

2014

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**ANNUAL  
REPORT**

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2015



**Queensland  
Government**

This annual report fulfils Sunshine Coast Hospital and Health Service's reporting requirement to the community and to the Minister for Health and Minister for Ambulance Services. It summarises the hospital and health service's results, performance, outlook and financial position for 2014-2015.

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 2014-2015 annual report. This information is published at:

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

Sunshine Coast Hospital and Health Service 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 6600 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

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I am pleased to provide my third report as Chair of the Sunshine Coast Hospital and Health Board.

The 2014-2015 financial year has again provided an array of challenges to the Sunshine Coast Hospital and Health Service, particularly with the transition to the opening of the new university hospital. These challenges have seen the organisation respond both to the ever increasing demand for public health services, and the important planning for our future expansion.

The Board has endeavoured to, and I believe has effectively provided stringent governance over all aspects of the hospital and health service. As I have previously highlighted, the strength of the Board is based on the combined experience, knowledge and commitment of its members, together with the capability of the various committees that support and inform the Board's deliberations.

In this regard, I pay particular tribute to Deputy Chair, Dr Lorraine Ferguson, who also is the Chair of the Board's Safety and Quality Committee. Lorraine's leadership of the Board's oversight of the critical safety and quality agenda continues to be of the highest standard. One of the showcase events each year is the annual Patient Safety Day, hosted by Lorraine and the committee. Peter Sullivan continues to discharge the onerous responsibility of Chair of the Board's Finance and Performance Committee effectively, as evidenced by the end of year result presented in this report. Cos Schuh has also seen the further development of the Board's Audit and Risk Committee, into what is now an essential component of the Board's overarching governance process.

The Board's attention to the organisations preparation for the commissioning of the Sunshine Coast Public University Hospital in November 2016 has of course been the dominant feature of its deliberations over the past 12 months. This attention will only intensify as we move even closer to this significant milestone. Every meeting of the Board has, as a standing agenda item, a formal detailed briefing on the progress of the Transformation and Transition program.

The Board's scrutiny of both the activity planned over the next 12 months and what is being currently achieved, has inspired a level of confidence that this vital preparation is progressing, with the necessary critical oversight. The comprehensive and extensive nature of the Transformation and Transition program, together with the determination to learn from the experience of the commissioning of other large hospitals, has enabled the Board to examine the evidence of the extent of the preparation and the levels of staff engagement leading up to the opening of Sunshine Coast Public University Hospital.

The Board is firmly of the opinion, that the Sunshine Coast Hospital and Health Service is a mature organisation, with an increasingly impressive list of nationally recognised achievements, which demonstrate its capability to proactively respond to the health needs of the community it serves. The successful acceptance of Prescribed Employer status from 1 July 2014, together with the indicative outcome from the whole of organisation Australian Council of Healthcare Standards periodic review conducted in June 2015 are just two examples of this capability.

On behalf of the Board I once again thank and congratulate the Chief Executive and all staff of the organisation for the important part each has played to make 2014-2015 the success it was. In addition, I would like to thank all Board members for their commitment and expertise, cohering as a skilled group to ensure proper governance and oversight and involvement.



**Emeritus Professor Paul Thomas AM – Chair**

# Sunshine Coast Hospital and Health Service

## Chief Executive's overview

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The 2014-2015 year was another successful period for the Sunshine Coast Hospital and Health Service. Once again, we provided an even greater range and quantity of health services to the local community. Our total hospital activity in 2014-2015 increased by eight per cent over the previous year, this includes inpatient activity for public patients through our agreements with both Noosa Hospital and the Sunshine Coast University Private Hospital.

Every day last year the hospital and health service invested more than \$2 million in the provision of health care. This saw us conduct 9870 surgeries, provide 227,925 specialist outpatient appointments and attend to more than 117,000 patient presentations in our emergency departments. Additionally, we provided 9445 oral health service appointments, 32188 breast screen appointments and numerous community health occasions of service.

This was all attained in the context of sound and efficient resource management. Whilst providing a greater volume of services than ever before we achieved a virtually balanced budget. Our deficit of \$835,000 is 0.4 of one day's average expenditure.

This could not have been realised without the dedication, professional skills and passion of the staff of the hospital and health service. We pride ourselves on having a culture that is underpinned by mutual respect and an inherent positive response to meeting the challenges that are a natural part of providing safe high quality health care.

Another feature of our activities in this past year has been the enhancement of our formal links and engagement with the consumers of our services. Our first whole of health service Consumer Advisory Group was established within the context of our overarching Community and Consumer Engagement Strategy and Implementation Plan. Our commitment to further enhancing consumer input is a responsibility that we take very seriously. This is evidenced by the inclusion of consumer representation on our Patient Safety and Quality Committee and consumer input into the physical design of the Sunshine Coast Public University Hospital as well as the model of care development, which underpins how our services will be delivered in the new hospital.

The periodic review of the health service, conducted in June 2015 by the Australian Council of Healthcare Standards, provided independent validation of the quality of our services and also included specific acknowledgement of the maturing of our consumer engagement since the survey conducted in 2013.

The leadership provided by senior clinicians in the provision of our current services, while at the time providing the leadership for the development of our future services, is another strong element sustaining the success of the organisation.

Our organisation is now accustomed to the dual challenge and responsibility of managing an increasingly progressing organisation, while at the same time developing and transitioning to an even larger and complex organisation that will deliver tertiary level services. The onus we have to successfully address both these imperatives, is a responsibility we take extremely seriously. Every staff member of the organisation contributes to these objectives in one way or another. The pride and commitment consistently displayed by our catering, wards persons and cleaning staff is a vital component of our ability to provide of high quality health care. That is our shared view and the basis of our success as an organisation, many roles – one team.

We value direct links with primary health care providers and value our positive relationship with the Sunshine Coast Local Medical Association and look forward to working with the Country to Coast Primary Health Network. The organisation also has a long standing commitment to improving the health status and outcomes of our Aboriginal and Torres Strait Islander community. This is strengthened by our long-standing partnership with the North Coast Aboriginal Corporation for Community Health.

I wish to acknowledge our Board's continued strategic direction and governance that it has again provided to the health service throughout 2014-2015. The pages of this report provide ample evidence of a performance focused organisation that has patient care at its core.



**Kevin Hegarty - Health Service Chief Executive**

## Year in numbers



**227,925**

**outpatient appointments**

↓ 12,708 from last year<sup>(i)</sup>



**117,192**

**emergency department presentations**

↑ 1850 from last year



**144,649**

**patients admitted to hospital**

↑ 22,138 from last year<sup>(ii)</sup>



**9870**

**elective surgeries performed**

↑ 710 from last year<sup>(iii)</sup>



**2865**

**babies born**

↑ 12 from last year<sup>(iv)</sup>



**113,240**

**episodes of care**

↑ 20,729 from last year

*(i) Change in clinical practice has seen some patients now admitted who were previously treated as outpatients.*

*(ii) Includes public inpatients treated at Noosa Hospital and Sunshine Coast University Private Hospital.*

*(iii) The definition of elective surgery for the 2014-2015 financial year has change from the previous year. A calendar year-to-date figure for 2014 was used for elective surgery activity for 2013-2014. This figure reflected six months activity and not 12 months as shown in the reverse figure.*

*(iv) Preliminary data used in the 2013-2014 annual report.*

## Financial highlights

The net deficit position from operations reflects growth in service delivery as the hospital and health service commenced preparation for transition to the new Sunshine Coast Public University Hospital. As with previous years, a variety of service targets and Key Performance Indicators (KPIs) were required to be met.

Overall, financial and operational expectations have largely been satisfied. Cost bases continue to be managed well and revenue streams have been enhanced.

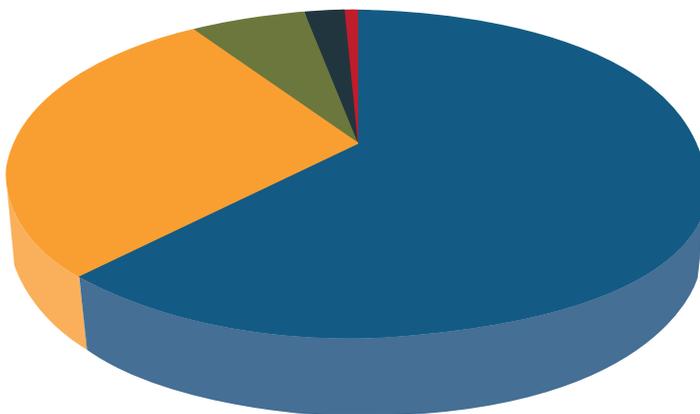
**Table 1: Operating position**

High level operating position as at 30 June 2015	\$'000's
Revenue	742,930
Expenditure	(743,755)
Net deficit from operations	(825)

### Income

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

**Graph 1: Income by category**

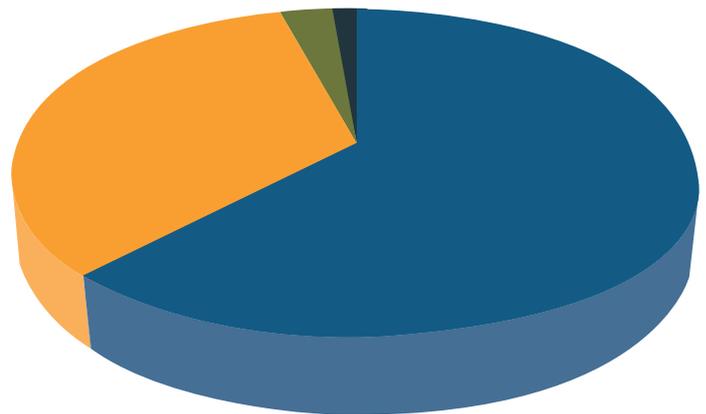


- Queensland State funding 62 per cent
- Commonwealth funding 28 per cent
- User charges 7 per cent
- Grants and contributions 2 per cent
- Other revenue 1 per cent

### Expenditure

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

**Graph 2: Operating expenditure**



- Labour and other employment costs 61 per cent
- Supplies and Services 35 per cent
- Depreciation and amortisation 3 per cent
- Other expenses 1 per cent

**Table 2: Balance sheet**

High level balance sheet at 30 June 2015	\$'000's
Current assets	72,681
Non-current assets	(285,290)
Current liabilities	(55,664)
Non-current liabilities	-
Net assets (equity)	302,307

### Cash and investments

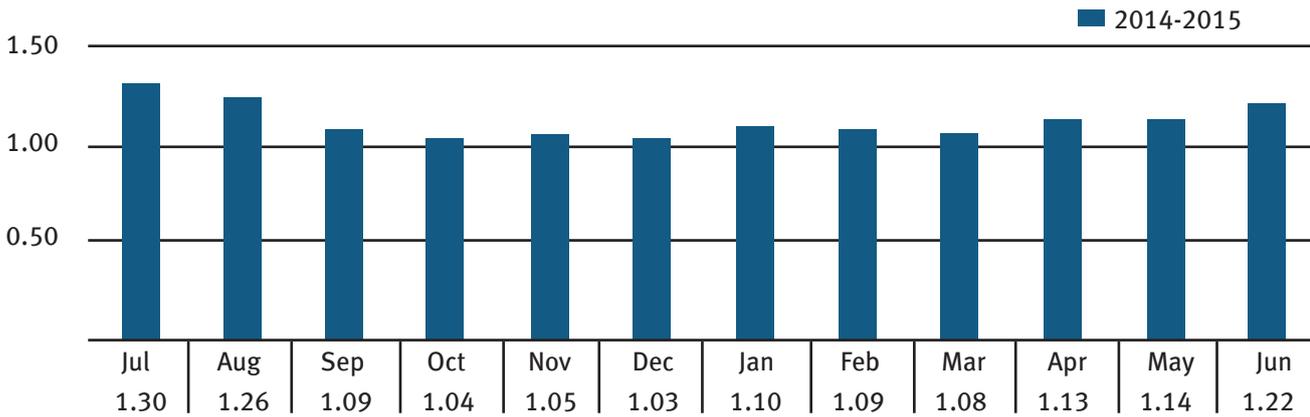
At balance date, the health service had \$42.4 million in cash and investments. This balance is largely a result of the timing of payables including payroll, and includes the reported deficit. Depreciation is not cash funded, however investment in non-current assets is.

### Financial ratios

#### *Sustainability:*

Current (Quick) ratio: At 30 June, 2015, the current (Quick) ratio was 1.22. This means for every \$1.00 of current liabilities payable we hold \$1.22 in current assets. The current ratio in the table overleaf indicates the health service is able to meet its current liabilities as and when they fall due.

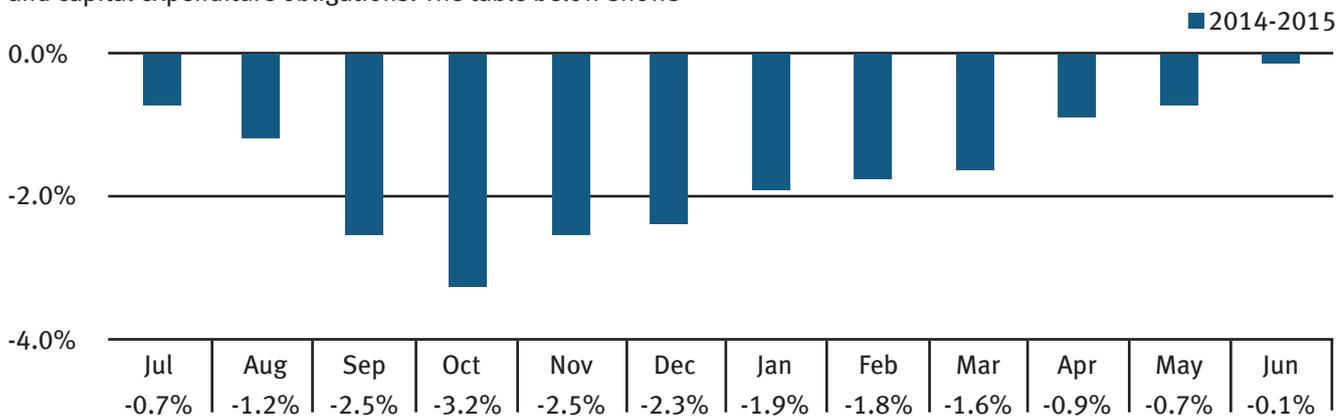
**Graph 3: Current (Quick) ratio**



**Graph 4: Operating ratio**

The operating ratio indicates the extent to which operating revenue covers operating expenses. A higher ratio indicates a better growth capacity to meet current and future operating and capital expenditure obligations. The table below shows

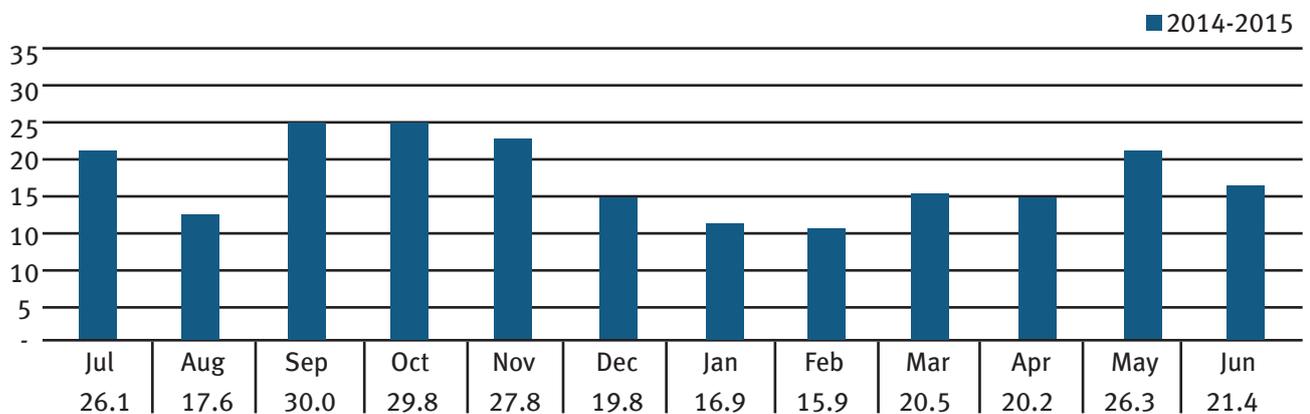
the year-to-date (YTD) operating ratio for the hospital and health service which reflects the deficit position of \$0.825 million



**Graph 5: Average number of day's cash available**

Average number of day's cash available measures the number of days of operating expenses that an entity could meet from its cash on hand at the end of the month. As at balance date Sunshine Coast Hospital and Health Service has

cash available to cover 21.4 days of operating expenditure. The current target adopted by the health service is to have unrestricted cash holdings equivalent to at least 14 days of operating cash outflows.



**Debt to equity ratio:** Sunshine Coast Hospital and Health Service currently has no debt.

**Debtor's days:** The average age of debtors for patient, client and resident fees at year end was 49 days.

2 September 2015

The Honourable Cameron Dick MP  
Minister for Health and Minister for Ambulance Services  
Member for Woodridge  
GPO Box 48  
Brisbane QLD 4000

Dear Minister

I am pleased to present the Annual Report 2014-2015 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 115 of this annual report or accessed at <http://www.health.qld.gov.au/sunshinecoast/annual-reports/default.asp>.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Thomas', with a long horizontal flourish extending to the right.

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