This annual report fulfills Sunshine Coast Hospital and Health Service’s reporting requirement to the community and to the Minister for Health and Minister for Ambulance Services. It summarizes the Hospital and Health Service’s results, performance, outlook and financial position for 2017-2018.

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 2016-2020, as well as the Queensland Government’s objectives for the community.

Open data:
We are committed to the Queensland Government’s open data strategy and have published additional information to form part of our 2017-2018 annual report. This information is published at: 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
• Queensland Language Services Policy.

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Commitment to Reconciliation

The Sunshine Coast Hospital and Health Service acknowledges and pays respect to the Traditional Custodians, the Gubbi Gubbi people, their elders, past, present and future on whose lands and waters we provide health services.

Achieving sustainable health gains for Aboriginal and Torres Strait Islander people on the Sunshine Coast and Gympie regions is a core responsibility and high priority for our health service and is a guiding principle of Making Tracks towards closing the gap in health outcomes for Indigenous Queenslanders by 2033.

Vision
We will:
• Keep reconciliation and Closing the Gap as a reference for planning and decision making.
• Replicate success and reflect on what needs to change
• Promote the service’s commitment as everyone’s commitment.

Collaboration
We will:
• Walk alongside each other
• Value family and community
• Together build capacity that puts Aboriginal and Torres Strait Islander people at the centre of decision making
• Assist people to make decisions regarding their own health and wellbeing.

Integrity
We will:
• Promote a culturally safe and sensitive approach to service delivery
• Recognise and value diversity and how it can enrich our work and community.

Influence and inspiration
We will:
• Be a source of inspiration for ourselves and others
• Bring our practice wisdom and lifelong learnings to our actions
• Be creative, innovative and forever evolving in our wellness and holistic healing
• Allow an inclusive environment for people to thrive
• Celebrate success.

Resilience
We will:
• Respect Aboriginal and Torres Strait Islander culture and heritage.
• Ensure the next footprints are ours for a better future.
• Acknowledge that connection to culture and spirituality are key components through which healing takes place.
• Acknowledge the diversity of Aboriginal and Torres Strait Islander cultures and circumstances.
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28 August 2018

The Honourable Steven Miles MP
Minister for Health and Minister for Ambulance Services
GPO Box 48
Brisbane QLD 4000

Dear Minister

I am pleased to present the Annual Report 2017-2018 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 118 of this annual report or accessed at http://www.health.qld.gov.au/sunshinecoast/annual-reports/default.asp.

Yours sincerely

Dr Lorraine Ferguson AM
Chair, Sunshine Coast Hospital and Health Board
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On behalf of the Board, I am very pleased to present the Sunshine Coast Hospital and Health Service Annual Report for 2017-2018. As in previous years, this has been a year of great challenges, important milestones and wonderful achievements.

One of the continuing challenges faced by the health service is to provide high quality patient care with finite financial resources to the growing population of our region, from Gympie in the north, Kilkivan in the west and south to Maleny and Caloundra. As you will see from the report on Our Performance, demand for many of our services has increased again this year and the staff of the health service has responded by providing ever increasing occasions of service across all of our facilities and community services. Performance in many areas of service delivery has continued to improve, despite the increasing demand for services. The Board wishes to acknowledge the dedication, professionalism and ongoing commitment of all health service staff to the health and wellbeing of the Sunshine Coast and Gympie communities.

In December 2017, Adjunct Professor Naomi Dwyer was appointed Chief Executive of the health service and she brought with her a wealth of experience in health service management, especially in the areas of complex service change and transition to tertiary level service provision. This experience is particularly important as the Sunshine Coast University Hospital continues to expand its offering of tertiary services, Nambour and Caloundra hospitals are redeveloped and services are relocated, expanded and linked across the health service where funding allows.

Along with the challenges, 2017-2018 also provided us with opportunities to celebrate a number of important milestones and achievements. In December, The Sunshine Coast University Hospital Program was awarded the 2017 Queensland Health Excellence Award in the Delivering Health Care category for the successful opening of the new hospital. In March this year, we celebrated its first birthday and looked back at the achievements of that first year, including the new and expanded services now being offered. Also in March this year the health service underwent an independent, organisation-wide survey by the Australian Council on Healthcare Standards resulting in ongoing accreditation and assurance of compliance with the national safety and quality standards. This demonstrates the ongoing commitment of all health service staff to safety and quality of health care across the organisation.

The commissioning of SCUH Stage 2 built environment and preparation for, and opening of new tertiary services continued. Of note, in January the Paediatric Critical Care Unit opened, providing much needed care for critically ill or injured children closer to home. Work on the redevelopment and refurbishment of the Caloundra and Nambour hospitals continued this year and we will see increases in a number of beds and services at these facilities as works are completed. Services provided at the facilities are outlined in this report.

There are many important milestones and achievements outlined in this report. In October Maleny Soldiers Memorial Hospital celebrated 30 years in its current location and in March, Gympie Hospital celebrated 150 years of providing exceptional health care to the community. A morning tea was held and many former staff returned to help current staff celebrate this important milestone.

The Sunshine Coast Health Institute partnerships has continued to grow and develop with the announcement of the Griffith University School of Medicine on the Sunshine Coast to commence in 2019. In June, the TAFE Queensland East Coast partner held a graduation ceremony for the first cohort of students from the institute’s TAFE programs.

The Board and Board Committees continued to work diligently with the Chief Executive and Executive Leadership Team to provide overall governance, strategic direction and to ensure that the goals and objectives of the health service are met, that resources are used effectively and efficiently and that services are aligned to current government health strategies and policies. I would like to record my appreciation of the significant contribution of the Chairs of board committees, board members and the leadership team in what has been another challenging but successful year of health service provision to the communities of the Sunshine Coast and Gympie areas.

The progress and achievements outlined in this 2017-2018 Annual Report have been realised in collaboration with committed staff, many important partner organisations and with the support of our communities.

Thank you.
The 2017-2018 year will be remembered fondly by our community and the Sunshine Coast Hospital and Health Service team as the first operational year of the new Sunshine Coast University Hospital and the associated changes and opportunities that its opening catalysed.

The outcomes delivered by the wonderful health service team exemplify their passion and commitment to deliver exceptional care, and I wish to thank them all for their great achievements. We have seen unprecedented growth in demand for care, including record numbers of emergency presentations and outpatient referrals as our population increases exponentially. Against this background, we were proud to deliver on our end of year goal of no patient waiting longer than clinically recommended for their elective surgery or endoscopy, and elimination of the waiting list for patients who had waited more than two years for an outpatient appointment.

Throughout the year, we celebrated many milestones which reinforced the pivotal role hospitals play in regional communities, including the 150th birthday of Gympie Hospital, the 30th birthday of Maleny Soldiers Memorial Hospital at its current location; and of course the first birthday of Sunshine Coast University Hospital.

We successfully delivered Stage 2 of Sunshine Coast University Hospital, which realised increased capacity for future growth, and made great progress on the redevelopment of Caloundra Health Service. The Minister for Health’s announcement of $86 million to redevelop Nambour General Hospital was welcomed with great excitement, prompting early works to secure a Managing Contractor.

Our commitment to engage consumers and community in how we plan, deliver and review our services has continued, and we are always grateful to receive feedback from those who access our services as part of our continuous improvement. Our brilliant brigade of volunteers continue to make an outstanding contribution across our health service, and receive well-deserved recognition for their compassionate support.

Closing the gap in health inequality is a priority for our Board, and so we were very proud of our strong partnership with the local Aboriginal and Torres Strait Islander community, and delivery of culturally appropriate services such as our support of the Annual Aboriginal Health Check Day which was very well attended.

Safe, reliable care is our top priority, and so we welcomed the experienced team from the Australia Council of Healthcare Standards which undertook an organisation wide assessment of our health service. This resulted in our successful re-accreditation for a further four years until 30 June 2022.

We ended the year with a planned deficit, being just over the projected forecast of $13.1 million, and have undertaken significant work on the development of strategies to improve our sustainability over the next three-year horizon.

I feel very honoured by the opportunity to serve the community of the Sunshine Coast and our inspiring team of people as their new Chief Executive. We are fortunate to have such a dynamic and talented Hospital and Health Board, under the strong and positive leadership of Dr Lorraine Ferguson AM. Our Board is unequivocal in its commitment to delivering exceptional care to the community and passionate about realising their ambitious vision for our health service.

I commend this annual report to you and hope you enjoy reading about the many ways we are proud to serve our community.
**Year in numbers 2017-2018**

- **354,940** outpatient occasions of service* (*includes public outpatients seen at Noosa Private Hospital*)
- **166,293** emergency department presentations* (*includes public patients presenting to Noosa Private Hospital*)
- **3,379** babies born
- **139,806** patients admitted or discharged* (*includes public patients admitted to Noosa Private and Sunshine Coast University Private hospitals*)
- **33,794** women underwent a breastscreen
- **10,889** elective surgeries performed* (*includes elective surgery performed on public patients at Noosa Private and Sunshine Coast University Private hospitals*)
- **29,740** dental occasions for children
- **54,750** dental occasions for adults
Hepatology partnership curing Hepatitis C in the community - Sunshine Coast and Wide Bay.

$155,000 to Caloundra Health Service from Caloundra Hospital Auxiliary.
Nambour General Hospital Geriatric Emergency Department Intervention (GEDI) awarded $100,000 research grant.

Commencement - $17m redevelopment of Caloundra Health Service.
Sunshine Coast Hospital and Health Service annual Research Day.
Sunshine Coast Hospital and Health Service celebrates achievements and service of 493 staff and 3530 years of service.

Four medical students from Griffith University’s Rural Clinical School commence 12 months, as part of training for the Longlook program at Gympie Hospital.
Paediatric Critical Care Unit opens at Sunshine Coast University Hospital.

Gympie Hospital staff celebrate 150 years of service.
Sunshine Coast University Hospital celebrates 1st Birthday.
Maternity celebrates 3000 babies born at Sunshine Coast University Hospital.
ACHS Accreditation survey.

Noosa Community Health Dental clinic refurbishment.
POSSUM (Paediatric Outpatient Sedation Support Under Multi-disciplinary team) Clinic provides new ways to guide children safely through procedures.

Sunshine Coast Hospital and Health Service - record 284 newborn babies at Sunshine Coast University Hospital.

Maleny Soldiers Memorial Hospital celebrates 30 years at its current location.
Aboriginal and Torres Strait Islander diabetes service opens at Caloundra Health Service.
Hospital in the Home program - 1000th patient.
Annual Sunshine Coast Hospital and Health Service Patient Safety Day.

Keeping patients and families connected, Gympie and Nambour hospitals have access to free Wi Fi.

86 nursing graduates employed by the Sunshine Coast Hospital and Health Service for the 2018 Graduate Registered Nurse and midwife program.

Three year funding through the Prostate Cancer Foundation of Australia - dedicated nurse.

Community Care Unit won a national award.
The health service came first in Australian Red Cross Health Services Blood Challenge from April to June 2018.
Griffith University School of Medicine announced Department Head of School on the Sunshine Coast, first intake early 2019.
Dr Mikaela Seymour named as Australian Medical Association (AMA) Doctor in Training 2018.
Sunshine Coast Hospital and Health Service (the health service) reported total comprehensive income of $171.6 million for the year incorporating a net revaluation increment of $185.5 million on land and buildings and an underlying operating deficit of $14 million (2016-2017 $7.3 million surplus).

The result reflects a slight decline in performance from 2016-2017 largely encapsulating the increase in fixed costs associated with operating the new Sunshine Coast University Hospital.

A combination of demand management, re-prioritisation and efficiency strategies have been earmarked for 2018-2019 and beyond to enable the health service to achieve a balanced operating position.

Chart 1: Total operating income = $1,194,366,000

Operating income
Total operating income for 2017-2018 was $1,194.4 billion up $197 million or 19.7 per cent from 2016-2017 ($997.4 million) with the majority of this increase relating to additional fixed funded components and activity purchased by the Department of Health associated with the new Sunshine Coast University Hospital.

The chart to the left shows the major sources of total operating income by percentage, with the Queensland Government (predominately the Department of Health) contributing the majority of the total source of funds.

Chart 2: Total operating expenditure = $1,208,300,000

Operating expenditure
Total operating expenditure for 2017-2018 was $1,208.3 billion (averaging $3.3 million a day), up $218.2 million or 22 per cent from 2016-2017 ($990.1 million). Major drivers of the increase include a 9.7 per cent increase in delivered activity, combined with additional operating requirements of the Public, Private Partnership arrangement with Exemplar Health for Sunshine Coast University Hospital.

The following chart shows the breakdown of operating expenditure with labour and employment related expenses being the largest component.
Financial highlights

<table>
<thead>
<tr>
<th>High level balance sheet as at 30 June 2018</th>
<th>$’000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>124,229</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>2,008,335</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(122,195)</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(604,929)</td>
</tr>
<tr>
<td>Net assets (equity)</td>
<td>1,405,440</td>
</tr>
</tbody>
</table>

**Balance sheet**

The health service's asset base amounts to $2.134 billion, 94 per cent or $1.996 billion of this is invested in property plant and equipment. Total assets increased by $94.35 million in 2017-18 ($93.35 billion in 2016-17) largely due to land and building revaluation increments following specific valuations undertaken as part of the cyclical land and building revaluation plan, investment in new and replacement plant, equipment and technology offset by accumulated depreciation and amortisation.

**Cash and investments**

At balance date, the health service had $78.5 million in cash and investments. This balance includes the unspent portion of the Sunshine Coast University Hospital ICT Program (Stage 2 and 3) capital funding received for information and communications technology assets and equipment. Depreciation expenditure is not cash funded however investment in non-current assets is.

**Financial Sustainability**

*Current ratio:* At 30 June 2018, the health service had a current ratio of 1.02. This means for every $1 of current liabilities payable the health service held $1.02 in cash and receivables.

*Average number of day’s cash available:* At 30 June 2018, the health service has cash available to cover 25.9 days of operating expenditure (46.3 days in 2016-2017). The current target adopted by the health service is to have cash holdings equivalent to at least 14 days of operating cash outflows.

**Future financial outlook**

The health service is committed to providing better health outcomes for its community through redesign and innovation but also investment in its people and infrastructure. As with 2017-2018, financial year 2018-2019 will be even more fiscally challenging for the health service with the introduction of new tertiary services at the Sunshine Coast University Hospital, the introduction of the new electronic medical record, the completion of the Caloundra Health Service redevelopment and the commencement of works relating to the re-purposing of Nambour General Hospital. This will be balanced against the continued focus on overall efficiency.
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