Detail	Target	Result
	Elective Surgery Access			
	Percentage of elective surgery patients seen within the clinically recommended time by urgency category:			
1	Category 1	Jul 2012 to Dec 2012	84%	● 81.6%
		Jan 2013 to Jun 2013	92%	● 77.7%
2	Category 2	Jul 2012 to Dec 2012	67%	● 59.9%
		Jan 2013 to Jun 2013	92%	● 46.5%
3	Category 3	Jul 2012 to Dec 2012	81%	● 81.2%
		Jan 2013 to Jun 2013	86%	● 73.1%
	Average overdue wait time (in days) for those who have waited beyond the recommended time:			
4	Category 1	Jul 2012 to Dec 2012	69	● 31.1
		Jan 2013 to Jun 2013	-	● 26.6
5	Category 2	Jul 2012 to Dec 2012	285	● 221.4
		Jan 2013 to Jun 2013	214	● 225.1
6	Category 3	Jul 2012 to Dec 2012	352	● 279.5
		Jan 2013 to Jun 2013	264	● 268.7
	Additional Activity			
1	Endoscopy/Elective Initiative		390	● 390
2	National Partnership Agreement on Improving Health Service in Tasmania		357	● 357

Key: ● = outside target/not meeting target ● = on target ● = within target/meeting target

Ministerial Directions and Performance Escalations

THO- North Level	Nature of Escalation	Date of Escalation	Date of De-escalation
Level 1 (Under Review)	<p>The Department identified some performance concerns with the “Emergency Department (ED) Access” Performance Domain. Performance concerns included:</p> <ul style="list-style-type: none"> • There had been sustained non-achievement of targets for the past three reporting periods against three ED performance indicators. • Four out of five triage categories were not meeting the Australasian College for Emergency Medicine benchmarks. • Limited performance improvement despite significant investment in a new ED. 	1 November 2012 (September Performance Report)	Remained at Level 1 at 30 June 2013
Level 1 (Under Review)	<p>Under section 52 of the <i>Tasmanian Health Organisation Act 2011</i>, THOs were requested to provide a progress report on how 2012-13 savings strategies were being implemented to ensure a balanced budget outcome is achieved. The Department acknowledged the THOs' responses but remained concerned that budget deficits continued to be forecast by each THO.</p> <p>At the end of October 2012, the projected budget deficit was \$4.2 million attributed mainly to Primary Health activities.</p> <p>Additional information was required from the THO outlining how a balanced budget outcome would be achieved.</p> <p>THO - North Finance and Management Domain was de-escalated in January 2013 from Level 1 “Under Review” to Level 0 “No Action Required”. THO - North was projecting to be \$179 341 over budget. The projected year end overrun was essentially a balanced budget outcome.</p>	30 November 2012 (October Performance Report)	22 January 2013 (December Performance Report)

Under Section 38, THO-North received direction to use certain services provided by DHHS, Premier and Cabinet, Tasmanian Risk Management Fund and specialist health services from other THOs. This direction is ongoing and has been implemented.





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Climate Change

Emissions Reduction Strategy

THO-North is committed to working with the Department of Health and Human Services to continue to contribute to early action toward the State's target of reducing its greenhouse gas emissions to at least 60 per cent below 1990 levels by 2050. The DHHS is cooperating with other departments to develop a whole-of-government emission reduction strategy.

A whole-of-DHHS Energy Management Strategy has been prepared, of which THO-North is a part of. In accordance with the Management Strategy, DHHS continues to focus on the following key areas of activity where greenhouse gas emissions information is readily available:

- auditing of Agency greenhouse gas emissions from its built assets; and
- monitoring and reporting greenhouse gas emissions.

Auditing of DHHS Greenhouse Gas Emissions

The DHHS is monitoring activity in the following areas:

- buildings – energy efficiencies;
- travel – emissions from fuel use and air travel; and
- purchases – procurement.

The DHHS is continuing to concentrate its efforts on reducing electricity consumption in buildings and reducing travel while maintaining service provision. It is also continuing a program of energy audits of significant buildings in accordance with the whole-of-Agency Energy Management Strategy.

Monitoring and Reporting Greenhouse Gas Emissions

The DHHS and Asset Management Services reports on greenhouse gas emissions using the Online System for Comprehensive Activity Reporting (OSCAR) provided by the Australian Government's Department of Climate Change and Energy Efficiency. The DHHS is continuing the development of systems to increase the accuracy of the measurement of its emissions volumes.

Greenhouse Emissions 2012-2013

THO-North Current position 2012-13

Activity	Volume	tCO ₂ -e
Electricity	12.15 GWh	4,217
Natural Gas	165,338 GJ	80
Unleaded Petrol	233 kL	608
Diesel Fuel	88 kL	175
Air Travel	1.1 million Km	113
Total		5,193

Reducing Greenhouse Gas Emissions

The DHHS continues to dedicate resources toward the minimisation of electricity consumption as a priority emissions reduction action, as electricity consumption is the largest contributor towards its greenhouse gas emissions.

The DHHS continues to leverage its available information systems to monitor and control energy consumption in buildings. The information is being gathered to inform the identification of realistic and achievable energy efficiency targets that will drive further greenhouse gas emissions reductions.

The DHHS and THO-N continues to require ecologically sustainable design requirements as a matter of course in all its major capital works. It also ensures that climate change impact is included in the evaluation criteria for all major purchases of goods and services and is taken into consideration in the selection of goods and services for all minor purchases.

A cleaner, greener THO-N

The Launceston General Hospital (LGH) has made some recent notable achievements in environmental management.

It currently recycles paper, cardboard, printer cartridges, stainless steel, batteries, aluminium cans, mobile phones, saline water solution bottles and theatre bowls.

The hospital has also eliminated 150,000 foam cups a year from its waste and paper towel has been replaced with an environmentally friendly sugar cane bi-product.

A PVC recycling trial is helping turn hospital soft plastic waste (IV bags, tubes, marks etc) into high quality furniture, signage and traffic control products.

The LGH paints with an Eco Choice paint range that has lower volatile organic compounds (VOCs) and brushes are cleaned in eco-friendly wash.

The hospital was one of the first Tasmanian businesses to use natural gas to operate a co-generation power system. The natural gas project reduces the carbon footprint by 1,500 tonnes per annum.

Across the THO-N, an electronic chemical safety management system "ChemAlert" has been implemented and has eliminated 25% of hazardous chemicals and substituted a further 25% with less hazardous chemicals.

Solar panels have been installed on the Northern Integrated Care Service building, adjacent to the LGH, and will be fitted at the Deloraine and St Helens Hospitals.

During the 2012-2013 financial year the LGH has avoided the release of 315 tonnes of CO₂-e into the atmosphere by diverting waste from an average Australian landfill through materials, organics and energy recovery. This equates to the equivalent of 78 cars being removed from the road for a year; or 1177 trees being planted (source certificate from Veolia Environmental Services).

In 2012-13 strategies have been adopted to reduce vehicle Co₂ emissions by 105 tonnes including: reducing the fleet by 16 vehicles; moving to "greener" vehicles; reducing non-essential usage; cutting back on rental vehicle use and encouraging staff to use tele-conference facilities rather than travelling for meetings.

In recognition of this work, the THO – North has been named as a finalist in the 2013 Launceston Chamber of Commerce Best Environmental Practice Award.

Risk Management

Risk Management Framework

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

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

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

Insurable Risk

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

During 2012-13, the THO-North made the following contributions to the Fund and lodged the following claims:

Risk by Class	Excess Period \$ (excl GST)	Contribution \$ (excl GST)	Number of claims	Incurred cost of claims \$ (excl GST)
Personal Injury				
Workers' Compensation	1			
Personal Accident	50	3,571,368	101	1,121,565
Asbestos Levy		142,855		
Property				
General Property	14,000	378,208	3	4,535
Motor Vehicles – Fleet Vehicles	500/1,000	46,230	25	32,253
Motor Vehicles – Miscellaneous	500	12,118	0	0
Liability				
General Liability	10,000	43,239	3	45,899
Medical Liability	50,000	1,733,694	11	799,385
Miscellaneous				
Government Contingency		2,117		
Travel plus stamp duty		1,894		
Total				\$2,003,637

Capital Works and Asset Management

Asset Management

The DHHS's Asset Management Services area continues to focus on systems to improve analysis of risk, operation and maintenance issues. Improved focus in these areas better informs the DHHS to target acquisition, disposal and funding strategies and future capital investment bids.

The creation of the THOs and the delegation of greater autonomy and resources will enable stronger local management of facilities within a centrally provided framework and accountability mechanism. Ownership of the Crown assets resides with the DHHS while the THOs and other statewide areas retain responsibility for the operational management of their assets.

Planning, procurement and sustainability are the key elements of asset management, all of which seek to achieve value for money by successfully positioning the DHHS asset portfolio to:

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

The DHHS continues to improve rigour on investment analysis of potential capital works projects using the Department of Treasury and Finance's "Structured Infrastructure Investment Review Process". This staged gateway review process is coordinated by Asset Management Services through the Department's Corporate Governance Structure. THO-North has supplied a number of submissions via the Structured Infrastructure Investment Review Process for future capital developments.

Asset Planning

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

The current 2012-2017 SAMP responds to the delivery of highly complex and diverse services, as identified in Tasmania's Health Plan, in a changing environment. Its role in this context is to articulate the coordinating framework and concepts such as adaptability that underpin strategic asset planning across the DHHS. Its specific objectives are to:

- ensure alignment between asset management and Government strategic planning initiatives;
- ensure that funds which could be directed to the delivery of health and human services are not wasted on avoidable maintenance, unnecessary acquisition or inefficient operation of assets;
- ensure that assets are acquired, operated and maintained in a manner which minimises risk and maximises public confidence in the delivery of services;
- develop and maintain direct links between service delivery and asset support in a manner that ensures integration of tiers of service and is responsive to local need;
- ensure prioritisation of the acquisition and disposal of assets; and
- create responsive, adaptable and sustainable assets that will continue to effectively support services as they evolve and grow into the future.

A number of SAMPs are required to be prepared, while the statewide DHHS and Housing Services SAMPs have been endorsed, the Ambulance Tasmania, Children and Family Services, Disability Services and Asset Management Services SAMPs have commenced development. THO-North is presently undertaking work to have its SAMP in place during 2014.

Major Capital Works Program 2012-2013

During 2013 there has been the continuation of a number of major capital works programs within THO-North. These work have been undertaken in partnership between the THO-North Capital Works Unit and DHHS Asset Management Services.

The largest capital expansion in the history of the current Launceston General Hospital continues in earnest across the precinct.

The Tasmanian and Australian Governments, together with the University of Tasmania, committed capital infrastructure funds of \$110 million over the period June 2006 to June 2011 to fund a major upgrade to the core LGH building and the surrounding Launceston Health Precinct. The capital improvement program was submitted to the Tasmanian Parliamentary Standing Committee on Public Works in October 2009 and was approved to progress to work two months later.

It is the biggest building project undertaken in Northern Tasmania since the current LGH was built more than 30 years ago.

That work is now about three-quarters completed and is radically altering the public façade and footprint of the hospital.

Over the past financial year a number of new areas have been completed and opened, with more to come.

At "the front door" of the LGH is a new \$12 million Emergency Department (ED), more than double the size of the old one planned and built in the mid-80s.

Since then the number of patients presenting for treatment has increased considerably. In July 2012 the department experienced record demand from patients with 4065 attendances up from 3676 the previous year and 3283 in the same month of 2010.

Adjacent to the ED is the Acute Medical Unit, a first for Tasmania, with 28 beds including a High Dependency area and 4-bed Northern Cardiac Unit which opened in January 2012. The unit was purpose-built and aims to streamline the medical management of acute medical patients by “frontloading” the ward with senior medical, nursing and allied health staff to enable early assessment, investigation, care management and discharge planning. It has been strategically designed to be in close proximity to investigative services such as cardiology, pathology and radiology.

An upgrade and expansion of the WP Holman Clinic's medical oncology area was finished in February this year. The service operated from former Ward 4D (closed as part of budget savings measures in 2011) during much of 2012 to ensure there was no interruption to patients. The medical oncology upgrade has added extra treatment chairs (20 now up from 12), 3 additional consultation rooms (now 6) and an additional social work office (now 2).

The former Prime Minister Julia Gillard opened the Northern Integrated Care Service building in October 2012. The building incorporates Tasmania Medicare Local programs and is home to the University of Tasmania's Launceston Clinical School.

A common complaint over many years from visitors, patients and staff alike has centred on difficulties with parking in and around the hospital. Inadequate parking on site forced cars into the streets around the hospital which caused concern for local residents and businesses.

This has eased with the opening of two multi-level car parks on site with access from Frankland and Cleveland Streets. The new buildings, opened in 2011 and 2012, provide about 850 onsite parking spaces, adding about 400 spaces to the site.

In 2012-13 parking will generate an estimated \$700,000 in revenue for the hospital.

It is anticipated that the first patients will move into the new sub-acute rehabilitation unit in the former John L Grove building on Howick Street in the last quarter of the 2013 calendar year. The unit will have 16 single and 2 double rooms.

The final project in the overall capital redevelopment is the expansion of the Intensive Care Unit and Theatres. Levels 4 and 5 above the ED in the main LGH building were each expanded to 2400m². The fit out continues and includes 9 theatres and up to 18 ICU beds. Before the work the ICU had 11 beds and there were 6 theatres.



THO-North Capital Works

Outcomes 2012-13

Area	Initial	Post Capital Works	Completed
Completed Works			
Car Parking	New multi storey car park	Additional 400 car parking spaces	July 2012
Oncology Support Centre		New support centre with Cancer Council managing the project	Dec 2012
Medical Oncology Upgrade	12 treatment areas 3 consulting rooms 1 social work office small waiting room small pharmacy area	20 treatment areas to new standards 6 consulting rooms 2 social work offices Large waiting room New pharmacy area built to new standards	Feb 2013
J L Grove Sub Acute Rehabilitation Facility		New development providing 20 Sub Acute rehabilitation beds	June 2013
Project	Description of Works	Status	Expected Finish Date
Theatre Redevelopment	Build new theatres with capacity to increase to 9 theatres	Work under way	Staged completion from November 2013 to last half of 2014
ICU CCU	Increase capacity to 14 beds in the medium term and capacity to go to 18 beds in the longer term	Work under way	
New Central Sterilising Department	New CSSD to cater for increased theatres and meeting current standards	Work under way	
Special Care Dental Unit	Initial briefing underway	Briefing on service delivery options	2013/14
Flinders Island multi-purpose Centre	Major reconstruction of the existing facility	Original scope had to be modified to meet budget	2013/14
Palliative Care	Provision of palliative care beds at Flinders Island Multi-Purpose Centre as part of major reconstruction of existing services	Under construction	2013 as part of above project
Ravenswood CHC	Re-development	Planning Stage	2013-14

Consultancies, Contracts and Tenders

The THO - North 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 our 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). Table 2 provides detailed information on contracts with a value of \$50 000 or over (excluding GST). Table 3 provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Instruction 1114 or 1217.

Table 1 - Summary of Participation by Local Business

(for contracts, tenders and/or quotation processes of \$50 000 or over, ex GST)

Total number of contracts awarded	17
Total number of contracts awarded to Tasmanian suppliers	4
Value of contracts awarded	\$31 423 376
Value of contracts awarded to Tasmanian suppliers	\$23 935 684
Total number of tenders called and/or quotation processes run	13 (estimated)
Total number of bids and/or written quotations received	55 (estimated)
Total number of bids and/or written quotations received from Tasmanian businesses	15 (estimated)

Details of Contracts and Tenders Awarded in the Financial Year

Table 2 - Contracts with a value of \$50 000 or over (excl GST) and excluding consultancy contracts

Name of contractor	Location	Description of contract	Period of contract	Total value of contract \$
			01/12/2012 - 30/11/2022	18 400 000
Blueline Laundry Inc	Tas	Laundry Services for Northern Area Health Service	Option to extend	
			01/12/2022 - 30/11/2027	11 400 000
Carestream Health Australia Pty Ltd	Vic	X-Ray Equipment - St Helens District Hospital	28/01/2013 - 31/03/2023	169 850
Covidien Pty Ltd	NSW	Launceston General Hospital - Diathermy Machines	01/05/2013 - *	57 000
Draeger Medical Australia Pty Ltd	Vic	Launceston General Hospital - ICU Service Pendants	01/09/2012 - 31/08/2017	470 793
Electroboard Solutions Pty Ltd	Tas	Launceston General Hospital - Multifunctional Video Display Wall	06/10/2012 - 30/11/2017	234 582
GE Healthcare Australia Pty Ltd	Vic	Launceston General Hospital - Patient Monitoring and Ventilator Equipment	01/03/2013 - 28/02/2018	303 066
InSight Oceania Pty Ltd	NSW	Launceston General Hospital - Radiation Therapy Treatment Planning System Upgrade	28/06/2013 - *	285 396
InVitro Technologies Pty Ltd	Vic	Launceston General Hospital - Cardiotocographic (CTG) Foetal Monitors	27/05/2013 - *	92 394
M4 Healthcare Pty Ltd	NSW	Launceston General Hospital - Ultrasound Machine	30/08/2012 - *	63 850
Maquet Australia Pty Ltd	Vic	Launceston General Hospital - Patient Monitoring and Ventilator Equipment	12/03/2013 - *	157 095
Meiko Australia Pty Ltd	NSW	Launceston General Hospital - Dishwasher	19/02/2013 - *	137 800
Otis Elevator Company Pty Ltd	Tas	Launceston General Hospital - Lift Upgrade - Anne O'Byrne Building	15/03/2013 - *	59 900
Philips Electronics Australia Ltd	NSW	Launceston General Hospital - Hybrid Theatre	24/06/2013 - 23/08/2023	2 639 984
Point of Care Systems Pty Ltd	Vic	Launceston General Hospital - Telemetry Units	15/11/2012 - *	72 130
Siemens Ltd	Vic	Launceston General Hospital - CT Scanner	01/05/2013 - 30/08/2024	2 754 150
			01/10/2012 - 30/09/2017	5 241 202
The Eye Hospital	Tas	Launceston General Hospital - Provision of Eye Surgery Services	Option to extend	
			01/10/2017 - 30/09/2020	3 144 721
TRUMPF Med (Aust) Pty Ltd	NSW	Launceston General Hospital - Theatre Service Pendants and Lights	10/04/2013 - *	284 184

* Indicates a one-off purchase.

^ In accordance with Treasurer's Instruction 1111, the period of a contract for reporting purposes includes any option to extend. Where applicable, the principal period of the contract is identified as well as any option to extend; this does not signify that the option will be exercised by THO-North

Table 3 - Contracts awarded as a result of a direct/limited submission sourcing process and approved in accordance with Treasurer's Instruction 1114 or 1217 (excl GST).

Contracts awarded as a result of a direct/limited submission sourcing process and approved in accordance with Treasurer's Instruction 1114 or 1217 (excl GST).			
Name of Supplier	Description of Contract	Reasons for Approval	Total value of contract \$
InSight Oceania Pty Ltd	Launceston General Hospital - Radiation Therapy Treatment Planning System Upgrade	The goods or services can be supplied only by the 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.	285 396
InVitro Technologies Pty Ltd	Launceston General Hospital - Cardiotocographic (CTG) Foetal Monitors	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.	92 394
Point of Care Systems Pty Ltd	Launceston General Hospital - Telemetry Units	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.	72 130

Right to Information

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

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

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

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

Outcome of Applications		
1.	Number of determinations where the information applied for was provided in full	5
2.	Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt	Nil
3.	Number of determinations where all the information applied for was refused or claimed as exempt	Nil
4.	Number of applications where the information applied for was not in the possession of the public authority or Minister	Nil

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

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

Time to Make Decisions		
	Number of requests determined within the following timeframes (matches the number of applications determined as listed in the table Number of Applications #5)	
1.	<ul style="list-style-type: none"> • 1 - 20 working days of the application being accepted. • More than 20 working days of the application being accepted 	Nil 5
2.	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a)	1
3.	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b)	Nil
4.	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5)	Nil

Reviews

Internal Reviews	
Number of internal reviews requested in 2012-13	Nil
Number of internal reviews determined in 2012-13	Nil
Number where the original decision was upheld in full	Nil
Number where the original decision was upheld in part	Nil
Number where the original decision was reversed in full	Nil

External Reviews (Reviews by the Ombudsman)	
Number of external reviews requested in 2012-13	Nil
Number of external reviews determined in 2012-13	Nil
Number where the original decision was upheld in full	Nil
Number where the original decision was upheld in part	Nil
Number where the original decision was reversed in full	Nil

Human Resources Statistics

Please note with the creation of the new THOs from 1 July 2012 there are no previous year comparisons.

Total number of full-time equivalent (FTE) paid employees	
As at end of financial year	2012-13
	2191.47

Total number of FTE paid employees by award	
As at end of financial year	2012-13
Allied Health Professional	187.74
Health and Human Services	808.24
Medical Practitioners	207.26
No Award	3.33
Nursing	934.29
Radiation Therapist	28.64
Senior Executive Service (SES)	4.00
Visiting Medical Officers*	17.96
Total	2191.47
*Includes Rural Medical Practitioners	

Total number paid by employment category: fixed-term/permanent, full time/part time/casual	
As at end of financial year	2012-13
Permanent full-time	740
Permanent part-time	1383
Fixed-term full-time	233
Fixed-term part-time	236
Part 6*	6
Casual	254
Total	2852
*Head of Agency, Holders of Prescribed Offices and Senior Executives and Equivalents	

Total number paid by salary bands (total earnings)*	
As at end of financial year	2012-13
0-19 000	2
19 001-23 000	0
23 001-27 000	0
27 001-31 000	3
31 001-35 000	0
35 001-40 000	2
40 001-45 000	376
45 001-50 000	216
50 001-55 000	263
55 001-60 000	357
60 001-65 000	198
65 001-70 000	130
70 001-75 000	493
75 001-80 000	312
80 001-85 000	38
85 001-90 000	145
90 001-95 000	107
95 001-100 000	16
100 000 plus	194
Total	2852

* based on FTE salary for award classification

Total number paid by gender	
As at end of financial year	2012-13
Female	2236
Male	616
Total	2852

Total number paid by age profile	
As at end of financial year	2012-13
15-19 years	4
20-24 years	117
25-29 years	265
30-34 years	254
35-39 years	268
40-44 years	350
45-49 years	392
50-54 years	509
55-59 years	426
60+ years	267
Total	2852

Number of employees paid by award as at 30 June 2013	
As at end of financial year	Total
Allied Health Professionals	230
Health and Human Services Award	1046
Medical Practitioners	218
No Award	3
Nursing	1248
Radiation Therapist	31
Senior Executive Service	4
Visiting Medical Officers*	72
Total	2852

*Includes Rural Medical Practitioners

Indicators of Organisational Health	
Average Personal Leave days per FTE*	
As at end of financial year	2012-13
Personal leave days per average paid FTE	11.5

*Includes sick, carers leave and family leave

Total paid overtime* hours per average FTE	
As at end of financial year	2012-13
Overtime/callback paid hours per averaged paid FTE	59.4

*Includes callback and overtime hours

Superannuation Declaration

I, Graeme Houghton, Chair, Tasmanian Health Organisation North, hereby certify that the Tasmanian Health Organisation North 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.



Graeme Houghton

Chair

Tasmanian Health Organisation North

Work Health and Safety

THO-North is committed to a range of employee health and safety strategies. The focus in 2012-13 has been a continuation of building on the foundations of a safety culture within the THO-North and supporting managers within their workplaces.

Strategic development achievements in 2012-13 include:

- Update of the THO-North Work Health and Safety (WH&S) Management system to reflect changes in WH&S legislation;
- Development of THO-North Hazardous Manual Handling Task policy and guidelines in line with the WH&S legislation and associated Tasmanian Hazardous Manual Handling Task Code of Practice;
- Establishment of a central management process for Bariatric Manual Handling equipment within the LGH;
- Injury Management Coordinator role transferred from DHHS (based in Hobart) to the THO-North as a member of the THO-North HR, WH&S team;
- Formation of the THO-North Work Health Safety and Wellbeing Committee and Health and Wellbeing sub-committee;
- All members of the THO-North executive attended a ½ day workshop on due diligence in relation to the new WH&S legislation;
- One day WH&S leadership courses for THO-North managers (105 attended);
- Purchase of electric bed movers and powered wheelchairs for use by the LGH Medical Orderlies;
- Replacement of single wheel castors with dual wheel castors on LGH Hill Rom Beds;
- Job Safety Analysis (JSA) of all equipment in the LGH kitchen;
- WH&S awareness sessions with workers at identified high risk Primary Health worksite;
- 2012 Worksafe Day in LGH cafeteria;
- Election/re-election and training of 45 Health and Safety Representatives (HSR's);
- Establishment of a safe patient transfer pathway within the LGH (manual handling);
- Establishment of Manual Handling Train the Trainer program within LGH Nursing wards.

The THO-North Let's Switch on Safety, Safety Management System has been named as a finalist in the 2013 Work-safe Tasmania Safety Awards for the category "Best WHS management system - Public sector".

The THO-North received a total of 100 workers' compensation claims during 2012-13, compared to 108 claims in the previous year for THO-North. The major areas of injury were through muscular stress (46 claims), connecting with objects (30 claims) and as a result of slip/trip/falls (17 claims). In 2011-12 there were 50 muscular stress, 33 connecting with objects and 14 slip/trip/falls claims. The Lost Time Injury Severity Rate (LTISR) (days lost per million hours worked) for THO-North is 440.41 for 2012-13. The LTISR for 2011/2012 was 711.35.

The cost of all claim payments for 2012-13 was \$0.9 million, a decrease of \$0.7 million from 2011-12 when the costs were \$1.62 million.

Pricing Policies

The Agency has 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 Agency levies fees and charges in accordance with the provisions of the following Acts:

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

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

Fees and charges subject to the *Fee Units Act 1997* were revised and gazetted in accordance with the provisions of that legislation on 27 March 2013.

Publications

Author, Unit or Area	Year	Title	Publication
Ashby, M, Haug, G, Mulcahy, P, Jensen, O	2013	<i>Conservative versus interventional management for primary spontaneous pneumothorax in adults (Protocol)</i>	Cochrane Database Systematic Reviews; 2013; 6(Jun):1-31
Bardenhagen F	2012	<i>Dementia spending : missing early diagnosis and treatment planning</i>	Hospital & Aged Care; 2012; 08(Aug):20-23
Bardenhagen F	2013	<i>Specificity of psychopathology in temporal lobe epilepsy</i>	Epilepsy & Behavior; 2013; 27(1):193-199
Brain, M, Anderson, M, Parkes, S, Fowler, P	2012	<i>Magnesium flux during continuous venovenous haemodiafiltration with heparin and citrate anticoagulation</i>	Critical Care and Resuscitation; 2012; 14(4):274-82
Brain, T, Fernando, R	2013	<i>Transcriptionally Active Human Papillomavirus Is Strongly Associated With Barrett's Dysplasia and Esophageal Adenocarcinoma</i>	American Journal of Gastroenterology; 2013; Published online 16/4/2013
Carey, J	2012	<i>Diabetes foot disease: the Cinderella of Australian diabetes management?</i>	Journal of Foot and Ankle Research; 2012; 5(1):24-44
Christopher, A, Koshy, K	2013	<i>Periventricular heterotopia in refractory epilepsy</i>	Journal Of Neurology, Neurosurgery, And Psychiatry; 2013; Published online 28/5/2013
Clarke, P	2012	<i>Nonmelanoma skin cancers - treatment options</i>	Australian Family Physician; 2012; 41(7):476-80
Do Campo, J, Hannan, T, Hayes, R	2012	<i>Weekly multidisciplinary case review (WMCR) base on a web page clinical summary(WPCS) as a tool to improve health team communication</i>	Abstract from 29th World Congress of Internal Medicine
Corbould, A, Swinton, F, Radford, A, Campbell, J, McBeath, S, Dennis, A	2012	<i>Fasting blood glucose predicts response to extended-release metformin in gestational diabetes mellitus</i>	Australian and New Zealand Journal of Obstetrics and Gynaecology; published online 4/12/2012: 1-5
Corbould, A, Campbell, J, Kunde, D, Clarkson, W, Burns, D	2012	<i>Utility of the low-dose short Synacthen test in diagnosis of adrenal insufficiency in outpatients with nonspecific symptoms</i>	Endocrinology Studies; 2012; 2(2):19-21
Ganguly, A, Manohar, P, Brough, S	2013	<i>Testicular torsion: uncommon presentations</i>	BJU International , Abstracts of the Urological Society of Australia and New Zealand, 66th Annual Scientific Meeting, Melbourne, Australia, 13-16 April 2013 Volume 111, Issue Supplement S1,
Ganguly, A, Manohar, P, Brough, S	2013	<i>Renal stone analysis of Northern Tasmania 2002-2012</i>	BJU International , Abstracts of the Urological Society of Australia and New Zealand, 66th Annual Scientific Meeting, Melbourne, Australia, 13-16 April 2013 Volume 111, Issue Supplement S1,

Gauden, R, Pracy, M, Avery, A, Hodgetts, I, Gauden, S	2012	<i>HDR brachytherapy for superficial non-melanoma skin cancers</i>	Journal of Medical Imaging and Radiation Oncology; published online 29/10/2012: 1-6
Khalafallah, A, Dennis, A	2012	<i>Iron Deficiency Anaemia in Pregnancy and Postpartum: Pathophysiology and Effect of Oral versus Intravenous Iron Therapy</i>	Journal of Pregnancy; Volume 2012, Article ID 630519, 10 pages
Khalafallah, A, Jarvis, C, Morse, M, Stewart, P, Bates, G, Hayes, R, Seaton, D, Brain, T	2012	<i>Evaluation of the innovance D-Dimer assay for the diagnosis of disseminated intravascular coagulopathy in different clinical settings</i>	Clinical and Applied Thrombosis/Hemostasis; 2012; published online 1/8/2012
Khalafallah, A, Ganguly, A, Bates, G, Galvin, F, Seaton, D, Brain, T	2012	<i>A prospective randomised controlled trial to assess the effect of intravenous versus oral iron therapy in the treatment of orthopaedic preoperative anaemia</i>	Blood Disorders & Transfusion; 2012; 3(4):1-6
Khalafallah, A, Dennis, A, Bellette, J, Shady, J	2012	<i>Three-year follow-up of a randomised clinical trial of intravenous versus oral iron for anaemia in pregnancy</i>	BMJ Open; 2012; October 19:1-9
Khalafallah, A, Renu, S, Sharp, C, Hannan, T	2012	<i>Extensive venous thrombosis in a healthy young man with a short inferior vena cava syndrome treated successfully with rivaroxaban</i>	BMJ Case Reports; 2012
Khalafallah, A, Majeed, A, Camino, A, Bates, G, Richardson, D, Austen, C, Seaton, D, Heller, W, Brain, T	2012	<i>An open-labelled randomized cross-over study of the effect of electromechanical pumps versus conventional gravity flow on platelet transfusion in adult oncology patients</i>	Open Access Scientific Reports; 2012; 1(9):1-4
Khalafallah, A, Loi, S, Mohamed, M, Mace, R, Khalil, R, Girgis, M, Raj, R, Mathew, M	2013	<i>Early application of high cut-off haemodialysis for de-Novo myeloma nephropathy is associated with long-term dialysis-independency and renal recovery</i>	Mediterranean Journal Of Hematology and Infectious Diseases; 2013; 5(1):e2013007
Khalafallah, A, Hughes, R, Renu, S	2013	<i>Assessment of whole body MRI and sestamibi technetium-99m bone marrow scan in prediction of multiple myeloma disease progression and outcome: a prospective comparative study</i>	BMJ Open; 2013; January 15:1-10
Khalafallah, A, Woodgate, M, Koshy, K	2013	<i>Ophthalmic manifestations of herpes zoster virus in patients with multiple myeloma following bone marrow transplantation</i>	BMJ Open; 2013:1-4
Lim, Z, Tan, J, Mitchell, B	2012	<i>Hepatobiliary and pancreatic: Falciform ligament necrosis</i>	Journal of Gastroenterology and Hepatology; 2012; 27(8):1409
Mace, R, Challenor, S, Bull, R	2012	<i>Contrasting approaches to end of life and palliative care in end stage kidney disease</i>	Nephrology; 2012; 17 (suppl. 2):90-91
Manohar, P	2013	<i>Estrogen in prostate cancer – a new dawn?</i>	BJU International , Abstracts of the Urological Society of Australia and New Zealand, 66th Annual Scientific Meeting, Melbourne, Australia, 13-16 April 2013 Volume 111, Issue Supplement S1,
Mathew, M	2012	<i>Improvement in GFR with cni-toeverolimus based regimens in established renal transplant recipients with low immunological risk</i>	Nephrology; 2012; 17 (suppl. 2):83

Mathew, M	2012	<i>Conversion of CNl-to-everolimus immunosuppression in low risk renal transplant recipients is associated with improved allograft function</i>	Transplantation; 2012; 94(suppl):963
Mohamed, M, Bates, G, Eastley, M	2013	<i>Massive intravascular haemolysis after high dose intravenous immunoglobulin therapy</i>	British Journal of Haematology; 2013; published online 7/1/2013
Mohamed, M, Sharma, S, Khalafallah, A	2013	<i>Ring chromosome with deletion 7q in acute myeloid leukaemia</i>	BMJ Case Reports; 2013
Mohamed, M, Khalafallah, A	2012	<i>Gelatinous transformation of bone marrow in a patient with severe anorexia nervosa</i>	International Journal of Hematology; 2012; published online 28/12/2012
Mohamed, M	2013	<i>Tetraploidy with double t(15; 17)(q22;q21) in acute promyelocytic leukaemia</i>	Pathology; 2013; 45(2):203-205
Mohamed, M, Brain, T, Sharma, S	2013	<i>Multifocal primary bone lymphoma: durable complete remission after R-CHOP chemotherapy</i>	BMJ Case Reports; 2013
Nguyen, M Hung	2012	<i>Retrieval of glove finger post-ICC insertion with a flexible gastroscope</i>	ANZ Journal of Surgery; 2012; 82(7/8):563-564
Pande, G	2013	<i>Surgery as primary prophylaxis from variceal bleeding in patients with extrahepatic portal venous obstruction.</i>	Journal of Gastroenterology and Hepatology; 2013;28(6):1010-1014
Pielage, P	2012	<i>Reply to correspondence in Letters to the Editor</i>	Internal Medicine Journal; 2012; 42(8):958-9
Razay, G, Razay M	2013	<i>The Launceston normal pressure hydrocephalus study</i>	Internal Medicine Journal; 2013; 43(sup s3):7-20
Rogers, J	2013	<i>Australia's 'silent pandemic' of diabetes complications: where do feet stand in this pandemic?</i>	Journal of Foot and Ankle Research; 2013; 6(suppl 1):O25
Rogers, J	2013	<i>Developing an evidence-based clinical pathway for the assessment, diagnosis and management of acute Charcot neuro-arthropathy</i>	Journal of Foot and Ankle Research; 2013; 6(suppl 1):P10
Saunders-Battersby, S	2013	<i>Interprofessional collaborative practice across Australasia: An emergent and effective community of practice</i>	Focus on Health Professional Education; 2013; 14(2):71-80
Sladden, M	2012	<i>Ulcerative necrobiosis lipoidica responsive to colchicine</i>	Australasian Journal of Dermatology; 2012 ; 53(3):e54-e57
Tan, J	2012	<i>Mania associated with infliximab</i>	ANZ Journal of Psychiatry; 2012; 46(7):684-5
Taylor, S	2013	<i>Increasing inpatient surgical beds to reduce surgical postponements</i>	ANZ Journal of Surgery; 2013; 83(suppl 1):A81
Toshniwal, S, Lloyd, D, Nguyen, H	2013	<i>A 12-year experience of the Trendelenburg perineal approach for abdominoperineal resection</i>	ANZ Journal of Surgery; 2013; Published online 17/4/2013

Public Interest Disclosure

The *Public Interest Disclosures Act 2002* came into effect on 1 January 2004. Its purpose is to encourage and facilitate disclosures about the improper conduct of public officers or public bodies.

The Agency is committed to the aims and objectives of the Act and recognises the value of transparency and accountability in its administrative and management practices. The Agency also supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Agency does not tolerate improper conduct by its staff, or the taking of reprisals against those who come forward to disclose such conduct. The Agency will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. The Agency will also afford natural justice to any person who is the subject of a disclosure.

During 2011-2012, the Agency received no Public Interest Disclosure reports.

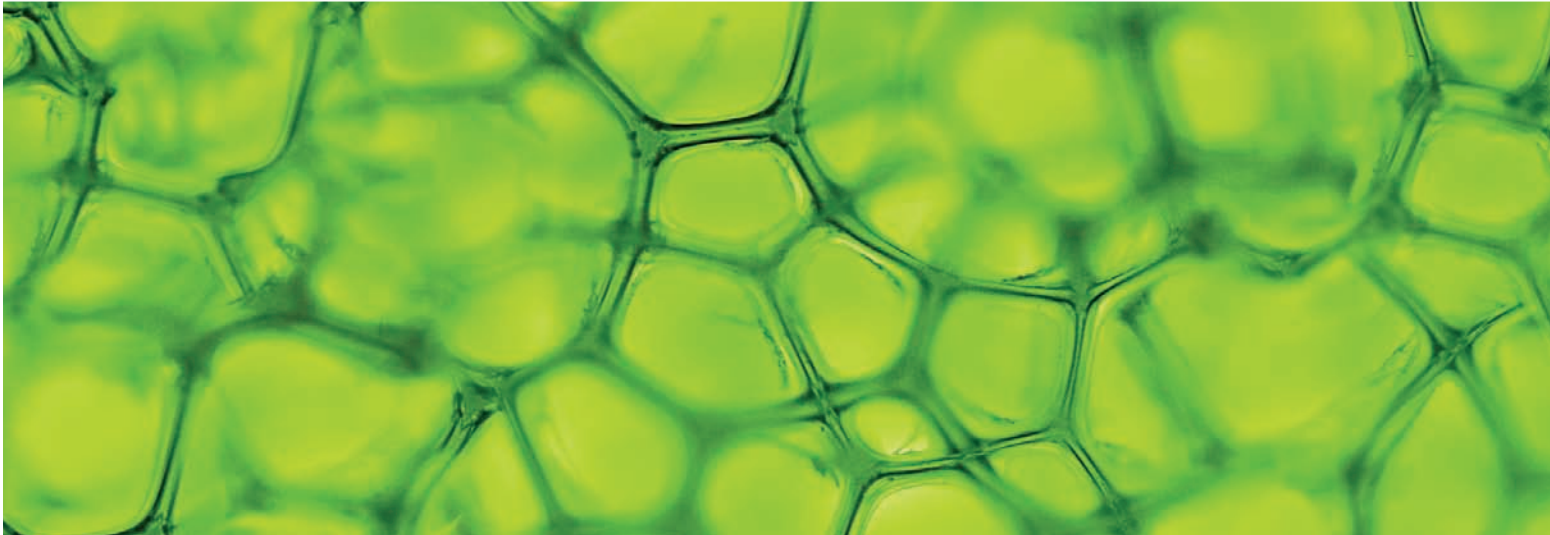
Further information on the *Public Interest Disclosures Act 2002* can be found on the Tasmanian Legislation website at <http://www.thelaw.tas.gov.au>.

Legislation

Legislation Governing the Operations to THO-North are:

- *Alcohol and Drug Dependency Act 1968*
- *Ambulance Service Act 1982*
- *Anatomical Examinations Act 2006*
- *Blood Transfusion (Limitation of Liability) Act 1986*
- *Fluoridation Act 1968*
- *Food Act 2003*
- *Health Act 1997*
- *Health Practitioner Regulation National Law (Tasmania) Act 2010*
- *Health Professionals (Special Events Exemption) Act 1998*
- *Health Service Establishments Act 2006*
- *HIV/AIDS Preventive Measures Act 1993*
- *Human Cloning for Reproduction and Other Prohibited Practices Act 2003*
- *Human Embryonic Research Regulation Act 2003*
- *Human Tissue Act 1985*
- *Medical Radiation Science Professionals Registration Act 2000*

- *Mental Health Act 1996 - except in so far as it relates to the appointment, functions and operation of the Mental Health Tribunal and the appointment of the registrar and other officers of that Tribunal, and the appointment, functions and operation (including the provision of staff, assistance, resources and facilities) of the Forensic Tribunal (see Department of Justice under the Minister for Justice)*
- *Model Work Health and Safety (WHS) Act 2012*
- *Obstetric and Paediatric Mortality and Morbidity Act 1994*
- *Optometry Offences Act 2010*
- *Pharmacy Control Act 2001*
- *Poisons Act 1971 - except in so far as it relates to the Poppy Advisory and Control Board (see the Department of Justice under the Minister for Justice)*
- *Public Health Act 1997*
- *Radiation Protection Act 2005*
- *Tasmanian Health Organisations Act 2011*
- *Therapeutic Goods Act 2001*
- *Right To Information Act 2009 (NO. 70 OF 2009)*
- *Audit Act 2008 (NO. 49 OF 2008)*
- *Fee Units Act 1997 (NO. 47 OF 1997)*
- *Fee Units Amendment Act 2002 (NO. 21 OF 2002)*
- *Financial Management and Audit Amendment Act 2012 (NO. 24 OF 2012)*
- *Health Complaints Amendment Act 2005 (NO. 5 OF 2005)*
- *Aged Care Act 1997*





PART 3 — FINANCIAL STATEMENTS

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Statement of Comprehensive Income for the Year Ended 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Grants	1.7(b), 7.1	289 951	349 449
Sales of goods and services	1.7(c), 7.2	26 075	38 950
Interest	1.7(d)	170	168
Other revenue	1.7(f), 7.3	5 608	12 133
Total revenue and other income from transactions		321 804	400 700
Expenses from transactions			
Employee benefits	1.8(a), 8.1	217 879	230 753
Depreciation and amortisation	1.8(b), 8.2	8 293	8 739
Supplies and consumables	8.3	87 269	92 283
Grants and subsidies	1.8(c), 8.4	1 805	200
Other expenses	1.8(e), 8.5	13 667	8 445
Total expenses from transactions		328 913	340 420
Net result from transactions (net operating balance)		(7 109)	60 280
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	1.9(a), 9.1	4	(372)
Net gain/(loss) on financial instruments and statutory receivables/payables	1.10(b), 9.2	0	(317)
Total other economic flows included in net result		4	(689)
Net result from continuing operations		(7 105)	59 591
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in property, plant and equipment revaluation surplus	13.2	40 622	67 330
Total other comprehensive income		40 622	67 330
Comprehensive result		33 517	126 921

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

Budget information refers to original Budget reflected in the 2012-13 Budget Papers, which has not been subject to audit.

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

Statement of Financial Position as at 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'00
Assets			
Financial assets			
Cash and deposits	I.10(a), I4.1	7 745	35 595
Receivables	I.10(b), I0.1	852	3 407
Other financial assets	I.10(c), I0.2	899	4 516
Non-financial assets			
Inventories	I.10(d), I0.3	0	2 868
Assets held for sale	I.10(e), I0.4	0	657
Property, plant and equipment	I.10(e), I0.5	236 128	358 051
Intangibles	I.10(f), I0.6	760	385
Other assets	I.10(g), I0.7	804	1 633
Total assets		247 188	407 112
Liabilities			
Payables	I.11(a), I1.1	1 631	8 752
Employee benefits	I.11(c), I1.2	40 213	53 387
Other liabilities	I.11(e), I1.3	4 897	3 369
Total liabilities		46 741	65 508
Net assets		200 447	341 604
Equity			
Contributed capital	I3.1	166 930	214 683
Reserves	I3.2	40 622	67 330
Accumulated funds		(7 105)	59 591
Total equity		200 447	341 604

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

Budget information refers to original Budget reflected in the 2012-13 Budget Papers, which has not been subject to audit.

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

Statement of Cash Flows for the Year Ended 30 June 2013

	Notes	2013 Budget \$'000	2013 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)
Cash inflows			
Grants		289 951	298 390
Sales of goods and services		26 051	36 281
GST receipts		0	8 246
Interest received		170	168
Other cash receipts		5 608	12 133
Total cash inflows		321 780	355 218
Cash outflows			
Employee benefits		(218 632)	(225 398)
GST payments		0	(8 129)
Grants and transfer payments		(1 805)	(200)
Supplies and consumables		(87 319)	(88 780)
Other cash payments		(13 567)	(8 950)
Total cash outflows		(321 323)	(331 457)
Net cash from (used by) operating activities	14.2	457	23 761
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		4	530
Receipts from Investments		8 065	0
Total cash inflows		8 069	530
Cash outflows			
Payment for acquisition of non-financial assets		(781)	(1 828)
Total cash outflows		(781)	(1 828)
Net cash from (used by) investing activities		7 288	(1 298)
Net increase (decrease) in cash and cash equivalents held		7 745	22 463
Cash and deposits at the beginning of the reporting period		0	0
Cash transferred in on establishment		0	13 132
Cash and deposits at the end of the reporting period	14.1	7 745	35 595

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

Budget information refers to original Budget reflected in the 2012-13 Budget Papers, which has not been subject to audit.

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

Statement of Changes in Equity for the Year Ended 30 June 2013

	Notes	Contrib \$'000	Reserves \$'000	Accum Funds \$'000	Total Equity \$'000
Balance as at 1 July 2012		0	0	0	0
Net Result		0	0	59 591	59 591
Other Comprehensive Income		0	67 330	0	67 330
Total comprehensive result		0	67 330	59 591	126 921
Transactions with owners in their capacity as owners:					
Administrative restructure - net assets received	I.1, I.6	214 683	0	0	214 683
Balance as at 30 June 2013		214 683	67 330	59 591	341 604

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

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Note I - Significant Accounting Policies

I.1 Objectives and Funding

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

THO-North replaced the Northern Area Health Service (NAHS) that was directly managed by the Department of Health and Human Services. On 1 July 2012 the assets and liabilities directly attributable to NAHS were transferred to THO-North as follows:

	Note	Transfer on 1 July 2012 \$'000
Assets		
<i>Financial assets</i>		
Cash and deposits		13 132
Receivables		3 959
Other financial assets		112
<i>Non-financial assets</i>		
Inventories		3 103
Assets held for sale		719
Property, plant and equipment		247 336
Intangibles		462
Other assets		1 242
Total assets		270 065
Liabilities		
Payables		4 280
Employee benefits		48 032
Other liabilities		3 070
Total liabilities		55 382
Net assets transferred	13.1	214 683

Under National Health Reform, the majority of funding previously provided by the Australian Government under the Health Specific Purpose Payment (SPP) is now provided to the THO via accounts held in the National Pool. In 2011-12, this funding was paid to the DHHS by way of a recurrent appropriation, in 2012-13 this funding flowed as grants to the THO. Also, under new administrative arrangements in place for 2012-13, funding due to the THO under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure was paid as grants rather than by way of appropriation.

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

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

- Promote and maintain the health of persons; and
- Provide care and treatment to, and ease the suffering of, persons with health problems;

as agreed in the THO-North Service Agreement and within the budget provided in the Service Agreement.

As these are the inaugural financial statements of THO-North no prior year comparative data is available.

1.2 Basis of Accounting

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

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

The Financial Statements were signed by the Chair of the Governing Council and the Chief Executive Officer on 15 August 2013, and re-signed on 30 September 2013.

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention.

The Financial Statements have been prepared as a going concern. The continued existence of the THO, undertaking its current activities, is dependent on Government policy and continuing funding by the Department of Health and Human Services for the THO's administration and activities.

1.3 Functional and Presentation Currency

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

1.4 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

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

- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* [AASBs 1 & 7] – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.

- AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.
- AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8] – This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. There is no financial impact.

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

The following relevant standards have been issued by the AASB and are yet to be applied:

- AASB 13 *Fair Value Measurement* – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 *Fair Value Measurement* sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the THO's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value.

The THO has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the THO is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the THO's property, plant and equipment as from 2013-14.

- AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the THO, the amount of information to be disclosed will be relatively greater.
- AASB 119 *Employee Benefits* – This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2012. The THO has not yet determined the potential financial impact of the standard.
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127] – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 6 in December 2010. It is not anticipated that there will be any financial impact.
- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* [AASB 1, 2, 3, 4, 5, 7, 101, 116, 117, 118, 119, 120, 121, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is anticipated that there will not be any financial impact.

- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* [AASB 1, 8, 101, 124, 134, 1049, & 2011-8 and Interpretation 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. It is anticipated that there will be limited financial impact.
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities* [AASB 7 & AASB 132] – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. It is anticipated that there will not be any financial impact.
- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* [AASB 132] – This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. It is anticipated that there will not be any financial impact.
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2] – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. It is anticipated that there will not be any financial impact.
- AASB 2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements* – This Standard removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in a single, topic based, Standard AASB 1055 *Budgetary Reporting*. There is no financial impact.

(c) Voluntary changes in accounting policy

The THO adopted the DHHS accounting policies during the financial year ended 30 June 2013. Other than indicated in note 1.4(a), there were no changes to accounting policies.

1.5 Activities Undertaken Under a Trustee or Agency Relationship

Transactions relating to activities undertaken by the THO in a trust or fiduciary (agency) capacity do not form part of the THO's 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.

Transactions and balances relating to a Trustee or Agency Agreement are shown in Note 16.

1.6 Transactions by the Government as Owner – Restructuring of Administrative Arrangements

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

THO-North replaced the Northern Area Health Service (NAHS) that was directly managed by the Department of Health and Human Services. On 1 July 2012 the assets and liabilities directly attributable to NAHS were transferred to THO-North and are detailed in Note 1.1.

1.7 Income from Transactions

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

(a) Revenue from government

Under National Health Reform, the majority of funding previously provided by the Australian Government under the Health Specific Purpose Payment (SPP) is now provided to the THO via accounts held in the National Pool. In 2011-12, this funding was paid to the DHHS by way of a recurrent appropriation, in 2012-13 this funding flowed as grants to the THO. Also, under new administrative arrangements in place for 2012-13, funding due to the THO under National Partnership Agreements with the Australian Government and Commonwealth Own Purpose Expenditure was paid as grants rather than by way of appropriation.

(b) Grants

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

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

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

(c) Sales of goods and services

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

(d) Interest

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

(e) Contributions received

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

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

(f) Other revenue

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

(g) Activity based funding and block funding

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

Block Funding refers to funding provided to support:

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

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

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

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

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

1.8 Expenses from Transactions

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

(a) Employee benefits

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

(b) Depreciation and amortisation

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

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

Major depreciation periods are:

Item	Period (years)
Plant and equipment	5-25 years
Medical equipment	4-20 years
Buildings	30-50 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the THO.
Major amortisation periods are:

Item	Period (years)
Software	4-10 years

(c) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

A liability is recorded when the THO has a binding agreement to make the grants but services have not been performed or criteria satisfied.

(d) Contributions provided

Contributions provided free of charge by the THO to another entity, are recognised as an expense when fair value can be reliably determined. No contributions were provided free of charge during 2012-13.

(e) Other expenses

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

1.9 Other Economic Flows Included in Net Result

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

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

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

(b) Impairment – Financial assets

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

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

All impairment losses are recognised in the Statement of Comprehensive Income.

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

(c) Impairment – Non-financial assets

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

Impairment losses are recognised in the Statement of Comprehensive Income.

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

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

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

1.10 Assets

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

(a) Cash and deposits

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

(b) Receivables

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

(c) Other financial assets

Other financial assets are recorded at fair value.

(d) Inventories

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

(e) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings and artwork are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

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.

(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 THO 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 for tangible assets is \$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 THO's land and building assets are revalued by an independent valuer. A full revaluation of land at fair value, and buildings at replacement depreciated cost on net basis is undertaken every five years. In the intervening years the values are adjusted by indices supplied by the valuer. Land acquired and buildings commissioned during the current year are not revalued in the first year. They are revalued in subsequent years.

(f) Intangibles

An intangible asset is recognised where:

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

Intangible assets held by the THO 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 THO are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The asset capitalisation threshold for intangible assets is \$50,000.

(g) Other assets

Other assets are recorded at fair value and include prepayments.

1.11 Liabilities

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

(a) Payables

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

(b) Provisions

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

(c) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured at the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2013, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

(d) Superannuation

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

(e) Other liabilities

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

Other liabilities include revenue received in advance and on-costs associated with employee benefits. Revenue received in advance is measured at amortised cost. On-costs associated with employee benefits expected to be realised within 12 months are measured at the amount expected to be paid.

Other on-costs associated with employee benefits are measured at the present value of the cost at 30 June 2013, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

1.12 Leases

The THO 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 THO is prohibited by Treasurer's Instruction 502 *Leases* from entering into finance leases.

1.13 Judgements and Assumptions

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the THO that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- 1.8(b) & 8.2 Depreciation and amortisation;
- 1.10(e) & 10.5 Property, plant and equipment;
- 1.9(b) & 9.2 Impairment;
- 1.10(b) & 10.1 Provision for impairment;
- 1.11(c) & 11.2 Employee benefits;
- 12.1 and 12.2 Commitments and Contingencies; and
- 1.10(a) & 14 Key assumptions used in cash flow projections.

The THO has made no other judgements or assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities.

1.14 Foreign Currency

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

1.15 Budget Information

Budget information refers to original estimates as disclosed in the 2012-13 Budget Papers and is not subject to audit.

1.16 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

1.17 Taxation

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

1.18 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. 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 Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 2 THO-North Output Schedules

2.1 Output Group Information

	Notes	2013 Budget \$'000	2013 Actual \$'000
Expense by Output			
I.1 Admitted Services	(a)	233 468	174 959
I.2 Non-admitted Services	(b)	23 344	63 171
I.3 Emergency Department Services	(c)	17 753	40 220
I.4 Community and Aged Care Services	(d)	54 348	62 070
Total		328 913	340 420

Notes

- (a) This Output provides admitted acute, sub-acute and non-acute inpatient services (elective and non-elective) provided by the Launceston General Hospital either admitted to a ward or in an out-of-hospital setting. It excludes designated mental health wards in major public hospitals.
- (b) This Output provides non-admitted services, including ambulatory acute and sub-acute services provided by the Launceston General Hospital either on site or in an out-of-hospital setting.
- (c) This Output provides services relating to emergency presentations at the Launceston General Hospital emergency departments.
- (d) This Output comprises rural hospitals, residential aged care, and community health based services including: rehabilitation, allied health assessments and case management; and community nursing, continence, orthotics and prosthetics services, and equipment schemes. In addition, community palliative care services provide interdisciplinary care, support and counselling to people living with life limiting illnesses and their families. These services are provided in a community health centre of home based environment.

Note 3 Expenditure Under Australian Government Funding Arrangements

	State Funds 2013 '000	Australian Govt Funds 2013 \$'000
National Partnership Agreements payments		
Health Services	114	10 772
Commonwealth Own Purpose Expenditures		
Other	3 283	19 324
National Health Reform Funding Arrangements		
Activity Based Funding	108 702	70 777
Block Funding	58 804	13 182
Total	170 903	114 055

This schedule shows the cash expenditure acquitted against each of the Fund groups. The Grant revenue received for each of these is outlined in Note 7.1.

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

Commonwealth Own Purpose Expenditure is funding paid directly from the Australian Government to the States and Territories for the provision of services identified as a priority by the Australian Government.

Note 4 Explanations of Material Variances Between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. In the majority of instances the cause for the material variance between the Budget Estimate and Actual is a result of the difficulty associated with establishing an accurate allocation at the time the Budget Papers were prepared. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate or \$1 million.

4.1 Statement of Comprehensive Income

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Grants	(a)	289 951	349 449	59 498	21%
Sales of goods and services	(b)	26 075	38 950	12 875	49%
Other revenue	(c)	5 608	12 133	6 525	116%
Grants and subsidies	(d)	1 805	200	1 605	89%
Other expenses	(e)	13 667	8 445	5 222	38%

Notes to Statement of Comprehensive Income Variances

As noted in the Parliament of Tasmania's 2012-2013 Budget Paper Number 2, Volume 2 - Government Services (the 'Budget Paper'), funding for 2013-2013 was yet to be finalised between the Minister for Health and the THO Governing Council, with final funding levels to be reflected in the 2012-2013 Service Agreement. In addition to this, the following factors have resulted in variances between the THOs actual performance when compared to the Budget Paper:

- (a) Grants revenue was \$59.5 million greater than disclosed in the Budget Paper which is mostly due to the accounting treatment associated with the capitalisation of buildings and plant and equipment connected with the THOs capital development program as outlined in note 1.7(b).
- (b) Sales of goods and services was \$12.9 million greater than disclosed in the Budget Paper which is reflective of continued increases in recoveries from private and compensable patients and the impact of a full year under the Pharmaceutical Benefits Scheme reforms.
- (c) Other revenue is \$6.5 million greater than recorded in the Budget Paper which was due to two primary factors, being salaries and wages recovered from external organisations such as the University of Tasmania and General Practice Training Tasmania and donations received which cannot be reasonably budgeted.
- (d) Grant and subsidy expenditure is \$1.6 million lower than recorded in the Budget Paper. This is primarily due to the internal reallocation of budget and associated expenditure previously received from the grants unit to provide a public palliative care inpatient service.
- (e) Other expenses were \$5.2 million lower than recorded in the Budget Paper which is due to the changed requirement resulting in the THO not paying payroll tax on salaries and wages.

4.2 Statement of Financial Position

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	7 745	35 595	27 850	360%
Receivables	(b)	852	3 407	2 555	300%
Other financial assets	(c)	899	4 516	3 617	402%
Inventories	(d)	0	2 868	2 868	N/A
Property, plant and equipment	(e)	236 128	358 051	121 923	52%
Payables	(f)	1 631	8 752	(7 121)	-437%
Employee benefits	(g)	40 213	53 387	(13 174)	-33%
Other liabilities	(h)	4 897	3 369	1 528	31%

Notes to Statement of Financial Position Variances

As noted in the Parliament of Tasmania's 2012-2013 Budget Paper Number 2, Volume 2 - Government Services (the 'Budget Paper'), all assets and liabilities would be subject to review in 2012-2013. This has resulted in significant variances between the balances recorded in the Budget Papers and the actual financial position of the THO at 30 June 2013.

- (a) The budget reported in the Budget Paper did not accurately reflect the actual balance of cash and deposits transferred to the THO upon establishment. The budget for cash and deposits was subsequently amended to \$13.1 million. The resulting variance between the budget and actual position of cash and deposits has arisen due to the timing of cash receipts and payments during the year, in addition to the continuation of various budget savings strategies implemented in prior financial years.
- (b) The budget reported in the Budget Paper of \$852 000 did not accurately reflect the actual balance of receivables transferred to the THO upon establishment. The budget of receivables was subsequently amended to \$3.8 million. The variance reported also arose due to the Budget Paper not accurately reflecting the impact of GST upon the THO.
- (c) The variance reported in other financial assets of \$3.6 million is due to two primary factors, being: the budget reported in the Budget Paper not accurately reflecting inter-departmental transactions resulting in amounts owing to/from other Department of Health and Human Services departments; and revenue accrued due to timing of receipts.
- (d) The budget reported in the Budget Paper did not accurately reflect the actual balance of inventory transferred to the THO upon establishment. The budget for inventory was subsequently amended to \$3.1 million.
- (e) The variance reported in property, plant and equipment has arisen from the capitalisation of various capital works programs, including the Northern Integrated Care Centre, the expanded Emergency Department, the Acute Medical Unit, the bunker for the third linear accelerator in the Holman Clinic and patient accommodation for the Holman Clinic. In addition to this, the THO has recorded an increase in value associated with the revaluation of property, mainly LGH.
- (f) The budget reported in the Budget Paper did not accurately reflect the actual balance of payables transferred to the THO upon establishment. The budget for payables was subsequently amended to \$4.3 million. The resulting variance between the budget and actual position of payables has arisen due to the timing of invoices and the resulting payment of same.
- (g) The budget reported in the Budget Paper did not accurately reflect the actual balance of employee benefit liabilities transferred to the THO upon establishment. The budget for employee benefits liability was subsequently amended to \$48 million.
- (h) The budget reported in the Budget Paper does not align to the liability classification within the financial statements for the THO, due to the inclusion of accrued expenses as an other liability as opposed to a payable. After adjusting for the classification of discrepancy the variance is within acceptable parameters.

4.3 Statement of Cash Flows

	Notes	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Sales of goods and services	(a)	26 051	36 281	10 230	39%
GST receipts	(b)	0	8 246	8 246	N/A
Other cash receipts	(c)	5 608	12 133	6 525	116%
GST payments	(d)	0	(8 129)	8 129	N/A
Grants and transfer payments	(e)	(1 805)	(200)	(1 605)	89%
Other cash payments	(f)	(13 567)	(8 950)	(4 617)	34%
Receipts from Investments	(g)	8 065	0	(8 065)	-100%
Payment for acquisition of non-financial assets	(h)	(781)	(1 828)	1 047	-134%

Notes to Statement of Cash Flows Variances

- (a) Refer to note 4.1(b).
- (b) The budget reported in the Budget Paper did not take into account the impact of GST upon the THO and as such no GST receipts or payments were included in the Budget Paper.
- (c) Refer to note 4.1(c).
- (d) Refer to note 4.3(c).
- (e) Refer to note 4.1(d).
- (f) Refer to note 4.1(e).
- (g) Receipts from investments included in the Budget Paper of \$8 million was the transfer of cash from the Department to the THO on creation at 1 July 2012. In the Statement of Cash Flows this has been classified as cash transferred in on establishment, rather than a receipt from investments.
- (h) The budget reported in the Budget Paper did not take into consideration the accounting treatment associated with the capitalisation of buildings and plant and equipment connected with the THOs capital development program.

Note 5 Events Occurring After Balance Date

Mental Health Services Transition

On 1 July 2013, the Statewide and Mental Health Services clinical services transferred from the Department to the respective THOs.

Income Statement

As a result of this transition, the THO gained approximately 120 Full Time Equivalent employees, and \$13.4 million in budget for the provision of mental health services via Mental Health Services North. This transition will allow the THO to integrate the provision of mental health, acute and community health services it provides to the Northern community.

Balance Sheet

	Transfer from DHHS \$'000
Assets	
<i>Financial assets</i>	
Cash and deposits	273
Receivables	15
<i>Non-financial assets</i>	
Property, plant and equipment	2840
Intangibles	23
Total assets	3 151
Liabilities	
Payables	47
Employee benefits	2148
Other liabilities	70
Total liabilities	2 265
Net assets to be transferred	886

Note 6 Underlying Net Operating Balance

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

	Notes	2013 Budget \$'000	2013 Actual \$'000
Net result from transactions (net operating balance)		(7 109)	60 280
Less impact of Non-operational capital funding			
Assets Transferred	7.1	0	51 059
Total		0	51 059
Underlying Net operating balance		(7 109)	9 221

Note 7 Income from Transactions

7.1 Grants

	2013 \$'000
Continuing Operations	
Grants from the Australian Government	
Commonwealth Recurrent Grants - Block Funding	14 301
Commonwealth Recurrent Grants - Activity Based Funding	77 015
COPEs Receipts	21 448
Other Commonwealth Grants	13 214
Total	125 978
Grants from the State Government	
State Grants - Block Funding	78 470
State Grants - Activity Based Funding	93 942
Total	172 412
Capital grants	
Assets transferred	51 059
Total	51 059
Total revenue from Grants	349 449

7.2 Sales of Goods and Services

	2013 \$'000
Residential Rent Income	195
Commercial Rent Income	140
Pharmacy Non-PBS	267
Prostheses	2 222
Inpatient, Outpatient Nursing Home Fees	23 253
Ambulance Fees	1
PBS Co-payments	276
PBS Revenue from Medicare	1 569
Private Patient Scheme	7 598
Other Client Revenue	321
Other user charges	3 108
Total	38 950

7.3 Other Revenue

	2013 \$'000
Salaries and Wages Recoveries	3 060
Food recoveries	3 847
Multipurpose Centre Recoveries	67
Workers Compensation Recoveries	371
Operating Recoveries	2 920
Donations	1 153
Industry Funds	715
Total	12 133

Note 8 Expenses from Transactions

8.1 Employee Benefits

	2013 \$'000
Wages and salaries including FBT	183 694
Annual leave	11 445
Long service leave	1 974
Sick leave	6 119
Other post-employment benefits	2 184
Other employee expenses - other staff allowances	128
Superannuation expenses - defined contribution and benefits schemes	25 209
Total	230 753

Superannuation expenses for defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.3 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to nominated superannuation funds at a rate of nine per cent of salary. In addition, THOs are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of contribution schemes.

8.2 Depreciation and Amortisation

(a) Depreciation

	2013 \$'000
Plant, equipment and vehicles	3 405
Buildings	5 257
Total	8 662

(b) Amortisation

	2013 \$'000
Intangibles	77
Total	77
Total depreciation and amortisation	8 739

This year's amortisation resulted in the intangibles being fully amortised.

8.3 Supplies and Consumables

	2013 \$'000
Consultants	94
Property Services	7 614
Maintenance	3 740
Communications	1 173
Information Technology	681
Travel and Transport	2 660
Medical, Surgical and Pharmacy Supplies	51 551
Advertising and Promotion	12
Patient and Client Services	4 514
Leasing Costs	718
Equipment and Furniture	1 858
Administration	1 457
Food Production Costs	3 973
Other Supplies and Consumables	12 107
Service Fees	68
Audit Fees - financial audit	63
Total	92 283

The total fees for the audit of the annual financial statements is \$92,000. The fee includes the base fee of \$85,000, a one off charge for the review of the opening balances and establishment of the engagement and incidentals.

8.4 Grants and Subsidies

	2013 \$'000
Other Grants	
Grant - Other	200
Total	200

8.5 Other Expenses

	2013 \$'000
Salary on-costs	5 954
Tasmanian Risk Management Fund premium	2 360
Other	131
Total	8 445

Note 9 Other Economic Flows Included in Net Result

9.1 Net Gain/(Loss) on Non-Financial Assets

	2013 \$'000
Impairment of non-financial assets	(218)
Net gain/(loss) on disposal of physical Assets	(154)
Total net gain/(loss) on non-financial assets	(372)

The net loss on non-financial assets reflects the 30 June 2013 revaluation decrements.

9.2 Net Gain/(Loss) on Financial Instruments and Statutory Receivables/Payables

	2013 \$'000
Impairment of loans and receivables	(317)
Total	(317)

The impairment loss on receivables relates to an increase in the Provision for Impairment.

Note 10 Assets

10.1 Receivables

	2013 \$'000
Receivables	3 867
Less: Provision for impairment	(460)
Total	3 407
Sales of goods and services (inclusive of GST)	2 906
Tax assets	501
Total	3 407
Settled within 12 months	3407
Total	3407

Reconciliation of movement in provision for impairment of receivables	2013 \$'000
Carrying amount at 1 July	0
Amounts transferred in on establishment	181
Amounts written off during the year	(37)
Increase/(decrease) in provision recognised in profit or loss	316
Carrying amount at 30 June	460

10.2 Other Financial Assets

	2013 \$'000
Accrued Revenue	2 711
Inter Entity Loans	1 805
Total	4 516
Settled within 12 Months	4 516
Total	4 516

10.3 Inventories

	2013 \$'000
Pharmacy	1 645
Catering	101
Linen	397
General Supplies	725
Total	2 868
Consumed within 12 Months	2 868
Total	2 868

Inventories relate to stocks held for distribution at no or nominal consideration, predominantly at hospitals.

10.4 Assets Held for Sale

	2013 \$'000
Land	350
Buildings	307
Total	657
Settled within 12 Months	657
Total	657

10.5 Property, Plant and Equipment

(a) Carrying amount

	2013 \$'000
Land	
Land at fair value	11 945
Total land	11 945
Buildings	
Buildings at fair value	330 166
Less: Accumulated depreciation	(556)
Total	329 610
Plant, equipment and vehicles	
At cost	19 346
Less: Accumulated depreciation	(3 372)
Total plant, equipment and vehicles	15 974
Work in progress	
Buildings	367
Plant, equipment and vehicles	155
Total work in progress	522
Total property, plant and equipment	358 051

All the THO's land and building assets were revalued independently by Australian Valuation Office as at 30 June 2013. Land was valued at fair value, and buildings were revalued on a depreciated replacement cost and a net basis. The value for Buildings Accumulated Depreciation relates to buildings commissioned during the current year which were not revalued. Under the net basis the depreciation is transferred to the cost of the building at 30 June 2013, this results in the accumulated depreciation being zero.

(b) Reconciliation of movements

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

2013	Notes	Land \$'000	Buildings \$'000	Plant, equipment & vehicles \$'000	Works in progress \$'000	Total \$'000
Carrying value at 1 July		0	0	0	0	0
Additions- THO acquisition		42	0	1 547	239	1 828
Additions -DHHS capital grant		0	0	0	51 059	51 059
Disposals		0	(518)	(148)	0	(666)
Net additions through restructuring		11 464	210 185	16 500	9 187	247 336
Revaluation Increments (decrements)	13.2	499	66 750	81	0	67 330
Assets held for sale		(60)	(114)	0	0	(174)
Net transfers		0	58 564	1 399	(59 963)	0
Depreciation	8.2	0	(5 257)	(3 405)	0	(8 662)
Carrying value at 30 June		11 945	329 610	15 974	522	358 051

10.6 Intangibles

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

(a) Carrying amount

	2013 \$'000
Total Intangibles	385

(b) Reconciliation of movements

	2013 \$'000
Carrying amount at 1 July	0
Net additions through restructuring	462
Amortisation - Intangible Assets	(77)
Carrying Amount at 30 June	385

10.7 Other Assets

(a) Carrying amount

	2013 \$'000
Prepayments	1 633
Total	1 633
Recovered within 12 months	1 218
Recovered in more than 12 months	415
Total	1 633

(b) Reconciliation of movements

	2013 \$'000
Carrying amount at 1 July	0
Additions	1 633
Carrying Amount at 30 June	1 633

Note 11 Liabilities

11.1 Payables

	2013 \$'000
Creditors	4 927
Accrued Expenses	3 825
Total	8 752
Settled within 12 months	8 752
Total	8 752

11.2 Employee Benefits

	2013 \$'000
Accrued salaries	5 227
Annual leave	18 458
Long service leave	26 570
Sabbatical leave	1 884
Development leave, time off in lieu and state service accumulated leave scheme	1 248
Total	53 387
Settled within 12 months	21 223
Settled in more than 12 months	32 164
Total	53 387

11.3 Other Liabilities

	2013 \$'000
Revenue received in advance	
Other revenue received in advance	4
Other Liabilities	
Employee benefits - on-costs	446
Other liabilities	2 919
Total	3 369
Settled within 12 months	3 071
Settled in more than 12 months	298
Total	3 369

Note 12 Commitments and Contingencies

12.1 Schedule of Commitments

	2013 \$'000
By type	
<i>Capital Commitments</i>	
Property, Plant and Equipment	2 786
<i>Total Capital Commitments</i>	2 786
<i>Operating Lease Commitments</i>	
Motor Vehicles	1 698
Medical Equipment	1 387
Rent on Buildings	163
<i>Total Lease Commitments</i>	3 248
<i>Other Commitments</i>	
Miscellaneous Grants	57
Miscellaneous Goods and Services contracts	16 595
<i>Total Other Commitments</i>	16 652
Total	22 686
By Maturity	
<i>Capital Commitments</i>	
One year or less	2 786
<i>Total Capital Commitments</i>	2 786
<i>Operating Lease Commitments</i>	
One year or less	1 363
From one to five years	1 885
<i>Total Operating Lease Commitments</i>	3 248
Other Commitments	
One year or less	3 052
From one to five years	8 952
More than five years	4 648
<i>Total Other Commitments</i>	16 652
Total	22 686

Medical Equipment (Operating lease)

The THO 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 THO leases a range of properties/tenancies for service delivery purposes.

Miscellaneous Goods and Services Contracts

The THO has commitments for surgical eye procedures, sub acute beds, palliative care services and various maintenance contracts for medical equipment.

12.2 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.

	2013 \$'000
Quantifiable contingent liabilities	
<i>Contingent claims</i>	
Medical and other legal claims	1 697
Total quantifiable contingent liabilities	1 697

At 30 June 2013, the THO had a number of legal claims against it for medical and other liability claims. These claims are at the net cost to the THO.

The THO manages its legal claims through the Tasmanian Risk Management Fund (TRMF). A \$50,000 excess remains payable for every claim. Amounts over that excess are met by the TRMF.

Note 13 Contributed Capital & Reserves

13.1 Contributed Capital

	2013 \$'000
Contributed capital reserve	
Balance at the beginning of financial year	0
Administrative restructure - net assets received	214 683
Balance at the end of financial year	214 683

Net assets received due to administrative restructure relate to assets and liabilities transferred on the 1st of July 2012. Refer to Note 1.1.

13.2 Reserves

	Land	Buildings	Other	Total \$'000
Asset revaluation reserve				
Balance at the beginning of financial year	0	0	0	0
Revaluation increments/(decrements)	499	66 750	81	67 330
Balance at the end of financial year	499	66 750	81	67 330

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

Note 14 Cash Flow Reconciliation

14.1 Cash and Deposits

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

		2013 \$'000
Special Deposits and Trust Fund Balance		
T474	THO North Patient Trust and Hospital Bequest Account	10 306
T531	THO - North Operating Account	25 276
Total		35 582
Other cash held		
	Other Cash equivalents not included above	13
Total		13
Total cash and deposits		35 595

14.2 Reconciliation of Net Result to Net Cash from Operating Activities

	Total \$'000
Net result from transactions (net operating balance)	60 280
Depreciation and amortisation	8 739
Non-Operational Capital Funding	(51 059)
Decrease (increase) in Receivables	(74)
Decrease (increase) in Other assets	(4 486)
Decrease (increase) in Inventories	235
Increase (decrease) in Employee entitlements	5 355
Increase (decrease) in Payables	4 472
Increase (decrease) in Other liabilities	299
Net cash from (used by) operating activities	23 761

The balances transferred to the THO, as detailed in Note 1.1 have been used as the opening balances in the calculation of the reconciliation of net result from transactions to net cash from operating activities.

Note 15 Financial Instruments

15.1 Risk Exposures

(a) Risk management policies

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

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

The Governing Council and the CEO have overall responsibility for the establishment and oversight of the THO's risk management framework. Risk management policies are established to identify and analyse risks faced by the THO, 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 THO if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

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

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

	2013 \$'000
Guarantee provided	0
Total	0

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

Analysis of financial assets that are past due at 30 June 2013 but not impaired				
	Past due < 30 days \$'000	Past due 30 – 120 days \$'000	Past due > 120 days \$'000	Total \$'000
Receivables	2 105	364	437	2 906

(c) Liquidity risk

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

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

The following tables detail the undiscounted cash flows payable by the THO 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.

2013	Maturity analysis for financial liabilities							Carrying Amount \$ 000
	1 Year \$ 000	2 Years \$ 000	3 Years \$ 000	4 Years \$ 000	5 Years \$ 000	More than 5 Years \$ 000	Undis- counted Total \$ 000	
Financial liabilities								
Payables	8 752	0	0	0	0	0	0	8 752
Other financial liabilities	3 369	0	0	0	0	0	0	3 369
Total	12 121	0	0	0	0	0	0	12 121

(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 THO is exposed to is interest rate risk.

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

15.2 Categories of Financial Assets and Liabilities

	2013 \$'000
Financial assets	
Cash and cash equivalents	35 595
Loans and receivables	7 923
Total	43 518
Financial Liabilities	
Financial liabilities measured at amortised cost	12 121
Total	12 121

The THO's maximum exposure to credit risk for its financial assets is \$43.5 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 THO actively manages its credit risk exposure for the collectability of its receivables and outstanding loans.

15.3 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

	Carrying Amount 2013 \$'000	Net Fair Value 2013 \$'000
Financial assets		
Other financial assets		
Other	43 518	43 518
Total financial assets	43 518	43 518
Financial liabilities (Recognised)		
Other financial liabilities		
Other	12 121	12 121
Total Financial liabilities (Recognised)	12 121	12 121
Unrecognised financial instruments	0	0
Total unrecognised financial instruments	0	0

Note 16 Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance \$'000	Net trans-actions during 2012-13 \$'000	Closing balance \$ 000
T474 THO North Patient Trust and Hospital Bequest Account	0	969	969

Statement of Certification

The accompanying Financial Statements of Tasmanian Health Organisation North are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Tasmanian Health Organisation Act 2011* and the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2013 and the financial position as at 30 June 2013.

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.



Graeme Houghton

Chair of the Governing Council
30 September 2013



John Kirwan

Chief Executive Officer
30 September 2013

Independent Auditor's Report

To Members of the Parliament of Tasmania

Tasmanian Health Organisation - North

Financial Statements for the Year Ended 30 June 2013

Report on the Financial Statements

I have audited the accompanying financial statements of Tasmanian Health Organisation – North (the Organisation) which comprise the statement of financial position as at 30 June 2013 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Chair of the Governing Council and the Chief Executive Officer.

Auditor's Opinion

In my opinion the Organisation's financial statements:

- (a) present fairly, in all material respects, its financial position as at 30 June 2013 and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the Tasmanian Health Organisations Act 2011, the Financial Management and Audit Act 1990 and Australian Accounting Standards.

Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Tasmanian Audit Office



H M Blake
Auditor-General

Hobart
30 September 2013

Acronyms

AAS	Australian Accounting Standards
ABS	Australian Bureau of Statistics
ABF	Activity Based Funding
ACHS	Australian Council on Healthcare Standards
ACSQHC	Australian Commission on Safety and Quality in Healthcare
A&RC	Audit and Risk Sub-Committee
ATS	Australian Triage Scale
BEIMS	Building Engineering Information Management System
CEAG	Community Engagement Advisory Group
CERG	Consumer Engagement Reference Group
CEO	Chief Executive Officer
COPE	Commonwealth Own Purpose Expenditure
CPI	Consumer Price Index
CIP-EM	Capital Improvement Program – Essential Maintenance
DHHS	Department of Health and Human Services
DON	Director of Nursing
ECO	Employee Contract Officer
ED	Emergency Department
FTE	Full Time Equivalent
GEM	Geriatric Evaluation and Management
GP	General Practitioner
GPLO	General Practice Liaison Officer
GST	Goods and Services Tax
HOA	Heads of Agreement
HSO	Health Service Officer
HR	Human Resources
ICU	Intensive Care Unit
IHPA	Independent Hospital Pricing Authority
KPI	Key Performance Indicator
LGH	Launceston General Hospital
MCH	Mersey Community Hospital
MGP	Midwifery Group Practice
MOC	Models of Care

MRI	Magnetic Resonance Imaging
NHRA	National Health Reform Agreement
NICU	Neonatal Intensive Care Unit
NPA-IHST	National Partnership Agreement on Improving Health Services in Tasmania
NWRH	North West Regional Hospital
PICU	Paediatric Intensive Care Unit
QI	Quality Improvement
RBF	Retirement Benefit Fund
RHH	Royal Hobart Hospital
RJRP	Right Job Right Person
RTI	Right to Information
SAB	Staphylococcus aureus bacteraemia
SIIRP	Strategic Investment Infrastructure Review Process
THO-N /	
THO-North	Tasmanian Health Organisation – North
THO-NW /	
THO-North West	Tasmanian Health Organisation – North West
THO-S /THO-South	Tasmanian Health Organisation – South
THP	Tasmania's Health Plan
TML	Tasmanian Medicare Local
TRMF	Tasmanian Risk Management Fund
UTAS	University of Tasmania
WACS	Women's and Children's Services
WH&S	Workplace Health and Safety



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