



# Annual Report 2013–2014

This annual report fulfils Sunshine Coast Hospital and Health Service's reporting requirement to the community and to the Minister for Health. It summarises the Hospital and Health Service's results, performance, outlook and financial position for 2013-2014.

In particular, the report outlines Sunshine Coast Hospital and Health Service's performance against objectives identified in the *Sunshine Coast Hospital and Health Service Strategic Plan 2013 -2017*, as well as the Queensland Government's objectives for the community and its Blueprint for better health care in Queensland.

## Open data

We are committed to the Queensland Government's open data strategy and have published additional information to form part of our 2013-14 annual report. This information is published at:

[www.qld.gov.au/data](http://www.qld.gov.au/data)

SCHHS has published the following data on the government's Open Data website:

- consultancy expenditure
- overseas travel expenditure
- results against the Queensland Cultural Diversity Policy

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The Sunshine Coast Hospital and Health Service is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on (07) 5470 5395 and we will arrange an interpreter to effectively communicate the report to you.



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## Sunshine Coast Hospital and Health Board Chair's overview

**It is again with a sense of significant pride and satisfaction that I provide the Chair's report on behalf of the Sunshine Coast Hospital and Health Board.**

In our second year of operation, the Board has maintained its attention on providing strategic direction and governance to our Hospital and Health Service.

Our concentration on the current performance of the Health Service is of course increasingly equalled by an emphasis on the challenging and exciting journey of the organisation becoming a tertiary health service provider. The Board is absolutely determined to provide the governance to ensure the organisation develops capacity and capability to not only bring the Sunshine Coast Public University Hospital (SCPUH) on line in late 2016, but to also be an organisation that is recognised nationally and internationally for the excellent and innovative care that it provides. It is this objective that always features in my regular meetings with the Minister for Health.

The committee structure has matured and become the engine room of the Board's deliberative and analytic approach to discharging its responsibilities. A preeminent focus of the Board is oversight of the safety and quality of the services provided by the Hospital and Health Service. This objective extends of course to the monitoring of the Workplace Health and Safety performance of the organisation. In this regard the safety and quality of care provided to patients and the safety of the work environment for staff are both a constant focus of the Board. I commend Deputy Chair, Dr Lorraine Ferguson, for her stewardship of the Safety and Quality Committee. Recent state level feedback indicates that our Safety and Quality Committee is one of the best informed and high performing committees across the State.

Similarly, the Board's Finance and Performance Committee, led by Mr Peter Sullivan, provides strategic review and direction of the organisation's financial performance. It also has responsibility in the areas of Key Performance Indicators as detailed in our Service Agreement with the Department of Health. The financial performance of the Hospital and Health Service is testament to the quality of both the Finance and Performance Committee and the effectiveness of the leadership and the commitment throughout the organisation to the efficient and effective delivery of services.

Under the leadership of Mr Cos Schuh the Board's Audit and Risk Management Committee ensures that our statutory audit requirements are satisfied and the strategic risks of the organisation are appropriately managed.

Further devolvement of accountability to Hospital and Health Boards and their respective Hospital and Health Services continued to advance during 2013-2014. The major milestone for the Sunshine Coast Hospital and Health Board was the successful assessment of the Hospital and Health Service to become the Prescribed Employer of its staff from 1 July 2014.

The Board remains committed to the strategic direction provided in the Health Services Plan 2012-2022 and outlook to 2026/27. It is also committed to delivering on the Government's Blueprint for better health care in Queensland. In this regard the Board has assumed the decision making role in the contestability exercise currently being undertaken for clinical support services for the SCPUH.

The Board has, through successive independent external evaluations, become increasingly aware of just how fortunate the Sunshine Coast community is to have its Hospital and Health Service staffed by people with the highest quality, passion and ability. The Health Service Chief Executive (HSCE), Kevin Hegarty has proven to be a dedicated leader in this critical period of transition to tertiary status.

On behalf of the Board, I thank and congratulate the HSCE and all staff of the organisation for their contribution to a very successful year.



**Emeritus Professor Paul Thomas AM – Chair**

# Sunshine Coast Hospital and Health Service Chief Executive's overview

**The 2013-2014 year, our second year as a Hospital and Health Service was, like our first, twelve months of exceptional challenge, change and achievement.**

Again, as is our established pattern, last year saw the Health Service provide a record level of health services to our community. Total hospital activity increased by almost 5% over the previous year. Our Emergency Departments provided care to over 115,000 patients, 7,041 more than the previous year. We responded to the continued growth in demand for elective surgery by performing almost 1000 additional elective surgery cases than in 2012-2013.

Increasingly, the focus of the organisation is dominated by the necessary preparation for our transition to Sunshine Coast Public University Hospital (SCPUH) and equally importantly, the transformation of the Hospital and Health Service to that of a tertiary health care provider. This transition and transformation is not about moving the existing array of services to an additional new location. It is about delivering on the vision that our staff and community rightfully hold that SCPUH will 'provide excellent care through collaboration, enquiry and education', within the context of the Hospital and Health Service vision of 'Health and wellbeing through exceptional care'.

What we are doing has not been done in Australia for more than two decades, creating a new rather than replacement tertiary teaching hospital. An exponential growth in staffing numbers between now and 2021 is central to us successfully meeting this challenge. Our journey over the past ten years also evidences that we have been an organisation 'in training' for such an expansionary journey. In 2004 we had headcount of 2,527 staff; in 2014 we have a headcount of 4,773. That is an 88 per cent increase over the last ten years. The range and capacity of services we offer now, compared to ten years ago is testament to the contribution these skilled and dedicated resources have made.

The past year has seen the maintenance and enhancement of our record as a health service with efficient and effective resource management. Our small surplus evidences this and will allow us to address strategic needs.

Our staff are the greatest asset of the Hospital and Health Service. They are the foundation on which our commitment to provide the highest quality health care to our community is based. The skill, professionalism and resilience of our team are known and acknowledged locally. It is also consistently identified by those who visit, including specialist colleges and other accrediting bodies. After ten years as Chief Executive of this organisation during its various iterations, I have never been prouder or more humble to serve in the role.

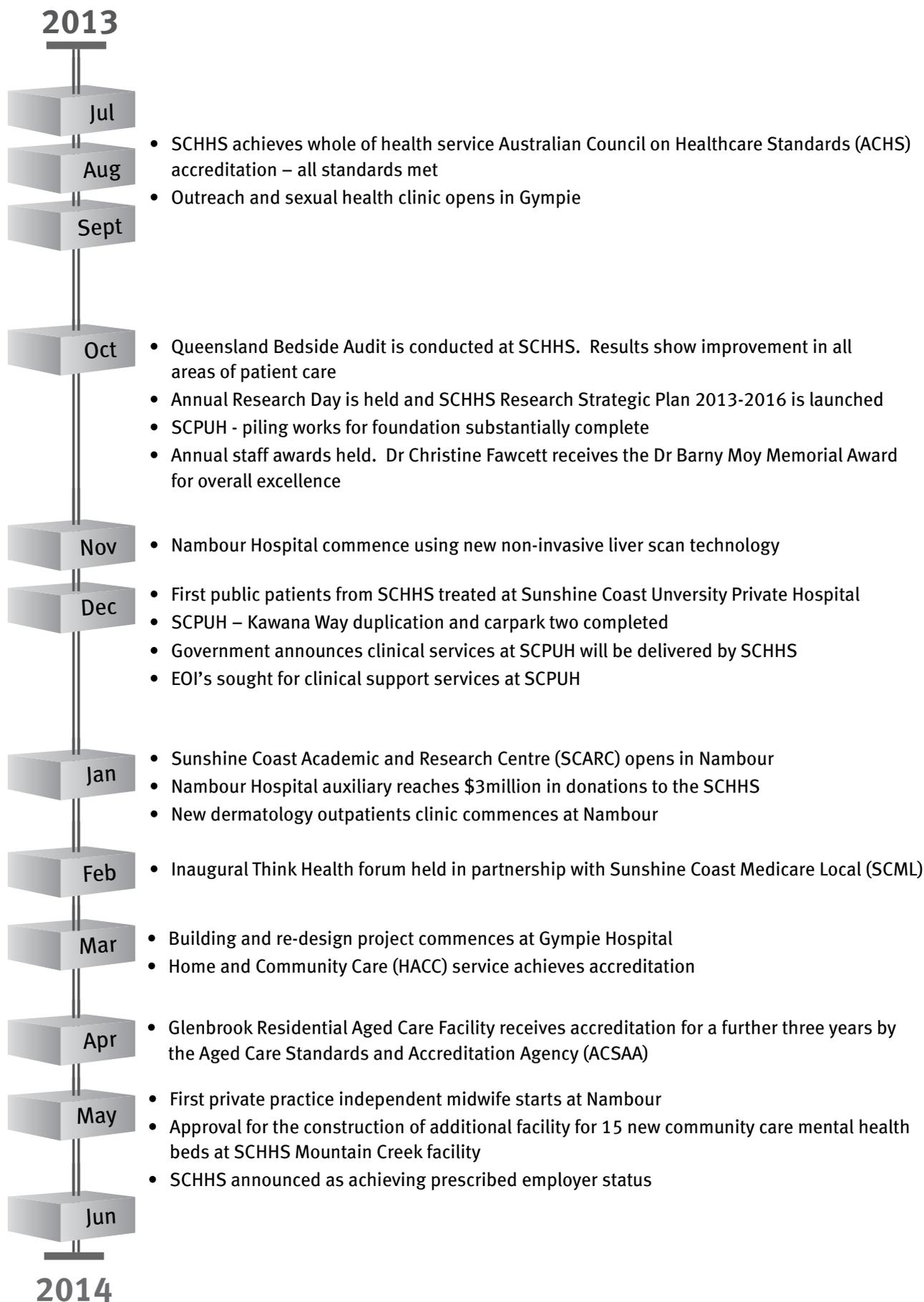
The pages of this report provide examples of our contribution to delivering on the Public Sector Renewal Program. The advancement of our Consumer Engagement Strategy, our clinical redesign and ongoing focus on teaching and education with an expansionary research agenda, are all direct contributors to the five principles of the Program.

The strategic direction and governance provided by the Hospital and Health Board, under the leadership of Emeritus Professor Paul Thomas AM, is strong and visionary. All aspects of the organisation's performance benefit from the rigour applied by the Board and its Committees. The Board's determination to maintain a separation between its responsibilities and that of the operational management responsibilities is a key enabler of organisational capacity to perform.

I commend this annual report to you and am pleased to share our achievements and demonstrate absolute commitment to providing high quality health care in a consistent person centred manner.



**Kevin Hegarty - Health Service Chief Executive**



## Our year in figures

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**87,270**

people were admitted to hospital



1796 decrease from last year

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**36,291**

patients arriving by ambulance



3,407 increase from last year

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**233,455**

outpatient occasions of service were performed



24,785 increase from last year

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**4,773**

employees at 30 June 2014



180 increase from last year

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**115,342**

people presented to our emergency departments



7,041 increase from last year

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**\$4,350**

average cost per patient



\$344 less than state average

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**4,805**

elective surgery procedures were performed



998 increase from last year

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**\$671,836,000**

In revenue



1.9 per cent increase from last year

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**9,607**

children (0-17) admitted to our hospitals



1,092 increase from last year

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**\$5,977,000**

net surplus from operations which is 0.9 per cent of total revenue



0.3 per cent decrease from last year

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**2,800**

babies delivered



106 increase from last year

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## Financial highlights

With a diverse and extensive service profile, across a wide geographical area, our costs and revenues must be carefully managed. A robust accounting and reporting system is key to ensuring satisfactory financial outcomes and continuing sustainability.

This year again presented particular challenges. A variety of service targets and KPIs were required to be met along with the achievement of financial savings. A particular focus was on our revenue base and ensuring the sustainability of revenue streams.

Particular success was achieved in Own Source Revenues such as outpatient fees, pharmaceuticals and prosthetics. The introduction of the contracted services through the Sunshine Coast University Private Hospital also presented challenges.

Our financial and operational realities have largely been satisfied. Cost bases continue to be managed well and revenue streams have been enhanced.

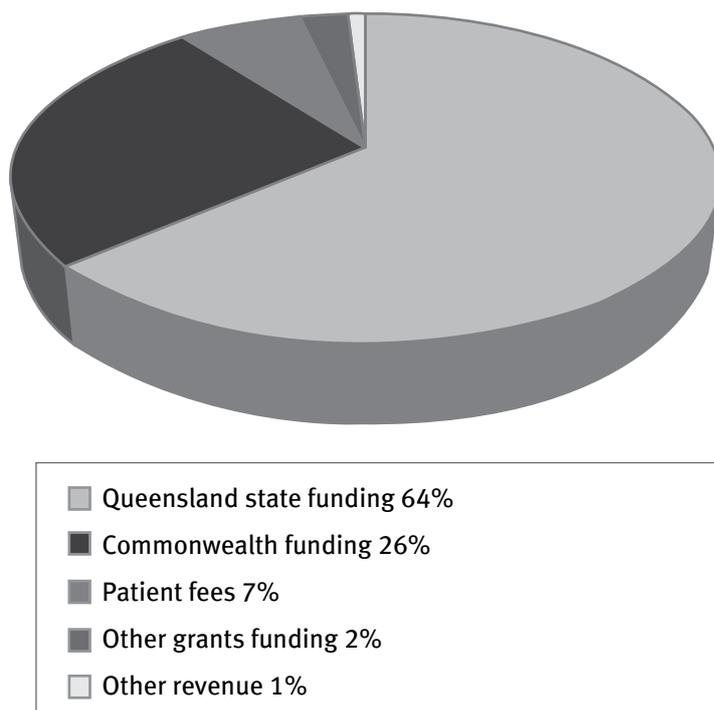
The small surplus achieved in 2013-2014 will help ensure capacity to meet future challenges.

Operating Statement - financial year ending 30 June	2014 \$(000)'s
Revenue	671,836
Labour and employment related expenditure	443,319
Supplies and services	135,351
Other expenses	64,849
Depreciation and revaluation expense	22,340
Net Surplus from operations	5,977

**Table 1: SCHHS operating statement 2013-2014**

### Operating income

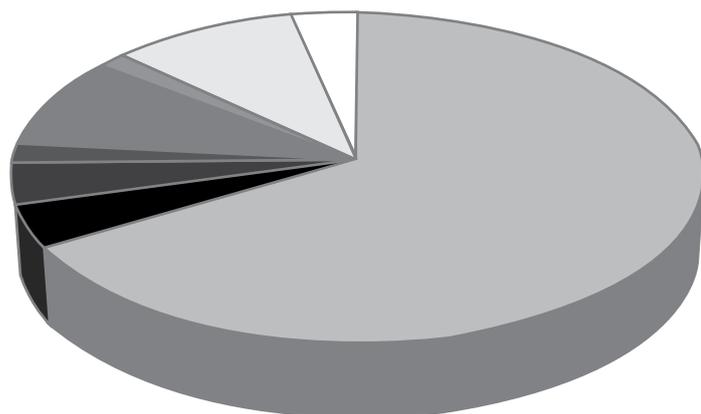
The following chart shows the major sources of total operating income by percentage, with the Queensland State Government (predominately the Department of Health) being the largest funder of total operating income.



**Graph A: SCHHS operating income 2013-2014**

## Operating expenditure

The following chart shows the major parts of total operating expenditure with labour and employment related expenses being the largest component of total operating expenditure.



- Labour and related costs 67%
- Clinical supplies 4%
- Drugs 4%
- Pathology charges 2%
- Contract payments (Sunshine Coast University Private Hospital/Noosa Hospital) 9%
- Repairs and maintenance 1%
- Other expenses 10%
- Depreciation and revaluation expenses 3%

**Graph B: SCHHS operating expenditure 2013-2014**

## Balance sheet

As at 30 June 2014	2014 \$(000)'s
Current assets	69,322
Non-current assets	295,895
Current liabilities	49,511
Non-current liabilities	-
Net assets (equity)	315,705

**Table 2: SCHHS balance sheet 2013-2014**

## Cash and investments

As at balance date, we had \$51.611 million in cash and investments. This balance is largely a result of the timing of payables including payroll, and the reported surplus. Depreciation is not cash funded, but investment in non-current assets is.

## Financial Ratios

**Current ratio:** At 30 June, 2014, the current ratio (current assets divided by current liabilities) was 1.40. This means for every \$1.00 of current liabilities payable we hold \$1.40 in current assets. A current ratio of this magnitude indicates that we are able to meet our current liabilities as and when they fall due.

**Quick asset ratio:** The quick asset ratio is similar to the current ratio, but provides a better indication of our short term solvency by only including those current assets and current liabilities of a short term nature. We have \$1.31 in liquid assets for every \$1.00 of short term liabilities.

**Debt to equity ratio:** We currently have no debt.

**Debtors days:** The average age of debtor accounts for patient, client and resident fees at year end was 60 days.

2 September 2014

The Honourable Lawrence Springborg MP  
Minister for Health  
Member for Southern Downs  
GPO Box 48  
Brisbane QLD 4000

Dear Minister

I am pleased to present the Annual Report 2013-2014 and financial statements for Sunshine Coast Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found at page 145 of this annual report or accessed at <http://www.health.qld.gov.au/sunshinecoast/annual-reports/default.asp>.

Yours sincerely



Emeritus Professor Paul Thomas AM  
Chair  
Sunshine Coast Hospital and Health Board