Queensland Good jobs Better services Great lifestyle

ANNUAL REPORT 2023–2024

Torres and Cape Hospital and Health Service

Queensland Government

Open data

Torres and Cape Hospital and Health Service (TCHHS) has open data to report on consultancies and the Queensland language services policy. It is available at the Queensland Government Open Data website (https://www.data.qld.gov.au). TCHHS has no open data to report on overseas travel.

Public availability statement

An electronic copy of this report is available at https://www.publications.qld.gov.au/dataset/torres-cape-hhs-annual-reports.

Hard copies of the annual report are available by contacting the Board Secretary (07) 4226 5945. Alternatively, you can request a copy by emailing TCHHS-Board-Chair@health.qld.gov.au.

Interpreter service statement

The Queensland Government 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 telephone (07) 4226 5974 and we will arrange an interpreter to effectively communicate the report to you.

Licence

Attribution

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Aboriginal people and Torres Strait Islander people are advised that this publication may contain words, names, images, and descriptions of people who have passed away.

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

TCHHS respectfully acknowledge the Traditional Owners and Custodians of the Land on which we live and work, recognising their connection to the lands and waterways, and seas - for thousands of years that continues to this day.

We value the culture, traditions, and contributions that the Aboriginal and Torres Strait Islander peoples have made to our communities and recognise that our collective responsibility as government, communities and individuals are to ensure equity and equality, recognition, and advancement of Aboriginal and Torres Strait Islander peoples in Queensland in every aspect of our society.

TCHHS pay our respects to Elders both past and present and extend that respect to all emerging leaders.

Cape York and Northern Peninsula Area

Gudang, Yadhekhanu, Ankamuthi, Atampaya, Thanakwithi, Tjungundji, Yupungathi, Taepadhighi, Anathangayth, Mbakwithi, Wuthathi, Kuuku Y'au Northern Kaanju, Pakanha, Koko Bera, Koko Berrin (aka Koko Nar), Yir Yiront (aka Koko Minjena), Kunjen, Guugu Yimidhirr, Eastern Kuku Yalanji, Western Kuku Yalanji, Wik, Wik Way, Uutaalnganu, Lama Lama, Umpila, Kaanju, Kunjen Olkol, Kuku Thaypan (Awu Alaya), Kuku Yawa (Kuku Olan/Agu Alwan), Kuku Warra, Alngith, Wathayn, Peppan, Anathangayth, Mbiywom, Yinwum, Wik Mungkan, Wik Ompom, Mbiywom, Wik Iiyeyn, Atampaya, Gudang Yadhaigana, Wuthathi, Taepadhighi, Thayorre, Yiidhuwarra,

Torres Strait Islands

The five tribal nations of the Torres Strait Islands: the Kaiwalagal, the Maluilgal, the Gudamaluilgal, the Meriam and the Kulkalgal Nations.

3 September 2024

The Honourable Shannon Fentiman MP

Minister for Health, Mental Health and Ambulance Services and Minister for Women

GPO Box 48

Brisbane QLD 4001

Dear Minister

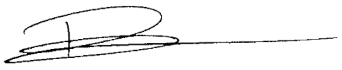
I am pleased to submit for presentation to the Parliament the Annual Report 2023-2024 and financial statements for TCHHS.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies.*

A checklist outlining the annual reporting requirements is provided on page 107 of this annual report.

Yours sincerely



Renee Williams

Chair

Torres and Cape Hospital and Health Board

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STATEMENT ON QUEENSLAND GOVERNMENT OBJECTIVES FOR THE COMMUNITY

TCHHS supports the Queensland Government's objectives for the community of:

- Good jobs: Good, secure jobs in our traditional and emerging industries.
- Better services: Deliver even better services right across Queensland.
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

The *Torres and Cape Hospital and Health Service Strategic Plan 2023-2027* outlines our goal of strengthening the region through the development of a sustainable, safe and supported local workforce, growing our ability and capability to respond to local needs by delivering innovative self-sufficient services closer to home.

TCHHS's vision aligns with the directions outlined in HealthQ32: A vision for Queensland's health system.

MESSAGE FROM THE BOARD CHAIR

As a proud Aboriginal and Torres Strait Islander, I acknowledge the Traditional Owners of the lands and waters we work and live on.

This has been a year of pivotal change for our Health Service, a change that has seen our services strengthened, and the voices of our community heard. It is a change that I support and am proud to be part of.

Joining as Board Chair for TCHHS in April 2024, I pay my respects to my predecessor, Ms Elthies Kris, who led the Board since 2019, and acknowledge her for her work in the role. I also acknowledge outgoing Board members Ms Kaz Price, Ms Marjorie Pagani and Ms Tara Diversi for their contributions. I thank my fellow Board members for their strong support and commitment to local and regional healthcare over the past year, and welcome new Board members. A majority – five of our eight members – of the Board now identify as First Nations, with representation from the Torres Strait, Northern Peninsula Area and Cape York.

TCHHS's income for 2023-2024 was $349.347 million. Total expenses for 2023-2024 were $349.346 million, meaning the Health Service has achieved a balanced funding position for the financial year.

The independent investigation into the delivery of healthcare services provided by TCHHS, commissioned by the Director-General in August 2023, has been a driver of change and I look forward to seeing the report delivered in early 2024-2025.

I thank Health Service Chief Executive (HSCE) Mr Rex O'Rourke for his leadership and, along with the Executive Leadership Team (ELT), for acknowledging the concerns of the community, listening to them, and acting in partnership with them to begin developing a shared understanding of the health needs of our communities.

The Health Service launched its *Strategic Plan 2023-2027* in July 2023, which charts a path for the Health Service to strengthen our primary and public health services, support the first 2,000 days of a child's life, develop our workforce and promote wellbeing and safety, provide improved mental health services, and provide care closer to home.

There are many achievements to celebrate – the return of birthing services to Weipa, securing $200 million in funding for the redevelopment of Cooktown Multi-Purpose Health Service (MPHS), the launch of the Care Coordination Service Centre, and the start of the Southern Maternal Child Health Outreach Service.

Supporting our workforce through education opportunities has been a key priority for the Board. The Torres and Cape Hospital and Health Board (TCHHB) Scholarship Program awarded its first six recipients each with $10,000 to support further education in health. TCHHS has also invested $300,000 with the Department of Health's Deadly Start Program to support 15 school-based traineeships at our major facilities in Cooktown, Weipa, Bamaga and Thursday Island, with another $800,000 in student

scholarships available to support up to 10 students' travel and living costs associated with health courses at James Cook University (JCU).

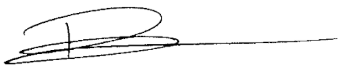
I look forward to continuing our reform efforts in 2024-2025. Our Health Service's operating budget for the coming year is $351.7 million, an increase of nearly 105 per cent over the past 10 years.

We will continue to invest in our services and our staff and listen to and work with the people of our communities. We will finalise the changes to the Board's governance structure in July 2024, reconfiguring from three to four Board Committees.

Consultation and implementation of our Health Equity Strategy will begin in the first half of 2024-2025, providing the cornerstone to increase the number of Aboriginal and Torres Strait Islanders working for TCHHS, and increasing equitable access to culturally and clinically safe services in our region.

I would like to thank all our staff for their commitment and service during these changing times and thank them for all they do to provide such compassionate and exceptional care for our patients and community.

I am proud to present the TCHHS Annual Report 2023-2024.



Renee Williams
Board Chair

MESSAGE FROM THE HEALTH SERVICE CHIEF EXECUTIVE

I would like to acknowledge the Traditional Owners of the lands TCHHS works in, recognise the contributions of Aboriginal and Torres Strait Islander people to our Health Service, and highlight the vital partnerships with our communities to deliver culturally safe, high-quality health care.

As HSCE, I would first like to thank our staff for their hard work and care that they show for our communities. None of our achievements are possible without their tireless effort to ensure our patients, consumers and families are treated with care, skill and compassion.

The trust our community has in our service is a reflection of the skill, expertise and commitment of our amazing staff and the work they do to empower communities to take control of their health care and to deliver health equity.

My thanks also to Mr Dean Davidson, who served as the interim Health Service Chief Executive for the first half of the year until I began in the role on 15 January 2024.

I would also like to acknowledge our Board Chair and Directors of TCHHS for their support and leadership at this critical time. With the Board, we have worked hard to navigate a challenging environment of increasing demand for health services. The Board has championed and supported TCHHS to build strong, robust relationships with community and our partners.

Our Executive Leadership Team has had over 150 separate engagements with our partners and local Councils to listen to their priorities and build trust; we are continuing to work towards establishing formal partnership engagements with local Councils and health partners to better coordinate and share information to support better health outcomes for the communities we serve.

Our staff at our 35 facilities have regularly met with local community members to promote health awareness, career opportunities and pathways, to give people confidence in our services and the chance to tell us what they need. This illustrates our commitment to meaningful engagement and robust partnerships with our community, which is fundamental to the success of the Health Service.

I thank our staff and stakeholders who have contributed to the independent Investigation into the delivery of healthcare services provided by TCHHS, which will be delivered in early 2024-2025.

Though it can be a challenge to be faced with scrutiny, the Health Service has actively engaged in the investigation process and has taken it as an opportunity to renew relationships with our partners and strengthen the services we deliver.

Since January, we have ensured that cultural and clinical safety are at the centre of our work, we have strengthened our Aboriginal and Torres Strait Islander health workforce and supported our Primary Health Care Centres to build capability and capacity.

Maternity services are the centerpiece of every rural and remote region, and a key priority for TCHHS in 2023-2024. We re-opened birthing services at Weipa Integrated Health Service after 25 years, upgraded and refurbished the maternity unit as part of the redevelopment of Thursday Island Hospital, and

launched the Southern Maternal Child Outreach Service, cementing our commitment to delivering clinically and culturally safe care closer to home.

The launch of the Care Coordination Service Centre in November 2023 was an important milestone in supporting patients from remote areas who need to travel for care. The Centre is the first of its kind in Queensland, created in partnership with Cairns and Hinterland Hospital and Health Service (CHHHS) and the Queensland Aboriginal and Islander Health Council (QAIHC). More than 1,500 clients have been supported through the centre, reducing the need for patients to travel out of their communities, and providing support when accessing specialist services in Cairns.

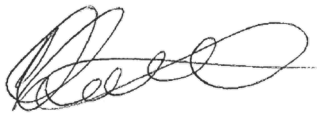
Following the devastation of Tropical Cyclone Jasper and the prolonged flooding which deemed the Wujal Wujal Primary Health Care Centre (PHCC) uninhabitable, TCHHS partnered with local Councils to build and deliver health services from a temporary modular clinic at Wujal Wujal under the Queensland Government's 60-day plan to return displaced residents to their community.

As the Health Service with the largest percentage of Aboriginal and Torres Strait Islander workforce, in a region where 70 per cent of our population is Indigenous, their contributions and importance cannot be overstated.

We are committed to taking further steps to grow our First Nations workforce. We are working with our partners to introduce new roles and professional pathways for Aboriginal and Torres Strait Islander Health Workers, and look to implement the recommendations of the Department of Health's Recruitment and Policy Review to improve and sustain employment outcomes for Indigenous People.

Psychosocial safety is fundamental to maintaining a culturally safe and secure workplace, and the Health Service is committed to continuing its work of putting in place strategies to support and empower staff.

As we look forward into 2024-2025, the $200 million announcement for the redevelopment of Cooktown MPHS, the launch of our Integrated Child Development Service, and completion of Kowanyama Renal Dialysis Unit are exciting prospects. These initiatives, and others, are testament to our commitment to provide the best possible care to the people of our region.



Rex O'Rourke
Health Service Chief Executive

ABOUT US

TCHHS is an independent statutory authority governed by a Board and established under the *Hospital and Health Boards Act 2011*. It is managed from hubs in Cairns, Cooktown, Weipa and Thursday Island and covers an area of 130,238 square kilometres. TCHHS comprises 31 PHCC, two hospitals, a MPHS, and an Integrated Health Service (IHS). Nearly 70 per cent of the population in the region identify as Aboriginal and/or Torres Strait Islander. We are one of Australia's largest providers of health services to Aboriginal and Torres Strait Islander peoples.

STRATEGIC DIRECTION

The *TCHHS Strategic Plan 2023-2027* was developed following extensive consultation with our staff and community. It sets the future directions and actions for TCHHS to meet the healthcare challenges and opportunities of our region.

OUR VISION	OUR PURPOSE
Healthy lives, lived well.	Working together: quality and respectful care, close to home.

OUR PRIORITIES

- Strengthen primary and public healthcare services: provide integrated primary and public healthcare to prevent avoidable diseases and improve quality of life through the management of chronic conditions.
- Enhance health and development services to support the first 2,000 days of life: Invest in the early years to give the best possible start to life.
- Develop our workforce and promote wellbeing and safety: support staff health and wellbeing and provide opportunities for people to achieve their career aspirations.
- Provide services that embody healthy minds and support consumers with addictions: nurture the healthy minds and wellbeing of those that access our services.
- Provide care closer to home: increase self-sufficiency, service capability and capacity.

OUR OPPORTUNITIES:

- Better support for health equity and access to services for all people with the Torres and Cape.
- Strengthen the focus on primary and public healthcare.
- Build stronger partnerships and networks within the region.
- Increase self-sufficiency through growth in service capability and sustainability of services.

- Ensure infrastructure and assets provide fit-for-purpose care closer to home.
- Improve data analytics through digital transformation.
- Optimise asset management within TCHHS.
- Support staff career aspirations through training and education.

OUR VALUES – C.A.R.E

- Courage
    - Being courageous and striving for excellence
    - Giving feedback
    - Driving innovative ideas
    - Doing the right thing
- Accountability
    - Being accountable to yourself, your commitments and your communities
- Respect
    - Being sensitive to the thoughts and feelings of others
    - Having integrity
    - Valuing the differences in others
- Engage
    - Working together
    - Continuously improving
    - Supporting others in the workplace

The values describe the core principles that shape the direction of TCHHS. New staff are introduced to our values during orientation, and they have been embedded into recruitment and training practices.

OUR GUIDING PRINCIPLES

Our Guiding Principles provide a description of what good healthcare should look and feel like for patients of TCHHS and underpins the design and delivery of health services across our communities.

The development of *Our Guiding Principles* was informed by the Health Service's Strategic Plan, Health Equity Strategy (HES) and the Local Area Needs Assessment, utilising a co-design approach with community members, patients and clients, business partners and workforce. Following consultation with staff, community members and stakeholders, the agreed Six Guiding Principles aim to provide healthcare which:

- Is community centered
- Is responsive to need and culture
- Has equitable access
- Is strength-based
- Is holistic and collaborative
- Embeds primary health and health promotion

The principles inform service improvement opportunities throughout the Health Service.

ABORIGINAL AND TORRES STRAIT ISLANDER HEALTH

TCHHS has the largest percentage of people in Queensland identifying as Aboriginal and Torres Strait Islander as well as the greatest diversity of Traditional Owner Groups. There are more than 16,000 Aboriginal and Torres Strait Islander residents from over 60 different Traditional Owner Groups living in our communities.

These Traditional Owner Groups comprise of different kinships, languages, cultural beliefs and cultural practices which are strong and protective factors for reducing the risks of poor health. However, there is also a broad health inequity across these Aboriginal and Torres Strait Islander populations. More than two-thirds of disease burden come from six leading broad causes:

- cancer
- cardiovascular disease
- chronic respiratory disease
- diabetes
- intentional injuries
- mental health

MAKING TRACKS TOGETHER - HEALTH EQUITY STRATEGY

On 30 April 2021, the *Hospital and Health Boards (Health Equity Strategies) Amendment Regulation 2021* changed the *Hospital and Health Boards Regulation 2012* to specify the minimum requirements each Hospital and Health Service must adhere to during the development and implementation of their HES, including prescribed stakeholders, key priority areas and actions to achieve health equity.

Hospital and Health Boards (Health Equity Strategies) Amendment Regulation 2021 Section 8 13A “state the Service’s key performance measures, as agreed by the Service and the Chief Aboriginal and Torres Strait Islander health officer, that relate to improving health and wellbeing outcomes for Aboriginal people and Torres Strait Islander people”.

In 2022, TCHHS conducted face-to-face consultations in 27 communities across TCHHS as part of the co-design process to develop our six priorities:

- Actively eliminate racial discrimination and institutional racism within the Service.
- Increase access to healthcare services.
- Influence the social, cultural, and economic determinants of health.
- Deliver sustainable, culturally safe, and responsive healthcare services.
- Work with Aboriginal people, Torres Strait Islander people and Aboriginal and Torres Strait Islander communities and organisations to design, deliver, monitor and review health services.
- Strengthen our Aboriginal and Torres Strait Islander Workforce.

The inaugural *TCHHS Health Equity Strategy 2022-2025* was published on 16 December 2022 to meet the adjusted milestones.

In January 2024, the inaugural *Health Equity Strategy Implementation Plan (HESIP)* was also published following extensive work with prescribed stakeholders to incorporate both statewide KPIs and TCHHS-specific KPIs as outlined in the Strategic Plan. The HESIP key performance indicators, timeframes, and appropriate owners/co-owners have now been integrated into TCHHS's strategic reporting system. This will support the effective monitoring of progress, and implementation, of our HES.

Planning is currently underway for further community and stakeholder engagement in 2024-2025. Through the previous consultation, TCHHS received feedback from community members that the HES 2022-2025 did not accurately reflect their perspective as not all the communities were offered an opportunity to participate in HES consultation.

We are committed to ensuring that all Aboriginal and Torres Strait Islander communities can participate in the co-design consultation for the revised Strategy 2025-2028. It is important that we reflect on feedback provided, listen, and walk together with Aboriginal and Torres Strait Islander people on this journey to guide us to deliver culturally safe health care that is shaped by the cultural values of Aboriginal and Torres Strait Islander peoples.

PROGRAMS FUNDED FOR ABORIGINAL AND TORRES STRAIT ISLANDER RESIDENTS

In 2023-2024, $2.46 million in cumulative funding was provided to TCHHS under the *Making Tracks Investment Strategy*. The funding is administered by the Department of Health's Aboriginal and Torres Strait Islander Health Division. With this funding, TCHHS undertakes several ongoing initiatives and projects that contribute to the improvement of Aboriginal and Torres Strait Islander health outcomes. These include:

- **Torres Strait Hostel – Meriba Mudh**: Meriba Mudh continues to provide appropriately located accommodation to patients travelling to Thursday Island for attendance at the hospital, specialist clinics, birthing and post-partum. Occupancy rates align with the specialist clinic schedule. There is also consistent usage of long stay rooms for women waiting to birth. An officer from *Meriba Omasker Kaziw Kazipa* has been engaged into the Meriba Mudh Hostel and has provided contact details for patients contemplating Island Adoption. The Facility Manager is working on reinstating yarning circles in the 2024-2025 period.
- ***Queensland Health Aboriginal and Torres Strait Islander Cultural Capability Framework 2010-2033***: Torres Strait and Cape York - Cultural capability training and education has continued in 2023-2024. Training is delivered through face-to-face and virtual sessions. 89 per cent of staff completed their cultural capability training throughout the year. Cultural Capability Officers also provided training in *Yumpla Tok* - Torres Strait Creole Basics, advised TCHHS's learning and advisory group and coordinated cultural awareness celebrations for Reconciliation Week 2024 and NAIDOC Week 2024.
- **Northern Peninsula Area Maternal and Infant Service and Outreach Maternal Health Service**: The Midwifery Group Practice (MGP) have been providing weekly service to the Northern Peninsular Area (NPA) as part of the Maternal and Child Health Program. Each

woman has a named midwife for the duration of pregnancy, birth and for the first six weeks of the postnatal period. The MGP midwives have been working closely with Aboriginal and Torres Strait Islander Health Workers within this model of care to ensure delivery of culturally safe and best practice maternity care is provided to the women and families of the NPA. There are currently 91 registered MGP clients in the NPA area, averaging 10 antenatal visits and four post-natal visits per client. Clients are referred to various other medical services, where applicable, as part of their care plan.

- **Child and Youth Mental Health Service (CYMHSA) – Aurukun:** CYMHSA continues to provide high level culturally sensitive clinical services in response to referrals. Services are offered to family members/carers as well as the identified child/young person to better support their needs. The service has partnered with other State Government Departments, Apunipima Cape York Health Council Ltd. (ACYHC), and the local Indigenous Knowledge Centre to improve engagement, active involvement in learning, and providing alternative education programs.
- **Transition to Community Control Project – Napranum Partners in Care:** TCHHS is supporting ACYHC to develop a communication and consultation plan to support the transition to community control. ACYHC has developed a Social Prescribing Model of Care and is working with five local families on a proof-of-concept project. It is expected that the project will be completed and assessed in the 2024-2025 period.
- **Outreach Maternal Health Service:** The service is now providing care for mothers and infants in eight communities in Cape York. In 2023-2024, four Aboriginal and Torres Strait Islander Health Workers, six Maternal, Child and Family Clinical Midwifery Consultants, one Maternal Child Health Social Worker and one Administration Officer were successfully recruited to the program. As of 31 March 2024, the service conducted 464 child health checks and referred 376 women and families to the TCHHS Midwifery Navigation team to support their birthing in Cairns.
- **First Nations Palliative Care:** This program aims to increase our Health Worker workforce to provide sustainable, culturally safe, and responsive end-of-life care. In the 2023-2024 period, 87 per cent of patients referred to the palliative care team were successfully supported by our service to return to their chosen community, to pass on country.

OUR COMMUNITY-BASED AND HOSPITAL-BASED SERVICES

TCHHS is responsible for the delivery of local public hospital and health services in the geographical area stretching from Boigu Island in the north of the Torres Strait, down to Wujal Wujal on the east coast, and Kowanyama in western Cape York.

We are responsible for the direct management of the facilities within the geographical boundaries including:

- Aurukun PHCC
- Badu Island PHCC
- Bamaga Hospital
- Bamaga PHCC
- Boigu PHCC
- Coen PHCC
- Cooktown MPHS
- Dauan PHCC
- Erub (Darnley Island) PHCC
- Iama (Yam Island) PHCC
- Hope Vale PHCC
- Kowanyama PHCC
- Kubin PHCC
- Laura PHCC
- Lockhart River PHCC
- Mabuiag Island PHCC
- Mapoon PHCC
- Masig (Yorke Island) PHCC
- Mer (Murray Island) PHCC
- Napranum PHCC
- New Mapoon PHCC
- Ngurapai (Horn Island) PHCC
- Pormpuraaw PHCC
- Poruma (Coconut Island) PHCC
- Saibai PHCC
- Seisia PHCC
- St Pauls PHCC
- Thursday Island Hospital
- Thursday Island Community Wellness Centre
- Thursday Island PHCC
- Ugar (Stephen Island) PHCC
- Umagico PHCC
- Warraber (Sue Island) PHCC
- Weipa Integrated Health Service (IHS)
- Wujal Wujal PHCC

Thursday Island Hospital, Weipa IHS and Cooktown MPHS are Level 3 facilities providing low to moderate-risk inpatient and ambulatory care services. Bamaga Hospital provides low risk inpatient and ambulatory clinical care services. TCHHS residents access highly complex care and procedures at Cairns, Townsville and Brisbane Hospitals.

The offices in Cairns host TCHHS's business, finance, human resources, asset management, patient safety, quality, performance and planning, and some clinical outreach services. The significant regional hubs are in Cooktown, Weipa, Bamaga and Thursday Island.

SERVICES

Our services include emergency, primary health and acute care, public health, medical imaging, oral health, maternity, aged care, allied health, palliative and respite services, and visiting specialist services. TCHHS provides several services through a mixed model of locally located services and visiting teams including mental health, oral health and BreastScreen Queensland.

We support a wide range of healthcare providers including outreach teams and visiting specialist services from other health services and non-government providers.

REGIONAL HEALTH PARTNERSHIPS

As part of our strategic plan to achieve ‘excellence in healthcare’ and ‘advance health through strong partnerships’, TCHHS maintains agreements and close working partnerships with local healthcare organisations, including:

- Northern Queensland Primary Healthcare Network (NQPHN)
- ACYHC
- Northern Peninsula Area Family and Community Services Aboriginal and Torres Strait Islander Corporation
- Royal Flying Doctor Service
- CHHHS
- Centre for Chronic Disease, Australian Institute of Tropical Health and Medicine – JCU.

Through these partnerships, we support a wide range of healthcare providers, including outreach teams and visiting specialists from other health services and non-government providers to deliver healthcare for people closer to their homes. TCHHS works in collaboration with visiting specialists including paediatricians, ophthalmologists, renal specialists and surgeons who use Hospital and Health Service (HHS) facilities and typically travel from Cairns.

RESEARCH

Aligned to the strategic vision and purpose, health and medical research in our patch helps our community to have healthy lives and receive quality and respectful care close to home. Robust governance and developing research capacity has been a focus for TCHHS, through the following activities:

- Embedding robust governance oversight of research activities, through the Research Governance Committee, local policies, regular reporting, and engagement with stakeholders throughout TCHHS.
- Advancing a supportive research culture through providing access to research education and skill development, communicating research outcomes, and celebrating local successes.
- Implementing the National Clinical Trials Governance Framework Workplan, aiming to facilitate the smooth integration of potential clinical trials-related activities into existing practices.

- Continued membership of the Tropical Australian Academic Health, increasing opportunities for local collaborations and workforce research participation in TCHHS.
- Supporting partnerships with external Principal Investigators in developing arrangements that assist academic researchers and TCHHS clinicians to work together particularly on the health issues that matter most to our communities.

CONSUMER ADVISORY COMMITTEE

The TCHHS Consumer Advisory Committee (CAC) met quarterly to discuss and advocate consumer issues on behalf of consumers (consumer representatives, patients, and community), and actively partnered with the Health Service to achieve continuous improvement in safe and timely person-centred care.

The CAC provided consumer feedback to shape the delivery of local health services, by providing advice from the consumer perspective and strategic direction on key consumer priorities.

The CAC provided key input into the development of the TCHHS Patient Travel Pack, the Charter of Healthcare Rights specific for TCHHS Aboriginal and Torres Strait Islander patients and worked in collaboration with the Care Coordination Service Centre on initiatives to enhance the patient journey.

The CAC provides advice on improving health services to TCHHS's Board, Executive and to the National Safety and Quality Health Service (NSQHS) Standards Committees by:

- Participating on TCHHS project steering committees such as the Best Practice Implementation Project, Standards Committees and governance committees.
- Advocating for changes to the Patient Travel Subside Scheme for Torres and Cape patients, carers and families.
- Hosting Yarning Circles in communities, including for the Department of Health and Ageing for their National After-Hours Review.
- Presenting at staff, local and state-wide forums on their lived experience as a consumer.
- Reviewing and providing feedback on internally developed information for patients, carers, families, and consumers.
- Working with the specialist outreach team on improved methods of communications for appointments and simplified wording in appointment letters which has been adapted across the state.
- Participating in recruitment panels for key positions across TCHHS.
- Engaging with key services and programs across the HHS to ensure care is person-centered, culturally sensitive and meets the person's wholistic needs (physical, emotional, spiritual, cultural, financial, family, community).
- Providing consumer feedback and collaborating with TCHHS in relation to new projects/initiatives.
- Collaborating with the organisation in the evaluation and redesign of structures and processes for improvement and highlighting any gaps.

- Partnering in organisational design and governance by being involved with planning and strategic reviews.
- Providing input in workforce training and education to incorporate consumer views and experiences.

CONSUMER EXPERIENCE SURVEYS

The number of consumer experience surveys submitted declined in 2023-2024, with 739 surveys collected as of 29 May 2024. The decline is attributed to not having a target number set in the first half of the financial year. Out of those surveyed, 100 per cent felt that they were treated with respect and felt safe and welcomed at our facilities, demonstrating a high level of satisfaction. There was also a minor increase in consumer awareness of the National Charter of Healthcare Rights.

According to those surveyed, social media (39 per cent) and posters on local notice boards (45 per cent) are the two most preferred media methods for receiving Health Service information.

The responses are collected and collated through the Measurement and Analysis Reporting System. The data is then used to inform TCHHS where it can improve its services for the community.

TARGETS AND CHALLENGES

For strategic targets and performance measures, see the Performance section on page 49.

INDEPENDENT HEALTH SERVICE INVESTIGATION

In June 2023, Torres Strait Mayors and the Torres Strait Regional Authority Chairperson wrote to the Queensland Premier seeking an investigation into public health services. Their primary concern was a perceived decline in the overall health status of their communities attributed to failures in the quality of care (access, timely, safe, patient-centred) provided to Aboriginal and Torres Strait Islander people.

In August 2023, an Investigation was commissioned under Part 9 of the *Hospital and Health Boards Act 2011* by the Director-General of Queensland Health to investigate and report on matters relating to the management, administration or delivery of public sector health services, including employment matters, by TCHHS in the delivery of public health services to Aboriginal and Torres Strait Islander people in the TCHHS district. TCHHS acknowledges the importance of this independent investigation and is fully engaged in the process.

The Health Service is committed to strengthening its services to ensure the community has confidence in the high quality, culturally appropriate care delivered to the communities of Cape York, the NPA and the Torres Strait Islands.

The Health Service has been proactive in addressing the issues raised by the community while the Investigation has progressed. Initiatives include:

- a 12-Week Plan to firstly improve communication with our communities, and address some of the misperceptions surrounding our delivery of health services.

- a Business Case for Significant Change for our Aboriginal and Torres Strait Islander Health Workforce, introducing four Indigenous Hospital Liaison Officer positions, and establishing five key management roles that would support education and professional development of our Indigenous Health Workforce.
- the TCHHB established a Scholarship Program, offering six scholarships to assist First Nations Health Workers to enhance their skills.
- TCHHB and ELT have been regularly meeting with the 13 Mayors and Councils within our region and are progressing memorandums of understanding to formalise our partnerships with them, and to ensure that we continue to engage and be accountable.
- TCHHS has commenced the establishment of a new First Nations governance structure to ensure cultural input in planning and decision making. This is part of progressing the HES across all the communities of the TCHHS.

Part A of the Investigation relating to the assessment of health services provided by TCHHS is expected to be delivered to the Director-General in August 2024. Part B of the Investigation relating to cultural safety is anticipated to be provided prior to the end of 2024.

The Health Service will respond to the outcomes of the Investigation and work to implement recommendations in consultation with the Torres and Cape Ministerial and Community Health Taskforce, local Councils and members of the community.

TCHHS has also continued to provide information to Investigators in relation to Part B of the Investigation.

GOVERNANCE: OUR PEOPLE

BOARD MEMBERSHIP

Ms Renee Williams

Board Member – Chair
MPH, AssDeg BusAdmin (ATSI studies)
AdvDip CommSectMgmt
Cert IV IndigLeadership
Appointed: 1 April 2024
Current term: 1 April 2024 to 31 March 2028

Ms Williams brings over two decades of experience dedicated to advancing Aboriginal and Torres Strait Islander Affairs. She is an experienced health executive with a focus on empowering communities across the health, research, and not-for-profit sectors.
Currently she is serving as Chief Executive Officer of the Torres Health Indigenous Corporation. In her role, Ms Williams spearheads initiatives aimed at fostering healthy lifestyles and providing vital educational resources to the vibrant community of Torres Strait Islands.
Ms Williams has a Masters in Public Health, an Associate Degree in Business Administration (Aboriginal and Torres Strait Islander Studies) and an Advanced Diploma in Community Sector Management.
Ms Williams is a proud Aboriginal and Torres Strait Islander woman. She has cultural links to the Bindal and Juru people in North Queensland and maternal linkages to the Wakka Wakka people, along with Mer and Erub Islands in the Torres Strait.

- Chair, Executive and Performance Committee
- Member, Audit, Risk and Finance Committee

Dr Scott Davis

Board member – Deputy Chair
PhD IndSoc&EcCapBldg, MIPH, GradCertARLP, DipEd
Appointed: 18 May 2016
Current term: 1 April 2022 to 31 March 2026

Dr Davis has worked in regional rural and Indigenous health and development and is committed to addressing the social determinants of health for rural and remote Indigenous committees. He has more than 25 years' experience in senior leadership roles within the health, education and research sectors and more than 20 years of board experience. Dr Davis holds a range of directorships within the commercial, not for profit and community sectors. He holds a Doctorate in Indigenous Community Capacity Development (social and economic development) and a Masters in International Public Health.
Dr Davis is a member of our Board and holds the following positions:

- Chair, Safety and Quality Committee
- Member, Executive and Performance Committee

Ms Karen Price

Board Member
MEd, PGDipVocEd, BAgrSc (Hons), AdvDipCommSecMgmnt, MAICD
Appointed: 11 December 2015
Term completed 31 March 2024

Ms Price lives in Cooktown and has been involved with community and land management organisations and regional economic and development projects for the past 20 years. She was Chief Executive Officer of the Cooktown District Community Centre for 10 years and oversaw the establishment of systems and quality improvements to ensure the sustainability of the place-based service. Ms Price previously served eight years as a Councillor for Cook Shire and was formerly the Manager of the Cape York Hospital and Health Service Learning and Development Unit. Ms Price has formal qualifications in Management, Agriculture and Education. Ms Price was a member of our Board and held the following positions:

- Member, Audit, Risk and Finance Committee
- Member, Executive and Performance Committee

Ms Susan Hadfield

Board Member
BScN, CertIVTA, CertTLQM, CertTLQM (NDIS)
Appointed: 19 September 2020
Current term: 1 April 2024 to 31 March 2028

Ms Hadfield is currently retired after more than 40 years working in clinical nursing, leadership, and management of State-wide projects and clinical services roles throughout both rural, regional, and metropolitan Queensland.

Ms Hadfield is committed to improving the experience of health service users and delivery of health services and outcomes for people in rural and remote communities.

An area of experience and advocacy Ms Hadfield offers is inclusion of service reforms which are sensitive to the Indigenous people and rural and remote communities. This was particularly relevant when Ms Hadfield led the coordination of cancer service projects and service reforms to improve patient experience, timeliness, and access to services across the state and Far North Queensland rural and remote communities. Ms Hadfield is a member of our Board and holds the following positions:

- Member, Safety and Quality Committee
- Member, Executive and Performance Committee

Mr Darren Thamm

Board Member
BCom, FCA(Aust), CIA, RCA
Appointed: 18 May 2021
Current term: 1 April 2024 to 31 March 2028

Mr Thamm offers more than 20 years of experience in the field of accounting within commerce and public accounting across a wide number of industry sectors. Mr Thamm is a Fellow Chartered Accountant, a Registered Company Auditor and a Certified Internal Auditor. He is a partner of Jessup's NQ, a specialist auditing and assurance firm based in North Queensland and has acted as Auditor for a wide range of clients across local government, indigenous organisations, charities, and not-for-profit community organisations. Mr Thamm has also presented educational training courses in the fields of accounting and audit for universities and professional accountancy bodies. Mr Thamm is a member of our Board and holds the following position:

- Chair, Audit, Risk and Finance Committee
- Member, Executive and Performance Committee

Ms Karyn Watson

Board Member
GDipIndigHProm, DipATSIPrimH, DipBusGov
Appointed: 18 May 2021
Current term: 1 April 2024 to 31 March 2028

Ms Watson is a proud Torres Strait Islander woman who resides in Seisia, Northern Peninsula Area of Cape York. Ms Watson has extensive knowledge of Aboriginal and Torres Strait Islander health, specific to primary health care. She has a great passion for health and social wellbeing and has been highly involved strategically and operationally planning and implementing health initiatives and programs to bring about positive health outcomes for the region. Ms Watson has worked within the primary health care sector for the past 16 years, including seven years in management positions, and has enjoyed the challenges involved with the business and tailoring services to meet the specific needs of community. Ms Watson is a member of our Board and holds the following positions:

- Member, Executive and Performance (up until 14 May 2024)
- Member, Safety and Quality Committee

Ms Kirstyne Davis

Board Member
AdvDipBusMgmt (HRM)
Appointed: 8 February 2024
Current term: 8 February 2024 to 31 March 2026

Ms Davis is a proud First Nations woman, of both Torres Strait and Aboriginal heritage. She grew up on the lands of the Gimuy Walubara Yidinji people (Cairns). She has more than 20 years' experience leading strategic community and business development projects in FNQ. She has held senior executive positions across Cape York and the Torres Strait region. Ms Davis is the Chief Executive Officer of the Cape York Institute for Policy, Leadership, and Innovation. She is passionate about improving the health, education, and safety of First Nations communities. She is a member of the Torres Strait Kaziw Meta Boarding College Management Committee, a Director of the Puuya Foundation, Lockhart River, and the Girls from Oz Australia. These positions align with Ms Davis' passion for building capability in our Youth and Grass Roots Program and policy development. Ms Davis is a member of our Board and holds the following positions:

- Member, Audit, Risk and Finance Committee

Mr Jason Ramsamy

Board Member
AdvDipProcCtrt, DipProjMgmt, DipMgmt, DipGovt
Appointed: 8 February 2024
Current term: 8 February 2024 to 31 March 2026

Mr Ramsamy is a proud Aboriginal and Torres Strait Islander man who grew up in Cairns.

He has more than 20 years' experience in policy and program areas in Queensland, Northern Territory and Commonwealth government agencies. Mr Ramsamy has worked to conserve, protect and manage country in the environment and social services sectors. He also has experience in procurement and contract management, and project management. He is a qualified boilermaker.

Mr Ramsamy is currently the Director for the Traditional Use Marine Resources Agreements with the Great Barrier Reef Marine Park Authority in Cairns. Mr Ramsamy is a member of our Board and holds the following positions:

- Member, Audit, Risk and Finance Committee

Mr Dion Creek

Board Member
Cert IV Cons&LandMgmt, DipBusAdmin
Appointed: 1 April 2024
Current term: 1 April 2024 to 31 March 2028

Mr Creek is the Chief Executive Officer of the Cape York Land Council. He is leading efforts to secure traditional owner rights and interests in Cape York and protect cultural heritage.

He was raised in Cape York and is dedicated to Indigenous rights and sustainable development.

Mr Creek is passionate about indigenous and men's health. As Chair of the Coen Regional Aboriginal Corporation (CRAC), he spearheaded the establishment of the Coen Men's Shed.

He is the founder of Kalan Enterprises, a traditional owner-controlled land management organisation in Coen. He is the co-founder of Kalan Civil.

Mr Creek fosters community development and local Indigenous employment via Kalan Enterprises and Kalan Civil and promotes holistic health initiatives and social outcomes through CRAC. Mr Creek is a member of our Board and holds the following positions:

- Member, Safety and Quality Committee

Ms Elthies (Ella) Kris

Board Member – Chair
A/Prof CPHMVS(JCU), MPH, GDipIndigHProm
Appointed: 18 May 2019
Term ended 31 March 2024

Ms Kris is a proud Torres Strait Islander woman, with cultural connection to the land and sea from her father from Mabuiag, Saibai and St Pauls and her mother from Mer and Erub. She carries and lives by her mother’s totem Serar (tern bird). Ms Kris brings more than 20 years of experience within the health industry, including corporate, primary health care and public health and through volunteering with Torres Shire Council to lead, support and empower health changes within her community of Thursday Island. Ms Kris has a Graduate Diploma in Indigenous Health Promotion, a Master of Public Health and is an Adjunct Associate Professor within JCUs College of Public Health, Medicine and Veterinary Science. As well as being the former Chair of our Board, Ms Kris also held the following positions:

- Chair, Executive and Performance Committee
- Member, Audit, Risk and Finance Committee

Ms Marjorie Pagani

Board Member
BA(Hons), LLB, DipMed, DipArb, FDRP, CPL, GAICD
Appointed: 18 May 2021
Term ended 13 December 2023

Ms Pagani has lived in Far North Queensland most of her life, commencing her profession as a barrister in 1991, then primarily involved in the Children's Court and representing young people on Palm Island. Ms Pagani has more than 30 years' experience in law, mediation and arbitration, and board positions in the private, public, and government sectors, as well as holding the rank of Squadron Leader with the Royal Australian Air Force specialist legal corps for 17 years. She is the Chief Executive Officer of Angel Flight which offers free non-emergency medical transport flights for people in rural and remote areas to city centres. Ms Pagani is a member of the JCU Council, and chair of the JCU Audit, Risk and Compliance Committee and deputy Chair of the Estate Committee. She is also founder and General Manager of the Australian Farm Animal Rescue Matters (AFARM) charity, on the Atherton Tablelands, where she lives. Ms Pagani was a member of our Board and held the following positions:

- Member, Safety and Quality Committee
- Member, Audit, Risk and Finance Committee

Miss Tara Diversi

Board Member
GAID, MBA, MND, GDipPsyc, PGDipPsyhc, APD
Appointed: 1 April 2022
Term ended 31 March 2024

Miss Diversi is an accredited practicing dietitian, starting her career in Cairns in private practice and in public health nutrition throughout Cape York in 2003 and since, working in almost all areas of dietetics. Miss Diversi is the CEO of Sophus Nutrition, a digital nutrition platform that improves accessibility and affordability of expert nutrition and dietetic care through the combination of evidence-based nutrition with psychology, behavioral economics and technology. She also holds current roles as the President and Chair of Dietitians Australia; National Dietetic Adviser to the Department of Veterans Affairs; Member of NQPHN and Regional Innovation Facilitator for Cairns. Growing up in Kununurra and Cairns fueled Miss Diversi's initial passion and work focused on First Nation's nutrition in Australia and Papua New Guinea, which drives her continued interest in improving health and outcomes for Aboriginal and Torres Strait Islander peoples. Miss Diversi was a member of our Board and held the following positions:

- Member, Safety and Quality Committee
- Member, Audit, Risk and Finance Committee

ROLE OF THE BOARD

TCHHS was established on 1 July 2014 pursuant to the *Hospital and Health Boards Act 2011* and the *Hospital and Health Boards Regulation 2012*.

Members of the TCHHB are appointed by the Governor in Council on the recommendation of the Minister for Health, Mental Health and Ambulance Services and Minister for Women. The Hospital and Health Board is responsible for the governance and control of the HHS, appointing the HSCE, setting the HHS's strategic direction, and monitoring the HHS's financial and operational performance.

This is to ensure strategic objectives are met, quality healthcare services are provided, compliance and performance is monitored, financial performance is achieved, effective systems are maintained, and community engagement through meaningful consultation and collaboration is strengthened.

The key focus is on patient-centered care and meeting the needs of the community in line with government policies and directives and national standards. Our Board consists of eight members who bring a wealth of experience in primary healthcare, health management, clinical expertise, financial management and community engagement.

All members either reside in the area or have substantial community and business connections with the various Torres Strait, NPA and Cape York communities and have a first-hand knowledge of the health consumer and community issues of the region. These professional skills and community-based board members contribute to the governance of the TCHHS collectively as a Board through attendance. They met monthly during the 2023-2024 year.

In accordance with the *Hospital and Health Boards Act 2011*, the Board ensures appropriate policies, procedures and systems are in place to optimize service performance, maintain high standards of ethical behaviour and, together with the HSCE, provide leadership to the HHS's staff.

To enable the Board to concentrate on substantial strategy and performance management matters, other supplementary Board work has been divested to three Board Committees, as prescribed by the *Act*:

1. Audit, Risk and Finance Committee
2. Executive and Performance Committee
3. Safety and Quality Committee

Board and Committee Attendance 2023-2024

Torres and Cape Hospital and Health Board					
Act or instrument		*Hospital and Health Boards Act 2011*			
Functions		Refer to section 'About Us'			
Achievements		Reported throughout the Annual Report			
Financial reporting		Refer to financial statements			
Remuneration					
Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Renee Williams	4 (2 Board / 2 committee)	$68,243	$4,500	$17,000
(Previous) Chair	Elthies Kris	18 (9 Board / 9 committee)	$68,243	$4,500	$54,000
Member	Dr Scott Davis	25 (10 Board / 15 committee)	$35,055	$4,500	$39,000
Member	Karen Price	17 (7 Board / 10 committee)	$35,055	$4,000	$30,000
Member	Susan Hadfield	12 (7 Board / 5 committee)	$35,055	$4,000	$39,000
Member	Darren Thamm	19 (10 Board / 9 committee)	$35,055	$2,500	$37,000
Member	Marjorie Pagani	9 (3 Board / 6 committee)	$35,055	$4,000	$18,000
Member	Tara Diversi	18 (8 Board / 10 committee)	$35,055	$4,000	$29,000
Member	Karyn Watson	15 (8 Board / 7 committee)	$35,055	$4,000	$39,000
Member	Dion Creek	1 (1 Board / 0 committee)	$35,055	$2,000	$11,000
Member	Kirstyne Davis	4 (3 Board / 1 committee)	$35,055	$2,000	$14,000
Member	Jason Ramsamy	4 (3 Board / 1 committee)	$35,055	$2,000	$14,000
Number of scheduled meetings / sessions	36				
Total out of pocket expenses	$9,394.69				

EXECUTIVE AND PERFORMANCE COMMITTEE

The Executive and Performance Committee is a formal committee of the TCHHB and functions under the authority of Board in accordance with section 32B (1) of the *Hospital and Health Boards Act 2011* and *Hospital and Health Boards Regulation 2012*.

The Executive and Performance Committee supports the TCHHB by working with the HSCE to progress strategic issues identified by the Board and strengthening the relationship between the Board and the HSCE to ensure accountability in the delivery of services by the HHS.

The Executive and Performance Committee met monthly during 2023-2024, and considered several matters, including:

- Strategic Plan
- Operational Plan
- Our Guiding Principles
- HESIP
- Aboriginal and Torres Strait Islander Workforce Strategy

SAFETY AND QUALITY COMMITTEE

The Safety and Quality Committee is a formal Committee of the TCHHB established in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011*, and performs the functions described under Part 7, section 32 of the *Hospital and Health Boards Regulation 2012*.

The Safety and Quality Committee supports TCHHS and TCHHB by working with the HSCE to maintain and improve the safety and quality of the health services being provided by the service. In addition, the Safety and Quality Committee provides oversight of safety and quality and research-related strategies, performance, governance arrangements and improvements within the HHS and oversees compliance to state and national standards.

The Safety and Quality Committee met on a bi-monthly basis during 2022-2023, and considered several matters, including:

- Clinical governance
- Patient safety and quality
- Staff health and safety
- Public health
- Allied Health
- Accreditation in accordance with the National Safety and Quality Health Service Standards
- Accreditation Attestation requirements
- Research governance
- Clinical Audits Schedule
- Review of Strategic Documents:
    - Clinician Engagement Strategy
    - Clinical Governance Framework

AUDIT, RISK AND FINANCE COMMITTEE

The Audit, Risk and Finance Committee is a formal committee of the TCHHB functions under the authority of the Board in accordance with schedule 1, section 8 of the *Hospital and Health Boards Act 2011*, the *Hospital and Health Board Regulation 2012* Part 7 – sections 31 and 34; and section 35 of the *Financial and Performance Standard 2019*.

The purpose of the Audit, Risk and Finance Committee is to support the TCHHB by working with the HSCE to maintain and improve the financial and risk management of the HHS and providing oversight of financial statements, internal control structure, internal audit functions, risk management systems and compliance systems. The Committee also oversees the HHS's liaison with the Queensland Audit Office.

The Audit, Risk and Finance Committee met monthly during the 2023-2024 year and considered several matters, including:

- Financial statements
- Internal audit reports, strategic audit plan and charter
- Results of external audit
- Queensland Audit Office areas of significance
- Risk Registers and Risk Appetite Statement
- Portfolio Management
- Legislative Compliance Register
- Department of Health and Chief Finance Officer Assurance Statements
- Changes to Accounting Standards
- Asset Stock take and Impairment Assessment

EXECUTIVE MANAGEMENT

Mr Rex O'Rourke

Health Service Chief Executive

Responsibilities:

- Service Level Agreement
- HHS strategy and reform
- Whole of HHS performance
- Capital investment governance.
- Organisational units in Office of CE portfolio

Mr O'Rourke has experience in the strategic leadership of health and human services in rural and remote areas of Western Australia (WA) and the Northern Territory (NT). He has engaged with Aboriginal Community-Controlled Organisations in WA, NT and the Australian Capital Territory.

He also worked in the United States to contribute to national health reforms.

Mr O'Rourke is passionate about health equity for Aboriginal and Torres Strait Islander people and working towards closing the gap for health outcomes.

Ms Marita Sagigi

Acting Executive General Manager Northern Sector

Responsibilities:

- Management of staff
- Facilities and service operations (Torres Strait Islands and NPA)
    - Safety, access and compliance
    - Performance
    - Workforce
    - Facilities
- Workforce planning
- Stakeholder engagement
- HHS wide strategy
- Organisational units across the Northern sector portfolio

Ms Sagigi is a proud Dauareb descendant from the Eastern Islands of the Torres Strait. Ms Sagigi has worked on Thursday Island since 2005 as a Medical Scientist at the Thursday Island Pathology laboratory. She joined TCHHS in June 2020 as the Operations Manager Primary Health Care.

In January 2021 she became Manager of Corporate Services North. Ms Sagigi has an interest in supporting workforce development and promoting health as a career for local community members. She is passionate about providing a high-quality health service to the Torres Strait and NPA with cultural safety embedded throughout.

Mr Michael Catt

Executive General Manager Southern Sector

Responsibilities:

- Management of staff
- Facilities and service operations (South)
    - Safety, access and compliance
    - Performance
    - Workforce
    - Facilities
- Workforce planning
- Stakeholder engagement
- HHS wide strategy
- Organisational units across the Southern sector portfolio

Mr Catt has over 33 years' experience working for Queensland Health in clinical and senior roles. He is a registered nurse qualified in mental health nursing. He also has a Master of Business Administration with a focus in health management and leadership.

Mr Catt joined TCHHS in 2018. He has been our Director of Mental Health, Alcohol and Other Drugs and the Director of Nursing for the PHCCs in Cape York. He has also worked as a surveyor with the Australian Council on Healthcare Standards across remote locations. Mr Catt focuses on robust governance systems to meet national standards, and to carry out the clinical and strategic plans.

Ms Wendy Burke

Acting Executive Director Aboriginal and Torres Strait Islander Health

Responsibilities:

- Professional lead - Aboriginal and Torres Strait Islander Health Worker and Health Practitioners
- Workforce strategic lead for Aboriginal and Torres Strait Islander health programs and services
- Closing the Gap strategy
- Executive Sponsor - Consumer Advisory Committee
- Organisational units in Aboriginal and Torres Strait Islander Health portfolio

Ms Burke joined TCHHS in February 2022, and is acting in the Executive Director of Aboriginal and Torres Strait Islander Health role. She is a proud Aboriginal woman, born in Rockhampton. Her cultural connections are to the Iman Clan and Wadja Wadja. With 40 years’ experience, Ms Burke devotes her work to improve the health and well-being of Aboriginal and Torres Strait Islander people.

She has a clear approach, working with stakeholders to close the gap in life expectancy for Aboriginal and Torres Strait Islanders. Ms Burke has a wealth of experience engaging with Aboriginal and Torres Strait Islander communities.

Ms Amanda Wilson

Executive Director Allied Health

Responsibilities:

- Professional lead - Allied Health streams
- Care at the end of Life
- Healthcare in the Home
- Strategic workforce planning
- Aged care
- National Disability Insurance Scheme (NDIS)
- Organisational units in Allied Health portfolio

Ms Wilson is a health leader and speech pathologist who has experience in hospitals, community health and in private practice. She has also worked in the not-for-profit and Aboriginal community-controlled health sectors. She has an interest in strategic workforce development, advocacy, and Aboriginal and Torres Strait Islander health. Ms Wilson has held roles as General Manager and Head of Clinical Services at Royal Far West, a national rural and remote children's health charity. She has worked in clinical and leadership roles with CHHHS and ACYHC.

Ms Wilson holds a Bachelor of Science (Biomedical Science), Masters in Speech Pathology and post-graduate qualifications in Health Administration, Policy and Leadership. She is passionate about improving equity for accessing high quality care and improving results with people's health in rural and remote communities.

Ms Danielle Hoins

Executive Director Finance, Information and Digital Services

Responsibilities:

- Financial Services
- Corporate Governance
- ICT Services
- Information and Cyber Security
- Digital Health Services
- Contracts and Procurement
- Supply Chain Management
- Disaster and Emergency Management
- Risk and Compliance
- Organisational units in Finance Information and Digital Services portfolio

Ms Hoins has 17 years’ experience in financial and corporate services management in the Queensland Health sector. Her expertise is in the financial service, change leadership, and developing and adopting corporate governance systems.

Ms Hoins provides strategic and operational leadership in managing finances. She advises the Board and Executives to ensure they meet the strategic goals, while making sure financial stewardship and governance plans are in place.

Ms Hoins is a qualified Accountant and a Fellow of Certified Practicing Accountant Australia, with a Graduate Certificate in Public Sector Management and Bachelor of Commerce. She has completed the Australian Institute of Company Directors course, the Harvard Business School Change Leadership Program, QUTex Digital Project Board Governance Micro Credential and Advanced Leadership Program with Women and Leadership Australia.

Dr Marlow Coates

Executive Director Medical Services

Responsibilities:

- Professional lead - Medical Officers
- Oral Health lead and operations
- Clinical Governance and Service delivery
- Clinical Council
- Pharmacy
- Professional lead – Radiology (medical imaging)
- Public Health
- Organisational units in Medical Services portfolio (including Specialist Services in Ear Nose and Throat, Nephrology, Paediatrics, Dermatology)

Dr Coates is a Rural Generalist Senior Medical Officer working on Thursday Island. He began his career with Queensland Health in Mackay in 2012, before moving to Torres and Cape in 2015.

Dr Coates has held the roles of Senior Medical Officer, Acting Medical Superintendent, Northern Director of Medical Services. He has worked as the Executive Director of Medical Services since 2021.

He holds a Fellowship of the Royal Australian College of General Practitioners, Fellowship of the Australian College of Rural and Remote Medicine, Associate Fellowship of the Royal Australian College of Medical Administrators, is a member of the Joint Consultative Committee on Anaesthesia, a Graduate Member of the Company Directors Course and is a current Royal Australasian College of Medical Administrators candidate in training. He is also a former Physiotherapist. Dr Coates is focused on closing the gap in health experienced by First Nations people and other Queenslanders living in remote areas.

Mr Jacob Walsh

Acting Executive Director Nursing and Midwifery

Responsibilities:

- Professional lead – Nurses and Midwives
- Mental Health, Alcohol and Other Drugs Service
- Organisational units in Nursing and Midwifery Services portfolio

Mr Walsh joined TCHHS in 2016 working on Thursday Island. He is currently the Acting Executive Director Nursing and Midwifery Services. He has worked in frontline and leadership roles in mental health, sexual health and primary health care in Queensland and the Northern Territory.

Mr Walsh was most recently the Interim District Director of Nursing Southern PHCCs. He holds a Bachelor of Nursing, Post Graduate Diploma in Mental Health Practice and is currently completing a Masters in Business Administration (Health Management). Mr Walsh is focussed on the strategic direction of nursing and midwifery at TCHHS across all levels and teams.

Mr Manu John

Executive Director Strategy and Investment

Responsibilities:

- Portfolio Management Office
- Project Delivery Directors
- Portfolio Business Analyst
- Strategic Asset Management
- Strategy, Planning and Performance
- Planning, delivery and maintenance of assets
- Capital Works
- Land and Tenure
- Organisational units in Strategy and Investment portfolio

Mr John commenced as Executive Director Strategy and Investment in June 2024.

He joins TCHHS from the Western Australian Department of Health. He served as the Director of Corporate Services for the North Metropolitan Health Service. Prior to that he was the Director of Business Services for the WA Country Health Service.

He holds a Masters of Business Administration with a focus on asset management, project management and finance. Manu brings a wealth of leadership experience and expertise to the role. He is passionate about turning strategic plans into workable solutions, supporting a solid organisational structure and fostering staff growth.

Ms Sally O’Kane

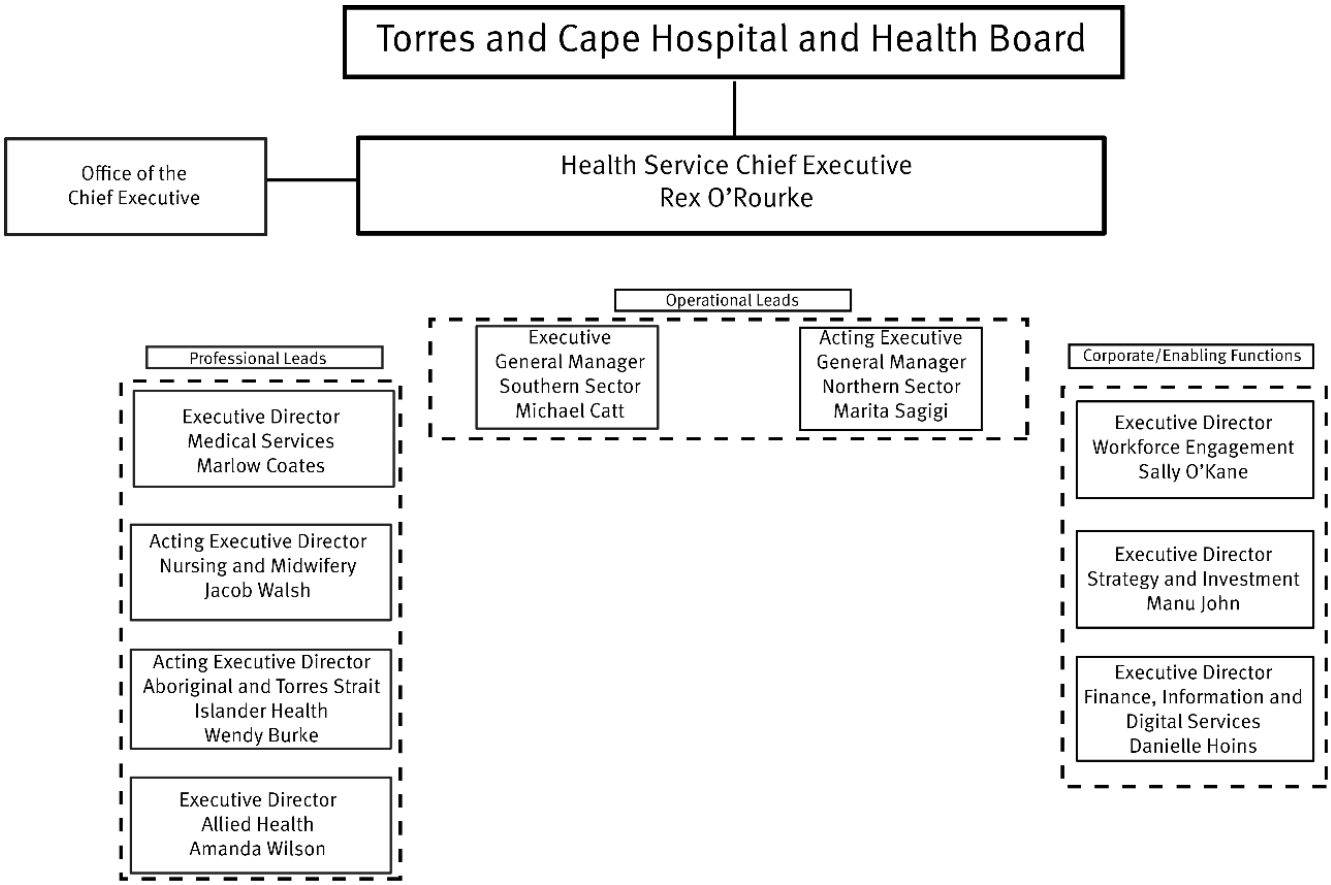
Executive Director Workforce Engagement

Responsibilities:

- Strategic and operational human resources
- Strategic workforce planning
- Recruitment hub
- Industrial and employee relations
- Integrated learning centre
- Workforce health and safety
- Integrated Workforce Management System
- Organisational units in Workforce and Engagement portfolio

Ms O’Kane’s Human Resource career spans over 25 years and is responsible for all human resource related services provided to the employees of the Torres and Cape. She is passionate about improving the workplace culture and embracing our cultural diversity so employees truly feel valued and respected in a workplace, so they can bring their best self to work.

ORGANISATION STRUCTURE AND WORKFORCE PROFILE



As of 30 June 2024, TCHHS employed an FTE staff establishment of 1,185.74, an increase of 101.74 FTE from 2022-2023. The total headcount was 1,300. A breakdown of this total is reflected in the tables below.

Figure 1: Gender

Gender	Number (headcount)	Percentage of total workforce (calculated on total headcount)
Woman	1,005	77.31%
Man	294	22.62%
Non-binary	1	0.08%

Figure 2: Diversity target group data*

Diversity Groups	Number (headcount)	Percentage of total workforce (calculated on total headcount)
Women	1,005	77.31%

Aboriginal Peoples and Torres Strait Islander Peoples	283	21.77%
People with disability	24	1.85%
Culturally and Linguistically Diverse – speak a language at home other than English^	219	16.85%

^ This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home.

Figure 3: Target group data for Women in Leadership Roles

	Women (headcount)	Women as a percentage of total leadership cohort (calculated on headcount)
Senior Officers (Classified and s122 equivalent combined)	1	100%
Senior Executive Service and Chief Executives (classified and s122 equivalent combined)	3	50%

Figure 4: Occupation Types by FTE

Type	FTE	%
Corporate	185.09	15.61%
Frontline and Frontline support	1,000.65	84.39%

Figure 5: Appointment Type by FTE

Type	FTE	%
Permanent	890.73	75.12%
Temporary	244.50	20.62%
Casual	45.41	3.84%
Contract	4.99	0.42%

STRATEGIC WORKFORCE PLANNING AND PERFORMANCE

ABORIGINAL AND TORRES STRAIT ISLANDER WORKFORCE

In 2023-2024, TCHHS employed 283 Aboriginal and Torres Strait Islander people (21.77 per cent) across all occupational streams. This is a 10.6 per cent increase in the number of Aboriginal and Torres Strait Islander staff employed compared to the previous year (252).

In September 2023, an Aboriginal and Torres Strait Islander Workforce Business Case for Significant Change was developed to improve community engagement, cultural support and liaison services for patients and improved resourcing to support the Aboriginal and Torres Strait Islander Health Worker and Health Practitioner workforce. Nine new positions have been proposed:

- four Indigenous Hospital Liaison Officers
- a Director of Aboriginal and Torres Strait Islander Health Professions
- two Aboriginal and Torres Strait Islander Health Workforce Managers
- two Aboriginal and Torres Strait Islander Health Workforce Educators

As at 30 June 2024, the four Hospital Liaison Officer roles were being recruited. Extensive consultation with staff, union partners and stakeholders was conducted throughout the reporting period to finalise the role descriptions and organisational position of the management and education positions. It is expected that this will be finalised early 2024-2025.

WORKFORCE DIVERSITY AND WELLBEING

TCHHS is committed to creating an inclusive and equitable workplace where everyone is valued, respected, and empowered to reach their full potential. TCHHS finalised its *Diversity, Equity and Inclusion (DEI) Action Plan 2024-2026* in June 2024. The Plan outlines TCHHS's workforce diversity targets over the next three years:

- 44.5 per cent of the workforce identified as Aboriginal and Torres Strait Islander
- 50 per cent of senior leadership positions occupied by women
- 15 per cent of the workforce culturally and linguistically diverse
- 4 per cent of the workforce made up of people with a disability

The Action Plan has five focus areas: senior executive commitment, employee engagement and belonging, DEI awareness and education, fair and inclusive practices, and data analytics and reporting. It is expected that learning resources and staff engagement will commence in the first half of 2024-2025.

TCHHS also recognises the importance of managing psychosocial hazards and risks to workers and other persons. Throughout 2023-2024, the Health Service has progressed work on a system-wide psychosocial wellbeing assessment to provide employees with an opportunity to share their stories that have impacted them, to enable them to heal and move forward. In consultation with union partners, the

Terms of Reference for the assessment are being finalised. Opportunities for staff to take part in the assessment will be available during 2024-2025.

TCHHS encourages and facilitates conversations regarding contemporary flexible working arrangements supporting a healthy work-life blend for all staff.

Employees have access to an Employee Assistance Service (EAS) provided by Telus Health. The program provides confidential counselling and support to employees and provides information, advice and support to help improve wellness and wellbeing.

In addition, the EAS offers a dedicated online service to provide professional advice on financial issues impacting on an individual's wellbeing. TCHHS supports employees to access financial seminars on salary packaging and superannuation seminars to assist their understanding of retirement preparation and income protection.

CODE OF CONDUCT

As required by the *Public Service Ethics Act 1994*, the Code of Conduct in the Queensland Public Service has been in place since 2011 and applies to all TCHHS employees. We support and uphold the Queensland Public Service Values. Staff are required to complete mandatory ethics, integrity and accountability online training annually to support an understanding of their obligations under the *Public Sector Ethics Act 1994*.

INDUSTRIAL RELATIONS

TCHHS has several local consultative forums that support a collaborative approach to consultation with unions. The overarching Health Consultative Forum, attended by the HSCE and members of the ELT, has strategic oversight of people management issues and is the peak body for unresolved matters from the local consultative forums.

RECRUITMENT REVIEW 2023

Following a Ministerial Roundtable meeting in June 2023, a commitment was made by the Department of Health and TCHHS to review its recruitment approach and processes to ensure that they aligned to best practice, and to improve and sustain employment outcomes for Aboriginal and Torres Strait Islander people.

The review, conducted during November and December 2023, identified experiences of discrimination of Aboriginal and Torres Strait Islander employees TCHHS. The report proposed a comprehensive set of 35 recommendations spanning vacancy management, advertising, application processes, recruitment and selection, onboarding, policy, graduates, accommodation, engagement with the community, capability development, and sustainable communities.

These recommendations emphasise cultural awareness, respect, and inclusivity, while seeking to create culturally safe workplaces that foster diversity and support the professional growth of Aboriginal and Torres Strait Islander employees. The Working Group aimed to provide practical recommendations that

can be integrated into the broader Health Service Investigation, align TCHHS recruitment practices with contemporary legislative reforms and contribute to a healthcare environment reflective of the communities it serves. The final report was published in May 2024, with TCHHS accepting all the recommendations. As of 30 June, TCHHS was in the process of recruiting a project manager to scope a comprehensive implementation plan for the recommendations.

RECRUITMENT INITIATIVES

TCHHS's 'Career Up Here' campaign is a series of videos, social media and marketing material made to support recruitment campaigns. The campaign is designed to both attract and educate potential staff about our region. TCHHS has partnered with the Department of Health's Creative Services team to provide new content early in 2024-2025. With workforce shortages in healthcare at statewide and national levels, TCHHS has continued to have robust recruitment campaigns at allied health, medical and rural and remote conferences across the country, with more planned in 2024-2025. TCHHS has also been supported by the Queensland Government's 'We Are Queensland Health' recruitment campaign, building on the 'Make a Healthy Career Move' campaign which aimed to attract health workers to rural and remote locations.

LEARNING AND DEVELOPMENT

Supporting our strategic goal of developing our workforce and promoting wellbeing and safety, TCHHS Learning and Development's aim is to foster a culture of continuous learning and improvement. Staff are supported from the moment they join TCHHS, with regular induction and orientation sessions. All staff are supported through Performance and Development Plans. They have access to face-to-face and online training, incentive schemes, traineeship and apprenticeship opportunities. These include:

- iLearn
- Study and Research Assistance Scheme Network
- Administrative and Operational Training and Development Education Funds (Cunningham Centre)
- PARROT Online education
- Clinicians Knowledge
- Rural and Isolated Practice (Scheduled Medicines) Registered Nurse course

To improve our online training capabilities, in July 2023, TCHHS transitioned to a new Learning Management System called Learning On-Line (LOL). Nine other HHSs are utilising LOL, including Gold Coast and Sunshine Coast HHSs. LOL enables staff to:

- Access all mandatory training in one place.
- Record completion of online courses automatically.
- Access the training calendar for all face to face/Teams training sessions that TCHHS offers, and the ability to enroll directly into a course.
- Review their individual compliance status and receive reminder emails if training is overdue.

- Access LOL from any device with internet access (computer, laptop, tablet or mobile phone).
- Line Managers can view their team's mandatory training compliance and enroll their staff directly into training courses.

EARLY RETIREMENT, REDUNDANCY AND RETRENCHMENT

In the 2023-24 financial year, TCHHS did not pay any redundancy, early retirement, or retrenchment packages.

GOVERNANCE: OUR RISK MANAGEMENT

TCHHS is committed to managing risk in a proactive, integrated, and accountable manner to ensure its strategic and operational objectives are achieved. These objectives include the provision of culturally sensitive, high quality, innovative, safe, efficient, and effective health services to the communities of our region.

TCHHS uses an Enterprise Risk Framework, underpinned by the Queensland Department of Health's Risk Management Framework and is aligned to the principles of *International Organisation for Standardisation ISO31000:2018*. The Framework enables TCHHS to manage its risks to support the successful achievement of strategic objectives and to enable all decision makers to be fully informed of risk to ensure risks are appropriately managed in a structured, transparent, responsive, and timely manner.

TCHHS has a single risk register that captures the strategic and operations risks and is divided across the business functions of the service. The risk register is managed through RiskMan, a statewide system.

The Board Audit, Risk and Finance Committee undertakes a full system review annually. The Risk Management Framework, Risk Appetite Statement and Risk Analysis Matrix are also reviewed on an annual basis. Accountable leads are responsible for managing risks within the Board's appetite.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister of Health, Mental Health and Ambulances Services and Minister of Women to the HHS during the financial year and the action taken by the HHS as a result of the direction. During the 2024-2024 period, no directions were given by the Minister to TCHHS.

INTERNAL AUDIT

TCHHS has an established Internal Audit function in accordance with Section 29 of the *Financial and Performance Management Standard 2019*. The organisation has engaged an external consultant with the expertise to undertake internal audit functions for the Health Service.

Internal Audit's primary objective is to provide independent and objective assurance to the Board, via the Board Audit, Risk and Finance Committee, on the state of risks, internal controls, and organisational governance, and to provide management with recommendations to enhance current systems, processes, and practices.

Internal Audit assists the TCHHB and HSCE to accomplish their strategic and operational objectives by developing a systematic, disciplined approach to evaluate and improve the effectiveness of business risk management, control, and governance processes.

There were three main areas scheduled for review during 2023-2024:

- **Fleet Management:** A review of Fleet Management was undertaken to provide assurance that TCHHS evaluates the adequacy and effectiveness of its frameworks, related risk management

strategies, processes and controls related to the management and utilisation of its fleet. The review included checking that processes are in place to develop, monitor and review the fleet replacement plan and budget in line with TCHHS requirements and asset management plans. Ensuring that appropriate measures are in place to monitor the misuse of vehicles including driver/operator licensing and behaviours was also considered during the review.

- **Organisational Culture:** A review of organisational culture is currently underway to evaluate the adequacy and effectiveness of processes and activities established by Management to define the current and desired organisational culture within TCHHS. Current mechanisms in place for monitoring the existing organisational culture will be assessed, including the identification of discrepancies between the current and desired state. Initiatives and actions taken by management to bridge the gap between the current and desired organisational culture will be reviewed, focusing on the sustainability and ethical considerations of such initiatives.
- **Performance Management (SLA/KPI):** A review of the Performance Management Framework and underlying processes is underway to assess the effectiveness of TCHHS in meeting the KPIs outlined in the Service Agreement. Focus on performance improvement, benchmarking and compliance is also included. The review will determine if TCHHS's framework reflects the updates in the Queensland Health Framework (July 2023), particularly regarding KPIs and will make recommendations for KPI Management.

EXTERNAL SCRUTINY, INFORMATION SYSTEMS AND RECORD KEEPING

TCHHS's operations are subject to regular scrutiny from external oversight bodies. These include, but are not limited to:

- Quality Innovation Performance Limited (QIP)
- Queensland Coroner
- Office of the Health Ombudsman (OHO)
- Queensland Audit Office
- Crime and Corruption Commission

QUEENSLAND AUDIT OFFICE

For the 2022-2023 financial year, TCHHS was subject to the annual external audit by Queensland Audit Office. TCHHS received an unqualified audit report on its financial statements for the 2022-2023 year. There are no significant findings or issues identified by this external reviewer on our operations or performance.

NATIONAL STANDARDS ACCREDITATION

TCHHS is currently accredited by QIP until 29 December 2025.

THE OFFICE OF THE HEALTH OMBUDSMAN

The OHO is an independent body established under the *Health Ombudsman Act 2013*. The OHO provides a single point of entry for health service complaints and operates in a co-regulatory model with the Australian Health Practitioner Agency when dealing with notifications and complaints about registered health practitioners and students in a registered profession. The OHO also deals with complaints about unregistered health practitioners and health service organisations and facilities.

TCHHS has bi-monthly meetings with OHO assessment and resolution officers, chaired by TCHHS's Executive Director Medical Services, to review all open and recently closed matters to maintain transparency and accountability and ensure that any actions are undertaken in a timely manner. As at 30 June, TCHHS had 10 open matters being assessed or under investigation by OHO with no actions overdue or outstanding.

DIGITAL SERVICES

In 2023-2024, TCHHS focussed on Digital Foundation priorities identified in the Queensland Health Digital Health Strategy for Rural and Remote Health and the Queensland Health Digital Strategy 2031.

TCHHS remains an active member of the Statewide Rural and Remote Digital Health Care Committee, which has made significant progress on key initiatives listed on the investment roadmap, including immediate priorities identified across all Remote Hospital and Health care services.

TCHHS aspires to become a digital-first healthcare service, by designing, developing, and delivering digital services that truly meet people's needs. TCHHS has four digital priorities:

1. Business Continuity: our highest priority – includes upgrades to internet in our regions, Wi-Fi for our very remote staff accommodation, and most importantly satellite data backup in our facilities during periods of black outs and natural disasters. Work is well underway and will continue into 2024-2025.

2. Unified Primary Healthcare System: The Rural and Remote Health Service Chief Executives are considering how to approach a long-term vision of access to our primary healthcare data as either one system, or integration of many, to provide our clinicians with a seamless experience. This is in the planning stages with eHealth Queensland.

3. Shared Information: how we can enhance information sharing with other HHSs and external health service providers to provide enhanced patient experience and continuity, patient safety, and quality. This is well underway with enhancements to the Viewer to enable other partners to share patient level data and collaborating with Royal Flying Doctors Service (RFDS) to adopt our primary healthcare electronic medical record in our region.

4. Cohesive Data: enhancing business intelligence in the four Rural and Remote Hospital and Health Services through data analytics and dashboard reporting. This work is well underway with dashboard capability being rapidly expanded for financial and activity performance reporting.

Another significant milestone in line with these priorities has been the implementation of a single primary health care Electronic Medical Record (EMR) across the HHS. This initiative, Best Practice Implementation Project, is a joint project between TCHHS and eHealth Queensland. The project has seen successful progress in 2023-2024:

- **Group 1 Cluster Transition**: The Group 1 cluster has successfully transitioned to the new EMR system, demonstrating the project's viability and setting a strong foundation for subsequent phases. This initial success includes transitioning five Cape facilities and 200 staff to the single EMR system.
- **Benefits and Impact**: The new EMR system enhances clinical workflow efficiency, improves data accuracy, and ensures better coordination of care. It facilitates seamless access to patient records, contributing to more informed clinical decision-making and improved patient outcomes.
- **Future Phases**: Building on the success of the Group 1 cluster, Groups 2 and 3 are planned for full transition by November 2024. This work will expand the EMR implementation across an additional eight facilities and 300 staff, ensuring all primary health care services within the HHS benefit from this integrated system.

In line with our health service strategic objectives, several other information technologies, information management, and digital health service improvements have occurred in 2023-2024 including:

- Development of an eHealth Account Plan to provide better accountability and transparency of the delivery of agreed eHealth program of works that will deliver on our digital priorities.
- Ongoing cyber-security protection across the HHS including management of potential breaches in partnership with eHealth Cyber Security Group, including state-wide incident exercises in the event of a major breach.
- Enhanced education and training for remote staff through access to improved eLearning programs.
- Working in partnership to enhance information sharing pathways with the Department of Health and our other key partners in the region.
- Increased Business Intelligence and Information Management across HHS facilities with a focus on data quality initiatives, enhanced primary healthcare data reporting and advanced dashboard reporting.
- Digital enhancements and reporting to assist with own source revenue opportunities.

TCHHS creates, receives, and keeps clinical and business records to support the legal, clinical, community, and stakeholder requirements. Business and clinical records exist and are available in physical and digital formats, in line with the *Public Records Act 2002*. TCHHS is supported by the Statewide Queensland Health Information Management and Coding Service.

Patients and clients of TCHHS continue to be able to obtain access to records by applying under the *Right to Information Act 2009* and the *Information Privacy Act 2009*. Information is available and processes are in place to help patients gain access to their medical records.

During the 2023-2024 financial year, TCHHS has actively managed and assessed information security risks against TCHHS's risk appetite with appropriate assurance activities undertaken in line with the requirements of the *Queensland Government Enterprise Architecture (QGEA) Information security policy (IS18:2018)*.

QUEENSLAND PUBLIC SERVICE ETHICS

TCHHS is committed to implementing and maintaining the values and standards of conduct outlined in the 'Code of Conduct for the Queensland Public Service' under the *Public Sector Ethics Act 1994*. Our Board and ELT ensure that the development of our Strategic Plan is congruent with the ethics principles and Code of Conduct. All staff are provided with education and training on the Code of Conduct and workplace ethics, conduct and behaviour policies. Line managers are required to incorporate ethics priorities and statutory requirements in all employee performance agreements, assessments, and feedback.

In addition to education and training at the point of recruitment, our intranet site provides staff with access to appropriate education and training about public sector ethics, including their obligations under the Code of Conduct and policies. All TCHHS line managers must ensure that staff are provided with access to annual public sector ethics training.

If breaches of the Code of Conduct involving suspected unlawful conduct were to be identified, the matter would be referred to the Department of Health's Ethical Standards Unit or other appropriate agency for any further action.

HUMAN RIGHTS

TCHHS has integrated human rights into its *Strategic Plan 2023-2027*, organisational values, and mandatory training for clinical and non-clinical staff. All our Human Resources and Work Health and Safety policies, procedures and guidelines are regularly reviewed to ensure their compatibility with the *Human Rights Act 2019*.

A human rights intranet webpage is also available that provides staff with up-to-date information and resources about human rights.

From a human rights perspective, the following human rights were protected through actions taken by TCHHS:

- The right to health services.
- The right to protection of families and children.
- The right to humane treatment when deprived of liberty.
- The right to life.

TCHHS was mindful of its obligation to act compatibly with human rights, by ensuring that any limitations on human rights were reasonable and justified. No Human Rights complaints were received by TCHHS during the reporting period.

CONFIDENTIAL INFORMATION

The *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. TCHHS did not disclose confidential information in the public interest during 2023-2024 in accordance with s160 of the *Hospital and Health Board Act 2011*.

PERFORMANCE

NON-FINANCIAL PERFORMANCE

TCHHS monitors progress of our *Strategic Plan 2023-2027*. Progress in 2023-2024 aligned to the strategic plan priorities including:

Priority	Performance Indicator	Achievements 2023-2024
Strengthen primary and public healthcare services *Provide integrated primary and public healthcare to prevent avoidable disease and improve quality of life through the management of chronic conditions*	• Retaining staff with skills and experience in healthcare across all streams. • Optimize utilisation of public health data in primary healthcare service delivery by ensuring primary care clinics have aligned and endorsed business plans. • Annual increase in formal partnerships, external contracts and/or collaborative agreements across agencies. • Increase in community engagement forums with community engagement integrated into primary care clinics business plans.	• Successfully recruited seven medical officers, 50 nurses, 15 Allied Health staff and four Aboriginal and Torres Strait Islander Health Workers. • GP Service opened at Aurukun PHCC • Progressed the development of MOUs with 13 Councils to formalise partnerships and ensure ongoing engagement and accountability. • Progressed the development of overarching service agreements with RFDS, NPA Family and Community Services, Torres Health and ACYHC. • Established a Public Health Unit who have responded to significant public health incidents including dengue and APSGN outbreaks in the NPA and Torres Strait. • 22 per cent reduction in Acute Rheumatic Fever cases and 63 percent decrease in notified Rheumatic Heart Disease cases since 2022-2023. • Number of 715 Health Checks performed at primary health care centre increased by 20 percent in 2023-2024.
Enhance health and development services to support the first 2,000 days of life *Invest in the early years to give the best possible start to life*	• Increased engagement of women attending antenatal appointments before 10 weeks gestation by five per cent per annum.	• Launched the Maternal Child Health Outreach Service: o Vaccination rates in 0-4 age groups within serviced communities are above 80 per cent.

Priority	Performance Indicator	Achievements 2023-2024
	• Reduce high risk factors for low birth weight babies by achieving two smoking cessation referrals when smoking is present during pregnancy. • Greater than 95 per cent immunisation compliance against the National Immunisation Program and a 10 per cent increase in child health checks for children less than five years. • Increase upskilling support and availability to all staff to maternal and child health and development programs. • Increased access to child development services and a 10 per cent increase in occasions of service.	○ 100 per cent of Women receiving care from the service have attended five or more antenatal appointments. ○ 95 per cent of women using the service have been screened for gestational diabetes.
Develop our workforce and promote wellbeing and safety *Support staff health and wellbeing and provide opportunities for people to achieve their career aspirations*	• Increased cultural capability of staff with 100 per cent of new staff receiving Cultural Practice Program training. • Two per cent increase of Aboriginal and Torres Strait Islander peoples within all disciplines of the workforce each year. • Six per cent growth in Aboriginal and Torres Strait Islander Health Worker and Practitioner workforce. • Decreased percentage in Work Cover time lost to less than five days. • Improved recruitment through reducing the delays in recruiting to less than 40 days. • Achieve minimum participation rate of 50 per cent and improvement in satisfaction in the Working for Queensland survey.	• 50 per cent participation achieved in the 2023-2024 Working for Queensland Survey. • Health Service has the highest percentage of Aboriginal and Torres Strait Islander Workforce in Queensland Health. • Diversity, Equity, and Inclusion Action Plan 2024-2026 launched. • Launch of TCHHB Scholarship program. • Partnered with Deadly Start Program to provide 15 school-based traineeships. • Partnered with JCU to provide 10 scholarships to assist with costs associated with studying tertiary health courses.
Provide services that embody healthy minds and support consumers with addictions *Nurture the healthy minds and wellbeing of those that access our services*	• 100 per cent implementation of a perinatal and infant mental health service. • Implemented Regional Suicide Prevention Plan with partners and 80 per cent collective attendance in network planning meetings. • Collaborate with key stakeholders to support the implementation of Universal Aftercare across TCHHS.	• Perinatal and Infant Mental Health Service launched.

Priority	Performance Indicator	Achievements 2023-2024
	• Development and improved access to healthy minds, culturally safe resources.	

Provide care closer to home
 	
Increase self-sufficiency, service capability and capacity
	• 100 per cent use of patients and staff accommodation and 10 per cent increase in accommodation in Cooktown and Bamaga.
	• Maintenance of level one HHS performance in accordance with the Queensland Health Performance Framework.
	• Maintain self-sufficiency across the HHS at 55 per cent.
	• Implement a Business Intelligence (BI) framework to better inform decision-making.
	• Improved Information and Communication Technologies (ICT) infrastructure and integrated digital health systems through implementation of the Digital Rural and Remote Strategy.
	• Expand service delivery in communities in palliative care, disability, and aged care.
		• Level one HHS performance position maintained for 2023-2024.
		• Reopened birthing services in Weipa.
		• $200 million funding announced in the State Budget for the redevelopment of Cooktown MPHS.
		• Opened a temporary PHCC in Wujal Wujal after Cyclone Jasper and ensuing floods.
		• The Care Coordination Service Centre launched in partnership CHHHS and QAIHC.
		  ○ Supported more than 1,200 patients who needed to travel to Cairns or further for treatment.
		• Pop-Up Palliative Care Service expanded with two new health worker roles.
		  ○ 87 per cent of patients referred to the palliative care team were successfully supported by our service to return to their chosen community, to die on country.
		• PHCC on Mer Island completed and operational.
		• CT scanner installed at Thursday Island Hospital.
		• Commenced rollout of Best Practice EMR System in Southern Cape York.
		• Kowanyama Renal Dialysis facility nearing completion.

PERFORMANCE: SERVICE STANDARDS

Emergency Departments across TCHHS performed above expectations in the percentage of people attending Emergency Departments seen within recommended timeframes, with 100 per cent of category one patients seen in time. TCHHS also exceeded its targets for category two and three patients. The percentage of people treated within four hours of their arrival in an Emergency Department was 91.8 per cent, which was well above the target of 80 per cent.

The median wait time in Emergency Departments was 13 minutes. In elective surgery, TCHHS exceeded all targets with 100 per cent of patients being treated within clinically recommended times.

In Telehealth, there has been a slight increase of 2,777 service events over the previous year's actual, marking a stabilisation in demand for telehealth services.

Torres and Cape Hospital and Health Service	**2023–2024 Target**	**2023–2024 Actual**
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes		
Category 1 (within 2 minutes)	100%	99%
Category 2 (within 10 minutes)	80%	88%
Category 3 (within 30 minutes)	75%	84%
Category 4 (within 60 minutes)	70%	86%
Category 5 (within 120 minutes)	70%	96%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department	>80%	92%
Percentage of elective surgery patients treated within the clinically recommended times		
Category 1 (30 days)	>98%	100%
Category 2 (90 days)[1]	..	100%
Category 3 (365 days)[1]	..	100%
Median wait time for treatment in emergency departments (minutes)[2]	..	13
Median wait time for elective surgery treatment (days)	..	1
Efficiency measure		
Not identified		
Other measures		

Torres and Cape Hospital and Health Service	2023–2024 Target	2023–2024 Actual
Number of elective surgery patients treated within clinically recommended times		
Category 1 (30 days)	27	49
Category 2 (90 days)[1]	..	112
Category 3 (365 days)[1]	..	162
Number of Telehealth outpatients service events[3]	2,739	2,819
Total weighted activity units (WAU)[4]		
Acute Inpatients	5,789	4,894
Outpatients	4,478	4,706
Sub-acute	163	220
Emergency Department	3,089	2,937
Mental Health	106	74
Prevention and Primary Care	738	720
Ambulatory mental health service contact duration (hours)[5]	>8,116	7,655
Staffing[6]	1,175	1,185

1	Treated in time performance Targets for category 2 and 3 patients are not applicable for 2023–2024 due to the System's focus on reducing the volume of patients waiting longer than clinically recommended for elective surgery. The targets have been reinstated for 2024–2025.
2	There is no nationally agreed target for this measure, and the median wait time varies depending on the proportion of patients in each urgency category.
3	Telehealth 2023–2024 Actual is as at 20 August 2024.
4	All measures are reported in QWAU Phase Q26. The 2023–2024 Actual is based on data available on 19 August 2024. As the Hospital and Health Services have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to the Target can occur.
5	Mental Health data is as at 19 August 2024.
6	Corporate FTEs are allocated across the service to which they relate. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. 2023–2024 Actual is for pay period ending 23 June 2024.

PERFORMANCE: FINANCIAL SUMMARY

TCHHS achieved a balanced position for the year ending 30 June 2024. The operating position was a result of effective financial stewardship in a challenging environment of significant inflationary pressures in our region. TCHHS continues to invest in bringing care closer to home by growing its primary health care services. Services such as expansion in Public Health, Renal, Rheumatic Heart Disease, Cardiac Medical Imaging, Child Development, Skin Health, accreditation of our PHCCs, plus further investment in Medical, Nursing, Allied Health and Health Worker workforce across the region. Other initiatives continue to include significant investment in infrastructure to update the HHSs facilities.

During 2023-2024, TCHHS met its obligation to ensure all services were provided as cost effectively as possible in a challenging high-cost environment. This was exacerbated by the weather event in December 2023 from Tropic Cyclone Jasper that caused severe flooding in the Wujal Wujal community. TCHHS absorbed upfront recovery costs of $2.71m including opening a temporary health facility within 60 days. As a majority non-activity based funded organisation, we are required to continually monitor performance, look for efficiencies, manage costs and actively explore own source revenue initiatives while expanding services to our communities.

WHERE THE FUNDS CAME FROM

TCHHS income from combined funding sources was $349.347 million. Funding was primarily derived from non-activity-based funding of $309.543 million from the Department of Health. Other funding sources included other revenue of $14.23 million, and grants and contributions of $25.574 million, primarily from Australian Government contributions for Indigenous health programs, Rural and Remote Medical Benefits Scheme and Pharmaceutical Benefits Scheme.

WHERE FUNDING WAS SPENT

Total expenses for 2023-2024 were $349.346 million, averaging a $954,500 per day spend on serving the communities in our jurisdiction. The largest expense was against labour costs at $180.499 million. Supplies and services represent the second highest expense at $130.008 million, which includes patient travel costs of $21.396 million, staff travel costs of $11.764 million, aeromedical retrieval costs (patient transport) of $4.484 million, lease costs of $12.696 million, external contractor costs of $33.755 million, computer services of $5.235 million, electricity and other energy costs of $4.995 million and clinical supplies and services of $4.297 million.

FINANCIAL POSITION

TCHHS’s assets comprise of land, buildings, equipment, cash, inventories and receivables balances. Its liabilities are largely represented by supplier and staff accruals. The value of our net assets increased during 2023-2024 by 4.75 per cent or $13.022 million. This was due to the increase in revaluation surplus of $7.127 million, and investment in TCHHS property, plant, and equipment of $32.398 million off set by depreciation of $26.504 million.

DEFERRED MAINTENANCE

Deferred maintenance is a common building maintenance strategy utilised by public and private sector industries. All Queensland Health entities comply with the Queensland Government Maintenance Management Framework which requires the reporting of deferred maintenance.

The Maintenance Management Framework defines deferred maintenance as maintenance work that is postponed to a future budget cycle or until funds become available. Some maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building.

All deferred maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe. As of 30 June 2024, TCHHS had reported deferred maintenance of $56.645 million.

TCHHS has the following strategies in place to mitigate any risks associated with these items:

- Condition Assessments Data and/or Maintenance Requests are risk assessed and prioritised by the Asset Management team, in consultation with various internal stakeholders, to determine if work needs to be undertaken instantly or has no immediate impact on staff safety or clinical operations. Once reviewed, work is either actioned promptly or deferred if it is safe to do so. Works to be actioned are communicated to the Building, Engineering and Maintenance Service team or Capital Works team for delivery.
- TCHHS will continue to seek funding sources for maintenance items that are not safe to defer to the backlog maintenance.
- If eligible, funding for high risk anticipated maintenance items will be sought through the internal Capital Maintenance and Asset Renewal, external Priority Capital Works and Emergent Works Program funding sources.
- The *TCHHS Asset Management Plan* and *Asset Management Strategy 2023-2026* are reviewed annually and incorporates risk management of assets.
- The *TCHHS Strategic Asset Management Plan 2023-2024 to 2032-2033* is reviewed annually and identifies health facilities requiring substantial uplift or renewal.

Torres and Cape Hospital and Health Service
ABN 60 821 496 581

Financial Statements 30 June 2024

30 June 2024

Contents

Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 Actual $'000	2024 Original Budget $'000	2024 *Budget Variance $'000	2023 Actual $'000
Income					
User charges and fees	2	4,349	8,633	(4,284)	4,125
Funding for public health services	3	309,543	279,136	30,407	272,236
Grants and other contributions	4	25,574	26,305	(731)	21,655
Other income	5	9,872	1,441	8,431	4,075
Interest		9	3	6	8
Total income		**349,347**	**315,518**	**33,829**	**302,099**
Expenses					
Employee expenses	6	25,372	32,499	(7,127)	24,275
Department of Health contract staff	7	155,127	153,627	1,500	134,333
Supplies and services	8	130,008	98,205	31,803	108,820
Depreciation	14	26,503	25,387	1,116	23,857
Impairment losses		84	10	74	54
Other expenses	9	12,252	5,790	6,462	8,700
Total expenses		**349,346**	**315,518**	**33,828**	**300,039**
Operating result for the year		**1**	**-**	**1**	**2,060**
Other comprehensive income					
Items that will not be reclassified to operating result					
Increase in asset revaluation surplus	17	7,127	-	7,127	21,288
Total other comprehensive income		7,127			21,288
Total comprehensive income		**7,128**			**23,348**

**An explanation of major variances is included at Note 30*

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position
As at 30 June 2024

	Note	2024 Actual $'000	2024 Original Budget $'000	2024 *Budget Variance $'000	2023 Actual $'000
Current assets					
Cash and cash equivalents	10	35,424	32,065	3,359	36,464
Receivables	11	11,203	2,578	8,625	5,425
Inventories	12	427	640	(213)	608
Other assets	13	3,161	460	2,701	1,916
Total current assets		**50,215**	**35,743**	**14,472**	**44,413**
Non-current assets					
Property, plant and equipment	14	275,650	309,755	(34,105)	264,585
Right-of-use-assets	14	14,571	4,214	10,357	12,110
Total non-current assets		**290,221**	**313,969**	**(23,748)**	**276,695**
Total assets		**340,436**	**349,712**	**(9,276)**	**321,108**
Current liabilities					
Payables	15	36,926	19,922	17,004	31,778
Lease liabilities	18	1,160	2,918	(1,758)	3,518
Accrued employee benefits	16	1,489	1,942	(453)	2,850
Other liabilities		1	6	(5)	37
Total current liabilities		**39,576**	**24,788**	**14,788**	**38,183**
Non-current liabilities					
Lease liabilities	18	13,669	8,421	5,248	8,756
Total non-current liabilities		**13,669**	**8,421**	**5,248**	**8,756**
Total liabilities		**53,245**	**33,209**	**20,036**	**46,939**
Net assets		**287,191**	**316,503**	**(29,312)**	**274,169**
Equity					
Contributed equity		193,446	205,190	(11,744)	187,552
Accumulated surplus		8,824	7,851	973	8,823
Asset revaluation surplus	17	84,921	103,462	(18,541)	77,794
Total equity		**287,191**	**316,503**	**(29,312)**	**274,169**

**An explanation of major variances is included at Note 30*

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity
For the year ended 30 June 2024

	Contributed equity $'000	Accumulated surplus $'000	Asset revaluation surplus $'000	Total equity $'000
Balance at 1 July 2022	173,014	6,763	56,506	236,283
Operating result for the year	-	2,060	-	2,060
Other comprehensive income				
Increase in asset revaluation surplus	-	-	21,288	21,288
Total comprehensive income for the year	-	2,060	21,288	23,348
Transactions with owners as owners				
Equity asset transfer during the year	15,623	-	-	15,623
Equity injections	22,772	-	-	22,772
Equity withdrawals (depreciation funding)	(23,857)	-	-	(23,857)
Balance at 30 June 2023	**187,552**	**8,823**	**77,794**	**274,169**
Balance at 1 July 2023	187,552	8,823	77,794	274,169
Operating result for the year	-	1	-	1
Other comprehensive income				
Increase in asset revaluation surplus	-	-	7,127	7,127
Total comprehensive income for the year	-	1	7,127	7,128
Transactions with owners as owners				
Equity asset transfer during the year	-	-	-	-
Equity injections	32,398	-	-	32,398
Equity withdrawals (depreciation funding)	(26,504)	-	-	(26,504)
Balance at 30 June 2024	**193,446**	**8,824**	**84,921**	**287,191**

**An explanation of major variances is included at Note 30*

Contributed Equity is transactions with owners which includes equity injections for non-current asset acquisitions and non-cash equity withdrawals to offset non-cash depreciation funding under the service level agreement with Department of Health (DoH)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 Actual $'000	2024 Original Budget $'000	2024 *Budget Variance $'000	2023 Actual $'000
Cash flows from operating activities					
Inflows:					
User charges and fees		3,893	8,622	(4,729)	3,965
Funding for public health services		277,175	279,136	(1,961)	249,345
Grants and other contributions		25,134	24,206	928	21,813
Interest received		9	3	6	8
GST collected from customers		821	-	821	636
GST input tax credits from ATO		10,732	5,399	5,333	8,984
Other		8,539	1,425	7,114	3,583
Outflows:					
Employee expenses		(24,964)	(32,319)	7,355	(22,847)
Department of Health contract staff		(158,128)	(153,627)	(4,501)	(132,010)
Supplies and services		(126,666)	(97,479)	(29,187)	(107,848)
GST paid to suppliers		(10,790)	(5,399)	(5,391)	(9,106)
GST remitted to ATO		(821)	-	(821)	(636)
Interest payments on lease liabilities		(453)	(300)	(153)	(293)
Other expenses		(7,186)	(3,268)	(3,918)	(11,072)
Net cash from/(used in) operating activities	24	**(2,705)**	**26,399**	**(29,104)**	**4,522**
Cash flows from investing activities					
Payments for property, plant and equipment		(25,505)	(240)	(25,265)	(20,007)
Net cash used in investing activities		**(25,505)**	**(240)**	**(25,265)**	**(20,007)**
Cash flows from financing activities					
Inflows:					
Proceeds from equity injections		32,398	1,667	30,731	22,772
Outflows:					
Equity withdrawals			(25,387)	25,387	-
Lease payments	25	(5,228)	(41)	(5,187)	(4,523)
Net cash from financing activities		**27,170**	**(23,761)**	**50,931**	**18,249**
Net increase/(decrease) in cash and cash equivalents		(1,040)	2,398	(3,438)	2,764
Cash and cash equivalents at the beginning of the financial year		36,464	29,667	6,797	33,700
Cash and cash equivalents at the end of the financial year	10	**35,424**	**32,065**	**3,359**	**36,464**

**An explanation of major variances is included at Note 30*

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

Note 1. Objectives and principal activities of Torres and Cape Hospital and Health Service

Torres and Cape Hospital and Health Service (TCHHS) is a not-for-profit statutory body under the *Hospital and Health Boards Act 2011* and is domiciled in Australia.

TCHHS is governed by a local Board with responsibility for providing public hospital and primary health services in the Torres Strait and Cape York Peninsula Region.

TCHHS is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of TCHHS is:
William McCormack Building
Level 6, 5b Sheridan Street
Cairns Qld 4870

TCHHS serves a population of approximately 27,000 people. This includes direct management of 31 primary health centres and four hospitals within the geographical boundaries including:

Bamaga Hospital
Cooktown Multipurpose Health Facility
Thursday Island Hospital
Weipa Integrated Health Facility

TCHHS provides services and outcomes as defined in a publicly available service agreement with the Department of Health (DoH) as the system manager of the public hospital system.

The principal accounting policies adopted in the preparation of the financial statements are set out below and throughout the notes to the financial statements.

(a) Basis of measurement
Historical cost is used as the measurement basis in this financial report except the following:

- Land and buildings are measured at fair value;
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value;
- Inventories which are measured at the lower of cost and net realisable value;
- Cash and cash equivalents;
- Lease liabilities and
- Receivables.

Historical cost
Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Note 1. Objectives and principal activities of Torres and Cape Hospital and Health Service (continued)

Where fair value is used, the fair value approach is disclosed.

(a) Basis of measurement (continued)

Present value
Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets), or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net realisable value
Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

(b) Statement of compliance
The financial statements:

- have been prepared in compliance with section 62(1) of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*;
- have been prepared in accordance with all applicable new and amended Australian Accounting Standards and Interpretations as well as the Queensland Treasury's Minimum Reporting Requirements for the year ended 30 June 2024, and other authoritative pronouncements;
- are general purpose financial statements prepared on a historical cost basis, except where stated otherwise; are presented in Australian dollars;
- have been rounded to the nearest $1,000 or, where the amount is $500 or less is rounded to zero unless the disclosure of the full amount is specifically required;
- classify assets and liabilities as either current or non-current in the Statement of Financial Position and associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date, or when TCHHS does not have an unconditional right to defer settlement to beyond 12 months after the reporting period; and
- present reclassified comparative information where required for consistency with the current year's presentation.

(c) Issuance of financial statements
The financial statements are authorised for issue by the Health Service Chief Executive (HSCE), the Chief Finance Officer (CFO) of TCHHS, and the Board Chair of TCHHS as at the date of signing the Management Certificate.

(d) Investment in North Queensland Primary Health Network Limited
North Queensland Primary Health Network Limited (NQPHNL) was established as a public company limited by guarantee on 21 May 2015. TCHHS is one of 14 members along with Cairns and Hinterland Hospital and Health Service (CHHHS), Mackay Hospital and Health Service, Townsville Hospital and Health Service, The Pharmacy Guild of Australia (Queensland Branch), Australian College of Rural and Remote Medicine, Northern Aboriginal and Torres Strait Islander Health Alliance, Australian Primary Health Care Nurses Association, CheckUp, Queensland Alliance for Mental Health, Health Workforce Queensland, Selectability, The Royal Australian College of General Practitioners and Townsville Aboriginal and Islander Health Service with each member holding one voting right in the company.

The principal place of business of NQPHNL is Cairns, Queensland. The company's principal purpose is to work with general practitioners, other primary health care providers, community health services, pharmacists, and hospitals in the North of Queensland to improve and coordinate primary health care across the local health system for patients requiring care from multiple providers.

As each member has the same voting entitlement, it is considered that none of the individual members has power over NQPHNL (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*) and therefore none of the members individually control NQPHNL. While TCHHS currently holds one-fourteenth of the voting power of the NQPHNL, the fact that each other member also has one-fourteenth voting power limits the extent of any influence that TCHHS may have over NQPHNL.

Note 1. Objectives and principal activities of Torres and Cape Hospital and Health Service (continued)

Each member's liability to NQPHNL is limited to $10. NQPHNL is legally prevented from paying dividends to its members and its constitution also prevents any income or property of NQPHNL being transferred directly or indirectly to or amongst the members.

(d) Investment in North Queensland Primary Health Network Limited (continued)

As NQPHNL is not controlled by TCHHS and is not considered a joint arrangement or an associate of TCHHS, financial results of NQPHNL are not required to be disclosed in these statements.

(e) Investment in Tropical Australia Academic Health Centre Limited

Tropical Australian Academic Health Centre Limited (TAAHCL) registered as a public company limited by guarantee on 3 June 2019. TCHHS, is one of eight founding members along with CHHHS, Mackay Hospital and Health Service (MHHS), North West Hospital and Health Service (NWHHS), Townsville Hospital and Health Service (THHS), North Queensland Primary Health Network Limited (NQPHNL), James Cook University (JCU) and Queensland Aboriginal and Islander Health Council. Each founding member holds two voting rights in the company and is entitled to appoint two directors.

The principal place of business of TAAHCL is Townsville, Queensland. The company's principal purpose is the advancement of health through the promotion of study and research topics of special importance to people living in the tropics.

As each member has the same voting entitlement one-eighth, it is considered that none of the individual members has power or significant influence over TAAHCL (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*). Each member's liability to TAAHCL is limited to $10. TAAHCL's constitution prevents any income or property of the company being transferred directly or indirectly to or amongst the members. Each member must pay annual membership fees as determined by the board of TAAHCL.

As TAAHCL is not controlled by TCHHS and is not considered a joint arrangement or an associate of TCHHS, financial results of TAAHCL are not required to be disclosed in these statements.

(f) Collaboration in Better Health North Queensland Alliance

Better Health North Queensland Alliance (BHNQA) is a collaboration between five Northern Hospital and Health Services: TCHHS, CHHHS, MHHS, NWHHS, THHS plus NQPHNL, Western Queensland Primary Health Network Limited, Queensland Aboriginal and Islander Health Council and the DoH. It is anticipated that this alliance will result in a more strategic approach to the system and service aligning the northern region.

The principal function of the BHNQA is to improve the health outcomes of North Queensland residents by undertaking a collective approach to planning, designing, alliancing and commissioning of health services. The Alliance is a decision-making body and provides resources and authorises funding for the program. BHNQA is not controlled by TCHHS and there have been no transactions between TCHHS and BHNQA during this financial year.

Note 2. User charges and fees

	2024 $'000	2023 $'000
Revenue from contracts with customers		
Dental service fees	164	166
Hospital fees	923	617
Multi-purpose nursing home fees	366	346
Pharmaceutical benefits scheme	1,118	1,438
Queensland community support scheme	154	115
Radiology service delivery	1,447	1,295
Other user charges and fees		
Other	50	34
Rental income	127	114
	4,349	4,125

Note 2. User charges and fees (continued)

Revenue from contracts with customers – User charges and fees
User charges and fees revenue from contracts with customers is recognised when the goods or services are provided to patients as this is the sole performance obligation and the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* at the agreed transaction price. Revenue is recognised net of discounts provided in accordance with approved policies.

Contract assets arise from contracts with customers and are transferred to receivables when TCHHS's right to payment becomes unconditional which usually occurs when an invoice is issued to the patient.

Revenue is deferred as a contract liability where patient services revenue has been received in advance. Revenue is then recognised when the services are delivered to the patient which is the sole performance obligation. Contract liabilities in relation to user charges and fees revenue is not expected to be material.

Note 3. Funding for public health services

	2024 $'000	2023 $'000
ABF Funding - Revenue from contracts with customers		
Specific purpose funding	5,209	6,103
Non-ABF Funding - Other funding for public health services		
Block funding	154,832	142,117
Depreciation funding	26,504	24,913
General purpose funding	122,998	96,209
COVID-19 response and vaccination	-	2,894
	309,543	272,236

Funding is provided predominantly from the DoH for specific public health services purchased by the Department in accordance with a service agreement. The service level agreement is a legally enforceable agreement that has both specific and non-specific performance obligations which are accounted for under either AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities.* Performance obligations under the service agreement are monitored throughout the financial year. Funding adjustments for new or amended public health services occur at three window intervals during the 2023-24 year. The Board and management believe that the terms and conditions of its funding arrangements under the Service Agreement Framework will provide TCHHS with sufficient cash resources to meet its financial obligations for at least the next year.

The Australian Government pays its share of National Health funding directly to the DoH, for on forwarding to the Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by TCHHS. Cash funding from the DoH is received fortnightly for State payments and monthly for Commonwealth payments and is recognised as revenue as the performance obligations under the service level agreement are discharged. Commonwealth funding to TCHHS in 20243-24 was $50.1m (2023: $45.9m).

Depreciation funding is provided to offset depreciation charges incurred by TCHHS. This is a non-cash revenue and is offset with an equity withdrawal for the same amount. Refer to the Statement of Changes in Equity.

As at 30 June 2024, an agreed technical adjustment between the DoH and TCHHS may be required for the level of services performed above or below the agreed levels, which may result in a receivable or unearned revenue. This technical adjustment process is undertaken annually according to the provisions of the service level agreement and ensures that the revenue recognised in each financial year correctly reflects TCHHS' delivery of health services.

Revenue from contracts with customers
Revenue from contracts with customers is recognised when activity targets are met for activity-based funded (ABF) services. The HHS receives funding on a Weighted Average Unit (WAU) price and or Weighted Occasion of Service Unit (WOO) price. ABF from the DoH represents a small percentage 20243-24: 1.68% (2023: 2.2%) of TCHHS's overall public health services revenue. Funding relating to oral health services makes up 20243-24: 87% or $4.52m (2023: 88% or $5.38m) of total ABF revenue. Based on these proportions of ABF revenue for TCHHS at 30 June 20244, the contract

Note 3. Funding for public health services (continued)

liability arising from ABF is not material. Any amounts repayable to DoH at year end are shown as a payable in note 15. The contract asset balance is not material due to cash payments being received on a fortnightly basis.

Other funding for public health services
TCHHS receives general purpose non-specific funding for non-ABF block funded rural hospitals, facilities and services, mental health services, service specific funding commitments and primary health care. Income is recognised upon receipt of fortnightly payments for these services under AASB 1058 *Income of Not-for-Profit Entities.* At the end of the financial year, an agreed technical adjustment between DoH and TCHHS may be required for the level of services performed above or below the agreed levels, which may result in a receivable or unearned revenue. This technical adjustment process is undertaken annually according to the provisions of the service level agreement and ensures the revenue recognised in each financial year correctly reflects TCHHS's delivery of health services.

COVID-19 response and vaccination
The National Partnership Agreement (NPA) COVID-19 funding for both response and vaccinations ceased on 31 December 2022 and any ongoing costs transitioned to business as usual. TCHHS did not receive any COVID-19 income during the 2023-24 financial year. In the 2022-23 year, TCHHS did receive income arising from the COVID-19 pandemic which related to both response recovery of expenditure totalling $1.813m and the COVID vaccination program totalling $1.081m. Expenditure items included labour, travel, clinical supplies, freight, planning, administration, and roll-out costs.

Note 4. Grants and other contributions

	2024 $'000	2023 $'000
Revenue from contracts with customers		
Commonwealth home support programme	1,548	1,485
Rural and remote medical benefits	9,158	7,717
Indigenous health incentive	557	352
Other grants and contributions	5	238
Other grants and contributions		
Rural health outreach fund	1,441	1,838
Commonwealth indigenous health programs	4,465	3,766
Services below fair value	1,908	1,979
Practice incentive payments	2,165	1,999
Commonwealth after hours and health pathways services	1,829	1,322
National Disability Insurance Scheme (NDIS)	2,330	882
Other grants and contributions	75	17
Donations	93	60
	25,574	21,655

Revenue from contracts with customers
Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the transfer of goods or services to a patient on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* at the agreed transaction price. Revenue is recognised as services are provided to patients as this is the sole performance obligation.

Revenue is initially deferred as a contract liability if funding is received in advance. Contract assets arise from grants and contributions and are transferred to receivables when TCHHS's right to payment becomes unconditional, which usually occurs when an invoice is issued to the grantor. Contract asset and liability balances for grants and contributions are not expected to be material due to the timing of cash payments and refund obligations under the agreements.

Other grants and contributions
Other grants and contributions are accounted for upfront under AASB 1058 *Income of Not-for-Profit Entities*, whereby income is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the TCHHS. Special purpose capital grants are recognised as a contract liability when received, and subsequently recognised progressively as income as the asset is constructed.

Note 4. Grants and other contributions (continued)

Accrued income and unearned income from other grants and contributions are reported separately under other assets and other liabilities.

Services below fair value
During the 2023-24 year, TCHHS received services below fair value from DoH in the form of payroll, accounts payable and banking services. TCHHS has recognised income and a corresponding expense for the fair value of these services received. The fair value of these services amounted to $1.908m in 20243-24 (2023: $1.979m) which are recognised in “Grants and other contributions” in the statement of comprehensive income. See Note 8 for the disclosure of the corresponding expense recognised for services received below fair value.

Note 5. Other income

	2024 $'000	2023 $'000
Contract staff and recoveries	3,017	2,006
Contributed assets	47	-
Non-capital project recoveries	5,838	1,217
Other	970	852
	9,872	4,075

Other income does not relate to the HHS’s ordinary activities and is accounted for under AASB 1058 *Income of Not-for-Profit Entities*. Other income is recognised when the income has been earned and can be measured reliably with a sufficient degree of certainty. Income recognition for other income is based on invoicing for related goods or delivery of services. Accrued income is recognised if the income has been earned but not yet invoiced and is reported separately under other assets. TCHHS did not identify any contracts with customers under other income.

Contract staff and recoveries
Income primarily relates to Australian General Practice Training (AGPT) recoveries. All accredited AGPT training practices are entitled to a training practice subsidy and teaching allowances. The income for supervisor payments is recognised monthly in arrears and validated by the college upon satisfaction of teaching activity. Practice payments are paid quarterly in advance. Income is recognised based on employee hours worked, practice time, administration, enrolled courses and teaching incentive payments. Other income also includes employee Workcover recoveries which is recognised when received.

Non-capital project recoveries
Income is recognised monthly. Accrued income is recorded under receivables as the right to payment is unconditional. During the 2023-24 year TCHHS implemented Best Practice patient data system in conjunction with eHealth with non-capital project costs recovered totalling $3.351m.

Note 6. Employee expenses

	2024 $'000	2023 $'000
Wages and salaries	18,659	16,585
Annual leave levy	2,372	2,810
Employer superannuation contributions	1,110	1,418
Long service leave levy	540	459
Sick leave	256	230
Termination benefits	-	398
Other employee related expenses	2,435	2,375
	25,372	24,275

The number of directly engaged employees is 55 as at 30 June 2024 (2023: 54) which comprise Senior Executives, Board Members and Senior Medical officers as they are employed by TCHHS. Senior Health executives are directly engaged in the service of HHS in accordance with section 70 of the *Hospital and Health Boards Act 2011* (HHBA). The basis of employment for health executives is in accordance with section 74 of the

Note 6. Employee expenses (continued)

HHBA. In addition, TCHHS directly engages Senior Medical officers who enter into individual contracts with TCHHS.

Workers' compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are set out in Note 27. Refer to Note 16 for details regarding accrued employee benefits policies and disclosures. During the 2023-24 year there were no special payments – ex gratia included in employee expenses. Refer to note 27 for ex gratia payments to key management personnel who are engaged as DoH contract staff.

Labour costs totalling $0.292m included within Employee expenses are incurred due to the Tropical Cyclone Jasper.

Note 7. Department of Health contract staff

TCHHS through service arrangements with DoH has engaged 1104 (2023: 1032) full time equivalent roles in a contracting capacity as at 30 June 2024. These personnel remain employees of DoH as established under the *Hospital and Health Boards Act 2011*. The number of health service employees reflects full-time and part-time health service employees measured on a full-time equivalent basis.

Department employees engaged as contractors
All non-executive health service TCHHS employees are employed by DoH who provides employees to perform work for TCHHS, and DoH acknowledges and accepts its obligations as the employer of these departmental employees.
- TCHHS is responsible for the day-to-day management of these departmental employees.
- TCHHS reimburses DoH for the salaries and on-costs of these employees.
- TCHHS pays premiums to Workcover Queensland in respect of its obligations for employee compensation.

TCHHS discloses the reimbursement of these costs as DoH contract staff in the Statement of Comprehensive Income.

	As at 30 June 2024	**As at 30 June 2023**
Number of TCHHS employees	55	54
Number of employees provided to TCHHS	1,104	1,032
	1,159	1,086

Note 8. Supplies and services

	2024 $'000	**2023 $'000**
Building services	3,513	2,944
Catering and domestic supplies	848	672
Clinical supplies and services	4,297	4,430
Communications	2,559	2,305
Computer services	5,235	4,316
Consultants	1,253	1,576
Contractors - clinical	32,640	27,037
Contractors - non-clinical	1,115	1,442
Drugs	2,406	2,321
Electricity and other energy	4,995	4,372
Expenses relating to minor works	1,728	204
Freight	1,883	1,795
Motor vehicles	718	498
Lease expenses	12,696	11,037
Other supplies and services	4,730	2,067
Other travel	11,764	8,452
	3,985	3,257

Note 8. Supplies and services (continued)

Pathology, blood and related equipment		
Patient transport	4,484	4,808
Patient travel	21,396	18,610
Repairs and maintenance	5,855	4,698
Services below fair value	1,908	1,979
	130,008	108,820

Contractors
During the 2023-24 year $1.005m (2023: $0.940m) was expensed in relation to services purchased from Non-Government Organisations (NGO) with Royal Flying Doctor Service. In the prior year, services were also purchased from Apunipima which ceased on 31 December 2022 (2023: 1.009m).

Lease expenses
Lease expenses for the 2024year include lease rentals for short-term building leases ($1.597m), Q-Fleet vehicle leases ($1.401m), leases governed by Queensland Government Accommodation Office (QGAO) and Government Employee Housing (GEH) ($9.538m) and other variable lease payments ($0.160m) in accordance with the requirements of the AASB 16 *Leases.* Refer to Notes 14 and 18 for other lease disclosures.
Services below fair value
Services below fair value from the DoH in the form of payroll, accounts payable and banking services amounted to $1.908m in 20243-24 (2023: $1.979m) and are recognised in “supplies and services” in the statement of comprehensive income. See Note 4 for the disclosure of the corresponding income recognised for services received below fair value.

During the 2023-24 year, various supplies and services costs totalling $2.258m is related to disaster activities associated with the Tropical Cyclone Jasper declared event in Wujal Wujal.

Note 9. Other expenses

	2024 $'000	**2023 $'000**
Advertising	312	205
Audit fees - internal and external	366	340
Funding returns	8,533	5,929
Insurances other	122	123
Insurance premiums QGIF	1,110	1,119
Losses from the disposal of non-current assets	526	107
Special payments - ex gratia	2	1
Other legal costs	384	311
Inventory stock adjustments	71	32
Interest on leases	453	293
Other	373	240
	12,252	8,700

Audit fees – internal and external
Total external audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are $0.168m (2023: $0.160m).

Funding returns
At the end of the 2023-2024 year unspent program funding is returned to the DoH as part of the technical adjustment process. A corresponding liability is recognised under payables. Refer to note 3 and 15.

Insurance premiums QGIF
TCHHS insure with Queensland Government Insurance Fund (QGIF) which is a Queensland Treasury self-insurance fund covering the State’s insurable liabilities. Property and general losses above a $10,000 threshold are insured through the QGIF. Health litigation payments above a $20,000 threshold and associated legal fees are also insured through QGIF. Premiums are calculated by QGIF on a risk assessed basis. TCHHS have submitted some QGIF claims this financial year relating to the consequential losses resulting from Tropical Cyclone Jasper and subsequent flooding in Wujal Wujal. These assets were insured with QGIF. Further claims

Note 9. Other expenses (continued)

will need to be submitted which relate directly to the damage of existing Wujal Wujal built assets. QGIF have not assessed the submitted claims, so an amount recoverable cannot be estimated reliably at reporting date.

Special payments – ex gratia
Special payments include ex gratia expenditure that TCHHS is not contractually or legally obligated to make to other parties. In compliance with the Financial and Performance Management Standard 2019, TCHHS maintains a register setting out details of all special payments exceeding $5,000. During the 2023-24 year there were no reportable ex-gratia payments under other expenses (2023: $nil).

Note 10. Cash and cash equivalents

	2024 $'000	2023 $'000
Cash on hand	1	1
Cash at bank	35,329	36,373
QTC cash funds	94	90
	35,424	36,464

For the purposes of the statement of financial position and the statement of cash flows, cash includes all cash on hand and in banks, cheques receipted but not banked at the reporting date as well as all deposits at call with financial institutions.

TCHHS's bank accounts and arrangements are operated in accordance with an agreement with the Commonwealth Bank of Australia (CBA) which also incorporates with the whole of government master banking services agreement with Queensland Treasury Corporation (QTC). As a result, TCHHS does not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Queensland Treasury Consolidated Fund. A deposit is held with QTC reflecting the value of the TCHHS general trust funds. The value of this deposit as at 30 June 2024 was $0.94m (2023: $0.90m) and the annual effective interest rate was 4.82% (2023: 4.23%).

Note 11. Receivables

	2024 $'000	2023 $'000
Receivables	1,189	679
Less: Allowance for impairment of receivables	(169)	(113)
	1,020	566
GST input tax credits receivable	1,158	1,079
GST payable	(72)	(51)
	1,086	1,028
Public health service funding	9,097	3,831
	9,097	3,831
	11,203	5,425

Receivables are initially recognised at amortised cost at the amount invoiced to customers which reasonably approximates the fair value. They are presented as current assets and their carrying amount is the amount invoiced less any impairment. Receivables are generally settled within 90 days. No collaterals are held as security and there are no other credit enhancements relating to receivables. Aged care, dental billing, ineligibles, training incentives and salary reimbursements make up the majority of aged receivables.

The closing balance of receivables arising from contracts with customers at 30 June 2024 is $0.131m (2023: $0.068m).

Impairment of receivables

Note 11. Receivables (continued)

TCHHS applies the simplified approach of calculating the expected credit losses (ECL). TCHHS uses a provision matrix to measure the lifetime ECL on receivables and other debtors. Loss rates are calculated based on historical observed default rates calculated using credit losses experienced on past transactions and then adjusted for supportable forward-looking employment data. TCHHS has determined there are two material groups for measuring expected credit loss

excluding government agencies. No loss allowance is recorded for Australian and Queensland Government agency debtors on the basis of materiality and positive credit rating. The ageing receivables carrying amount total for government agencies as at 30 June 2024 is $0.992m (2023: $0.498m).

The provision matrix uses historical observed default rates calculated using credit losses experienced on past transactions during the last two years preceding 30 June 2024. For TCHHS, a change in the unemployment, interest and inflation rates and socio-economic indicators are the most relevant forward-looking factors.

Actual credit losses over the four years preceding 30 June 2024 have been correlated against changes in these indicators and based on those results, the historical default rates are adjusted based on expected changes in these indicators. Where TCHHS has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when TCHHS has ceased enforcement activity which is usually after 180 days. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. Other receivables and expected credit loss and rates are disclosed in the below table.

	Less than 30 days $'000	31 - 60 days $'000	61 - 90 days $'000	More than 90 days $'000	Total $'000
Ageing of receivables 2023 (Dental patients)					
Receivables	4	2	-	14	20
Loss rate (%)	44.00%	51.60%	76.00%	97.10%	
Allowance for impairment (Expected Credit loss)	(2)	(1)	-	(13)	(16)
Carrying amount	2	1	-	1	4
Ageing of receivables 2023 (Other patients and customers)					
Receivables	51	18	20	72	161
Loss rate (%)	23.00%	33.00%	38.00%	99.00%	
Allowance for impairment (Expected Credit loss)	(12)	(6)	(8)	(71)	(97)
Carrying amount	39	12	12	1	64
Ageing of receivables 2023 (Government agency / low risk)					
Receivables	426	66	6	-	498
Carrying amount	426	66	6	-	498
Total carrying amount 2023	467	79	18	2	566
Total receivables 2023	481	86	26	86	679
Ageing of receivables 2024 (Dental Patients)					
Receivables	-	1	2	6	9
Loss rate (%)	44.00%	51.00%	76.00%	100.00%	-
Allowance for impairment (Expected Credit loss)	-	-	(2)	(6)	(8)
Carrying amount	-	1	-	-	1
Ageing of receivables 2024 (Other patients and customers)					
Receivables	12	11	14	151	188
Loss rate (%)	23.00%	33.00%	38.00%	99.06%	
Allowance for impairment (Expected Credit loss)	(3)	(4)	(5)	(149)	(161)
Carrying amount	9	7	9	2	27
Ageing of receivables 2024 (Government agency / low risk)					
	958	18	14	2	992

Note 11. Receivables (continued)

Receivables					
Carrying amount	958	18	14	2	992
Total carrying amount 2024	967	26	23	4	1,020
Total receivables 2024	970	30	30	159	1,189

All known bad debts were written off once approved by either the HSCE or the CFO if less than $10,000 in accordance with financial delegations.

	2024 $'000	**2023 $'000**
Movements in the provision for impairment of receivables are as follows:		
Balance at the start of the year	113	201
Receivables written off during the year as uncollectable	(31)	(142)
Increase in provision recognised	87	54
Balance at the end of the year	169	113

Note 12. Inventories

Inventories consist of pharmaceutical supplies held for distribution in hospitals (storage facilities), pharmacy warehouses and are provided to patients at a subsidised rate. Material pharmaceutical holdings are recognised as inventory at balance date through the annual stocktake process at weighted average cost.

Unless over $10,000, inventories do not include supplies held for ready use throughout the hospital and primary health community care facilities. These items are expensed on issue from storage facilities.

Note 13. Other assets

	2024 $'000	**2023 $'000**
Current		
Prepayments	1,573	272
Contract assets	858	834
Other assets	730	810
	3,161	1,916

Prepayments
Prepayments derive from a number of expenditure items including Q-Fleet vehicle hire, council rates and Workcover premium costs which are all recognised when the payment is made up-front.

Contract assets
Contract assets arise from contracts with customers and are transferred to receivables when TCHHS's right to payment becomes unconditional, which usually occurs when the invoice is issued to the customer or when the unconditional right to payment is established prior to the end of financial year.

Contract assets were not impaired given the high probability that the future economic benefits will flow to the HHS.

Other
Accrued income that does not arise from contracts with customers is reported as part of other assets.

Note 14. Property, plant and equipment and right-of-use assets

(a) Property, plant and equipment

	Land $'000	Buildings & land improvements $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
Carrying amount at 1 July 2022	9,847	196,483	14,106	6,467	226,903
Additions	-	7,704	4,242	7,934	19,880
Disposals	-	-	(107)	-	(107)
Asset revaluation increment	-	21,458	-	-	21,458
Asset revaluation decrement	(170)	-	-	-	(170)
Transfers between classes	-	3,890	646	(4,536)	-
Transfer in from other Queensland government	-	15,493	130	-	15,623
Depreciation expense	-	(15,903)	(3,099)	-	(19,002)
Carrying amount at 30 June 2023	**9,677**	**229,125**	**15,918**	**9,865**	**264,585**
As at 30 June 2023					
Gross value	9,677	510,000	34,124	9,865	563,666
Accumulated depreciation	-	(280,875)	(18,206)	-	(299,081)
Carrying amount at 30 June 2023	**9,677**	**229,125**	**15,918**	**9,865**	**264,585**
Carrying amount at 1 July 2023	9,677	229,125	15,918	9,865	264,585
Additions *	-	8,026	5,177	12,395	25,598
Disposals	-	(33)	(493)	-	(526)
Asset revaluation increment	794	6,333	-	-	7,127
Asset not previously recognised	-	-	47	-	47
Transfers between classes	-	6,480	1,456	(7,936)	-
Depreciation expense	-	(17,919)	(3,262)	-	(21,181)
Carrying amount at 30 June 2024	**10,471**	**232,012**	**18,843**	**14,324**	**275,650**
As at 30 June 2024					
Gross value	10,471	546,228	37,774	14,324	608,797
Accumulated depreciation	-	(314,216)	(18,931)	-	(333,147)
Carrying amount at 30 June 2024	**10,471**	**232,012**	**18,843**	**14,324**	**275,650**

** DoH Capital budgets and financial services team manages work-in-progress (WIP) and the financial commissioning for projects run by Health Capital Division (HCD) on behalf of TCHHS. Projects need to be capitalised within the same financial year when practical completion (PC) is reached. The Thursday Island Health facility upgrade project (TIHFUP) had multiple stages that reached PC on or before 30 June 2024. The whole of project practical completion was not provided until 4 July 2024. TCHHS have calculated a value on the works to be transferred of $14.600m based on the comprehensive valuation provided by Jacobs Group. As at the reporting date, the transfer has not yet occurred.*

Note 14. Property, plant and equipment and right-of-use assets (continued)

(b) Right-of-use assets

	Land $'000	Buildings $'000	Total $'000
Carrying amount at 1 July 2022	4,132	7,265	11,397
Additions	657	4,701	5,358
Depreciation expense	(188)	(4,667)	(4,855)
Asset not previously recognised	286	-	286
Derecognition of asset	-	(76)	(76)
Carrying amount at 30 June 2023	**4,887**	**7,223**	**12,110**
As at 30 June 2023			
Gross value	5,429	17,949	23,378
Accumulated depreciation	(542)	(10,726)	(11,268)
Carrying amount at 30 June 2023	**4,887**	**7,223**	**12,110**
Carrying amount at 1 July 2023	4,887	7,223	12,110
Additions	293	6,811	7,104
Depreciation expense	(217)	(5,105)	(5,322)
Disposals	-	-	-
Asset not previously recognised	679	-	679
Other adjustments	-	-	-
Carrying amount at 30 June 2024	**5,642**	**8,929**	**14,571**
As at 30 June 2024			
Gross value	6,401	20,848	27,249
Accumulated depreciation	(759)	(11,919)	(12,678)
Carrying amount at 30 June 2024	**5,642**	**8,929**	**14,571**

(c) Accounting policies – recognition and acquisition

Accounting policy - recognition

Basis of capitalisation and recognition thresholds
Items of property, plant and equipment and right-of-use assets with a historical cost or other value equal to more than the following thresholds, and with a useful life of more than one year, are recognised at acquisition. Items below these values are expensed on acquisition.

Class	Threshold
Land	$ 1
Buildings and land improvements	$ 10,000
Plant and equipment	$ 5,000
Right-of-use assets	$ 10,000

Land improvements undertaken by TCHHS are included in the buildings class.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for TCHHS. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset and is approximately 5% or more of the total value of asset or greater than $0.200m. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition. Where assets are received at no cost from another Queensland Government entity, the acquisition cost is recognised at the gross carrying amount in the books of the transferor

Note 14. Property, plant and equipment and right-of-use assets (continued)

(c) Accounting policies – recognition and acquisition (continued)

immediately prior to the transfer together with any accumulated depreciation. Assets under construction are recorded at cost until they are ready for use. These assets are assessed at fair value upon practical completion.

TCHHS is lessee in relation to all the right-of-use assets which cover leases for staff accommodation and commercial buildings both from private entities plus Indigenous Land Use agreements where leases are related to Deed of Grant in Trust (DOGIT) and reserve land.

The Department of Housing, Local Government, Planning and Public Works (DHLGPPW) provides TCHHS with access to office accommodation and employee housing and Department of Energy and Climate (DEC) provides TCHHS with access to motor vehicles which are both under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DHLGPPW and DEC has substantive substitution rights over the assets. The related service expenses are included in Note 8.

(d) Accounting policy - measurement

Measurement using historic cost
Plant and equipment are measured at historical cost in accordance with Queensland Treasury's *Non-Current Asset Policies (NCAP) for the Queensland Public Sector.* The carrying amount for such plant and equipment at cost is not materially different from their fair value.

Measurement using fair value
Land and buildings are measured at fair value as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector.* These assets are reported by their revalued amount, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

The cost of items acquired during the 2023-24 year less depreciation has been judged by management to materially represent the fair value at the end of the reporting period.

Right-of-use assets are initially recognised at cost comprising of the amount of the initial measurement of the lease liability, lease payments made at or before the commencement date, less any lease incentives received, initial direct costs incurred and the initial estimate of restoration costs.

TCHHS has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. An asset is considered short-term when the full term is 12 months or less and is considered low value where it is expected to cost less than $10,000 when new.

(e) Fair value measurement and valuation

Fair value measurement can be sensitive to the various valuation inputs selected. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by TCHHS include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by TCHHS include, but are not limited to, subjective adjustments made to observable data to take account of the specialised nature of health service buildings and on hospital-site residential facilities, including historical and current construction contracts (and/or
estimates of such costs), and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities. A
fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

Note 14. Property, plant and equipment and right-of-use assets (continued)

(e) Fair value measurement and valuation (continued)

Use of Independent professional valuers
Revaluations using independent professional valuers are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to comprehensive revaluation in the reporting period, where practicable, regardless of the timing of the last specific appraisal. All built assets held at fair value that are not selected for independent assessment in the current year will continue to be revalued on an annual basis using the appropriate and relevant indices provided by the independent professional valuers.

In December 2023, Tropical Cyclone Jasper and subsequent flooding caused significant damage to all nine of the Wujal Wujal built assets. The independent professional valuers were unable to perform inspections, so relied on the QBuild report dated 22 February 2024 to provide a desktop revaluation on these assets. The losses sustained has been recorded as a reduction in the condition rating and useful life of the asset. The Wujal Wujal specialised health care asset is currently suitable for use as a storage facility. An assessment will be carried out over the continued life of the assets in case this best use changes. The staff residences currently have no best use and will be left vacant until a decision is made to repair/refurbish or demolish. When this decision is made TCHHS will reassess the future use and derecognise assets with no future economic benefit. A reduction in carrying amount of $3.641m has been recognised against the revaluation reserve as part of the entire class of land improvements and buildings.

Use of indices
Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to date via the application of relevant indices. TCHHS ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. In years when indexation is applied, the valuer supplies the indices used for the various types of assets. Such indices are either publicly available or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity, and appropriateness for the application to the relevant assets.

Accounting for changes in fair value
Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an
expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

The fair values reported by TCHHS are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining
whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

All assets of TCHHS for which fair value is measured and disclosed in the financial statements are categorised within the following fair value hierarchy, based on data and assumptions used in the most recent specific appraisal:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly.

Level 3: Unobservable inputs for the assets are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued such as a cost estimate by an independent valuer.

Note 14. Property, plant and equipment and right-of-use assets (continued)

(e) Fair value measurement and valuation (continued)

2023	Level 2 $'000	Level 3 $'000	Total $'000
Assets			
Land	9,677	-	9,677
Buildings (health service sites)	-	229,125	229,125
Total	9,677	229,125	238,802
2024			
Assets			
Land	10,471	-	10,471
Buildings (health service sites)	-	232,012	232,012
Total	10,471	232,012	242,483

There were no transfers between levels during the 2023-24 year.

Land
Independent asset specific revaluations are performed with sufficient regularity to ensure land assets are carried at fair value in accordance with Queensland Treasury Non-Current Asset Policies. The independent revaluations are required to be carried out at least once every five years and in off-cycle years an indexation is obtained which is applied where the increment/decrement is material to the asset class.

In 2023-24 no comprehensive valuation was carried out on any of the TCHHS land parcels as one was completed in 2021. In 2023-24, TCHHS requested land indices from the Department of Resources using the State Valuation Services for all TCHHS land parcels. Cooktown, Thursday Island and Horn Island land parcels derived increases with indices ranging from 0.05 to 0.10, while the remainder resulted in nil movements. TCHHS management agreed to adjust these six assets resulting in a total increment of $0.793m (8.19%).

Buildings and land improvements
In 2023-24 TCHHS engaged independent experts, Jacobs Group Ltd, to undertake building revaluations in accordance with the fair value methodology. TCHHS had 49 buildings and land improvements comprehensively revalued during 2023-24 which represented 22.27% of the total asset class building portfolio, including Wujal Wujal buildings and land improvements which suffered major flooding in December 2023. A desktop valuation for all the Wujal Wujal buildings and land improvements were based on the QBuild engineering report dated 22 February 2024.

Management have had all of TCHHS buildings comprehensively revalued in the last five years using the cost valuation approach (current replacement cost). Indexation was assessed as 6.5% and applied to all gross buildings and land
improvements asset values that were not comprehensively revalued during the 2023-24 year. The effective date of valuations was 30 June 2024.

The valuations of the comprehensively revalued assets were carried out using the current replacement cost approach to determine fair value. The replacement cost is based on current construction market rates that any market participant
would likely expect to pay. The valuation is provided for a replacement building of the same age, location, size, shape, functionality that meets current design standards, physical condition of all component parts and is based on estimates of gross floor area, number of floors, number of lifts, staircases, and obsolescence.

The building valuation for 2023-24 resulted in a net increment of $6.333m to the carrying amount of buildings. The change in net book value is mainly due to major refurbishment of several assets and agreed changes to the remaining useful lives.

The land and building revaluation process for financial reporting purposes is overseen by the Audit, Risk and Finance Committee and coordinated by senior management.

Note 14. Property, plant and equipment and right-of-use assets (continued)

(e) Fair value measurement and valuation (continued)

Deed of Grant in Trust land (DOGIT)
Some of TCHHS facilities are located on land assigned to it under a DOGIT under Section 341 of the *Land Act 1994*.
Land parcels within TCHHS which are located on DOGIT land, and which cannot be bought or sold, are recorded in the land assets for a nominal fair value of $1 as there is no active and liquid market for these land sections. TCHHS has constructed buildings as health care centres in DOGIT areas on both freehold and reserve land. While the buildings are recorded as assets in the financial statements, the land is not. The land element is recorded in the Government Land Register as improvements only.

Indigenous Land Use Agreement (ILUA)
TCHHS does not control the land element of these properties, but in some cases has a registered lease which is recognised as a right-of-use asset, under the land class.

Depreciation expense
Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to TCHHS. Land is not depreciated as it has an unlimited useful life.

Key judgement: The depreciation rate is determined by application of appropriate useful lives to relevant non-current asset classes. The useful lives could change significantly as a result of change in use of the asset, technical obsolescence or some other economic event. The impact on depreciation can be significant and could also result in derecognition of the asset. All depreciable assets have a nil residual value.

Assets under construction or work-in-progress are not depreciated until they reach service delivery capacity.

Any expenditure that increases the originally assessed service potential of an asset is capitalised and depreciated over the remaining useful life of the asset. The depreciable amount of improvements to leasehold property is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease, which is inclusive of any option period where exercise of the option is probable.

The estimated useful lives of the assets are reviewed annually and, where necessary, are adjusted to better reflect the pattern of consumption of the asset. In reviewing the useful life of each asset, factors such as asset usage and
the rate of technical obsolescence is considered.

Key estimate: Depreciation rates used for each asset class are as follows:

Class	Depreciation rates used	Useful lives
Buildings	1.30% – 9.09%	11 – 76 years
Plant and equipment	3.84% – 25.00%	4 – 25 years
Right-of-use assets	2.50% – 50.00%	2 – 40 years

All property, plant and equipment and right-of-use assets are assessed for indicators of impairment on an annual basis or where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement.* If an indicator of possible impairment exists TCHHS determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell or value in use. For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income. Consequently, if reversals of impairment losses occur, they are reversed through the statement of comprehensive income.

Note 15. Payables

	2024 $'000	2023 $'000
Payables	13,397	9,929
Accrued expenses	11,041	9,755
Department of Health contract staff wages	2,653	3,885
Payables - refund liabilities	9,835	8,209
	36,926	31,778

These amounts represent liabilities for goods and services provided to TCHHS prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 – 60 days of recognition.

Payables - refund liabilities
Funding repayable represents amounts recognised in the end of year technical adjustment as owing to the DoH at the end of each year for services not delivered during the 2023-24 year.

Note 16. Accrued employee benefits

The following relates to TCHHS directly engaged employees.

Wages and salaries
Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. As TCHHS expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Sick leave
Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave and long service leave
TCHHS participates in the Annual Leave Central Scheme and the Long Service Leave Central Scheme.

Under the Queensland Government's Annual Leave Central Scheme and the Long Service Leave Central Scheme, levies are payable by TCHHS to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. These levies are expensed in the period in which they are payable. Amounts paid to employees for
annual leave and long service leave are claimed from the schemes quarterly in arrears which is currently held by Queensland Treasury and facilitated by DoH. No provision for annual leave or long service leave is recognised in the financial statements of TCHHS, as the liability for these schemes is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation
Employer superannuation contributions are paid to an eligible complying superannuation fund at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are payable and the obligation of TCHHS is limited to its contribution paid to the eligible complying superannuation fund.

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the
Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment. The liability for defined benefits is held on a Whole of Government basis and reported in those financial statements pursuant *to AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Note 16. Accrued employee benefits (continued)

Therefore, no liability is recognised for accruing superannuation benefits in these financial statements. Refer to Note 6 for details regarding employee expense disclosures.

Employees with an accumulation account, are no longer required to make mandatory superannuation contributions to receive the 12.75% employer contribution. Accumulation fund members can choose to reduce their accumulation fund contribution to 0%. On 1 July 2023, 12.75% employer contributions came into effect which was offset by a single 'top-up' payment paid during the 2023-24 year. The 2023-24 employer contributions report as a total of 12.75% of their 2023-24 ordinary time earnings.

Note 17. Asset revaluation surplus

	Land $'000	Buildings $'000	Total $'000
Balance 1 July 2022	461	56,045	56,506
Revaluation increment	-	21,458	21,458
Revaluation decrement	(170)	-	(170)
Balance - 30 June 2023	291	77,503	77,794
Balance at 1 July 2023	291	77,503	77,794
Revaluation increment	793	6,334	7,127
Balance - 30 June 2024	1,084	83,837	84,921

Accounting policy
The revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value. Any revaluation increment arising from the revaluation of an asset is credited to the asset revaluation surplus of the appropriate asset class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

The building revaluation for 2023-24 resulted in a net increment of $6.333m to the carrying amount of buildings. TCHHS uses the gross method of reporting assets. This method restates separately the gross amount and related accumulated depreciation of the assets comprising the class of revalued assets (current replacement cost). Accumulated depreciation is adjusted to equal the difference between gross and carrying amount, after taking into account accumulated impairment losses.

Note 18. Lease liabilities

TCHHS as lessee has recognised a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise. When measuring the lease liability, TCHHS uses QTC's incremental borrowing rates depending on the term of the lease as the discount rate. Right-of-use assets under *AASB 16 Leases* are disclosed in Note 14 Property, plant and equipment and right-of-use assets.

See below the breakdown of the lease liability:

	2024 $'000	2023 $'000
Current		
Lease liabilities	1,160	3,518
	1,160	3,518
Non-Current		
Lease liabilities	13,669	8,756
	13,669	8,756
	14,829	12,274

Note 18. Lease liabilities (continued)

Refer to Note 25 for the movement in Lease liabilities.

Disclosures – Leases as a lessee

(i) Details of leasing arrangements as lessee

Type of lease	Right-of-use class	Description of arrangement
Private residential leases (staff accommodation)	Building	Total lease terms between 12 months to 5 years
Private commercial leases (office space)	Building	Total lease terms between 12 months to 5 years
Leases associated with Indigenous Land Use Agreements on DOGIT/reserves	Land	Total lease terms between 30 – 40 years

(ii) Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Interest expense on lease liabilities	453	293
Breakdown of 'Lease expenses' included in Note 8		
- Expenses relating to short-term leases	1,597	1,138
Income from subleasing included in 'Rental income' in Note 2	127	114
(iii) Total cash outflow for leases		
Total cash outflow for leases	5,228	4,523

Note 19. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. TCHHS holds financial instruments in the form of cash, receivables, and payables.

Recognition
Financial assets and financial liabilities are recognised in the Statement of Financial Position when TCHHS becomes party to the contractual provisions of a financial instrument.

Classification
Financial assets are classified into one of three underlying measurement bases: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification is based on the HHS business model and whether the financial asset's contractual cash flows represent solely payments of principal and interest.

TCHHS's financial instruments are classified and measured as follows:
- Cash and cash equivalents – held at amortised cost
- Receivables – held at amortised cost
- Payables – held at amortised cost

TCHHS does not have equity instruments, derivatives, bonds, notes, or loans. TCHHS has the following categories of financial assets and financial liabilities:

	2024 $'000	2023 $'000
Financial assets		
Financial assets at amortised cost - comprising:		
Cash and cash equivalents	35,424	36,464
Receivables	11,203	5,425
Total financial assets	46,627	41,889

Note 19. Financial instruments (continued)

Financial liabilities		
Financial liabilities at amortised cost - comprising:		
Payables	36,926	31,778
Lease liabilities	14,829	12,274
Total financial liabilities at amortised cost	51,755	44,052

No financial assets and financial liabilities have been offset and presented as net in the Statement of Financial Position.

TCHHS is exposed to a variety of financial risks - credit risk, liquidity risk and market risk. Financial risk management is implemented pursuant to Queensland Government and TCHHS policies. The policies provide principles for overall
risk management and aim to minimise potential adverse effects of risk events on the financial performance of TCHHS. TCHHS measures risk exposure using a variety of methods as follows:

Risk exposure	***Measurement method***
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by management
Market risk	Interest rate sensitivity analysis

(a) Credit risk

Credit risk is the potential for financial loss arising from a counterparty defaulting on its obligations. The maximum exposure to credit risk at balance date is equal to the gross carrying amount of the financial asset, inclusive of any allowance for impairment (expected credit loss). TCHHS uses a provision matrix to measure the expected credit loss on debtors. Refer to Note 11.

(b) Liquidity risk

Liquidity risk is the risk that TCHHS will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. TCHHS is exposed to liquidity risk through its trading in the normal course of business.

TCHHS aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times.

The only financial liabilities which expose TCHHS to liquidity risk are trade and other payables and lease liabilities. All financial liabilities that are current in nature will be due and payable within 12 months. Whereas all financial liabilities
that are non-current in nature will be due and payable between 1-40 years. All lease liabilities are disclosed as either discounted lease liabilities in the Statement of Financial Position in accordance with *AASB 16 Leases* or as undiscounted cash flows as commitments in note 21.

(c) Market risk

TCHHS is not exposed to interest rate risk for borrowings or cash deposited in interest bearing accounts as it does not hold any of these types of financial instruments. TCHHS earns minimal interest with QTC, hence is not exposed to interest rate risk. TCHHS is also not exposed to interest rate risk through its leases as all the leases do not factor an interest component. TCHHS does not undertake any hedging in relation to interest rate risk and manages its risk as per the liquidity risk management strategy articulated in TCHHS's Financial Management Practice Manual. TCHHS does not hold any direct equity investments and hence is not exposed to price risk.

Note 20. Contingent liabilities

Litigation in progress
As at 30 June 2024 there were no cases (2023: 2) in progress filed in the courts naming the State of Queensland acting through TCHHS as defendant.

Note 20. Contingent liabilities (continued)

As at 30 June, 2024 there were 2 open medical indemnity and 1 property liability claims (2023: 6) managed by QGIF. At this stage, it is unknown if any will be litigated or result in payments of claims, therefore, no contingent liabilities are projected. All claims lodged, tribunals, commissions and board figures represent the matters that have been referred to QGIF for management. The maximum exposure to TCHHS under this policy is $20,000 for each insurable event.

Workcover currently has 14 claims (2023: 7) underway and 2 pending claims (2023: 1). It is not possible to give a clear indication of the final financial outcome due to the nature of the claims and the set processes that will follow.

Native title
The *Native Title Act 1993* (Cth) (NTA) validates past acts that may have extinguished or impaired native title rights through the establishment of public works and the issue of freehold, leasehold, and other tenures. Section 51 of the NTA provides that native title holders can claim compensation on just terms for acts that have extinguished or impaired native title. Where native title continues to exist, (Reserve or in DOGIT for example), dealings cannot proceed until native title has been addressed.

In some cases, facilities have been constructed on DOGIT land, which is Aboriginal or Torres Strait Islander community land where the title was created in 1986. Facilities constructed on DOGIT land may have no tenure and agencies are required under state land policies to obtain tenure via the negotiation of a trustee lease, which can also provide for existing and future development of the facility. In order to validate tenure and register a trustee lease, native title must be addressed by means of a registered Indigenous Land Use Agreement (ILUA) or Future Act Notices (FAN). TCHHS has administered reserves within DOGIT land containing TCHHS building assets. These reserves are held in the name of TCHHS as trustee and recorded in TCHHS's Statement of Financial Position at a nominal value of $1.

TCHHS has, where necessary, been undertaking a tenure project since 2017 to assess all tenure issues to validate and correct records relating to ownership and residual contingent liabilities. Registered trustee leases on DOGIT land held by other organisations have been negotiated for 26 facilities which have terms for generally 30 to 40 years. DOGIT land is being recognised as right-of-use assets and lease liabilities and disclosed in the Statement of Financial Position.

TCHHS has commitments under 14 registered ILUAs, 13 of which provide native title consent to existing registered trustee leases that have commenced. TCHHS are a direct party to eight of these ILUAs and whilst not being a direct party to the remaining six, have exercised rights and responsibilities under the those six.

TCHHS has also issued two Future Act Notices (FAN) each with contingent liability for compensation. These FANs were needed in order for DOGIT leases or works in Reserve to be valid under the *Native Title Act 1993*.

Note 21. Commitments

	2024 $'000	2023 $'000
Commitments - capital expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Not later than 1 year	2,138	25,309
Commitments - operating expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Not later than 1 year	13,093	12,269
Later than 1 year but not later than 5 years	1,036	1,155
Later than 5 years	2,091	2,037
	18,358	40,770

Leases
Only leases that do not fall within the scope of *AASB 16 Leases* or are exempt from *AASB 16 Leases* have been included in this note. Operating expenditure commitments include contracted amounts for office space from Government Employee Housing (GEH). The leases have various escalation clauses. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

Operating expenditure commitments also include service contracts between Royal Flying Doctor Service, CHHHS and other professional and consultant agreements that TCHHS is currently obligated to pay.

Note 22. Patient trust transactions and balances

Patient trust receipts and payments	**2024 $'000**	**2023 $'000**
Receipts		
Opening balance	9	7
Amounts receipted on behalf of patients	7	6
Total receipts	16	13
Payments		
Amounts paid to or on behalf of patients	4	4
Total payments	4	4
Trust assets and liabilities		
Assets		
Cash held and bank deposits	12	9
Total assets	12	9

TCHHS acts in a trust capacity in relation to patient trust accounts. These transactions and balances are not recognised in the financial statements. Although patient funds are not controlled by TCHHS, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

Note 23. Events after the reporting period

There are no matters or circumstances that have arisen since 30 June 2024 that have significantly affected or may significantly affect TCHHS's operations, the results of those operations, or the HHS's state of affairs in future financial years.

Note 24. Reconciliation of operating result to net cash from operating activities

	2024 $'000	2023 $'000
Operating result for the year	1	2,060
Non-cash movements:		
Depreciation	26,503	23,857
Depreciation offset from DoH	(26,504)	(23,857)
Loss on disposal	526	107
Donated assets	(93)	(83)
Contributed assets	(47)	-
Movements in impairment loss receivables	-	142
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(5,720)	211
(Increase)/decrease in GST receivables	(58)	(122)
Increase/(decrease) in inventories	181	210
(Increase)/decrease in prepayments	(1,221)	(456)
(Increase)/decrease in contract assets	(24)	(323)
Increase/(decrease) in payables	5,094	(1,438)
Increase/(decrease) in accrued employee benefits	(1,361)	1,428
Increase/(decrease) in accrued contract labour	54	2,967
Increase/(decrease) in contract liabilities	(36)	(181)
Net cash from/(used in) operating activities	(2,705)	4,522

Note 25. Changes in liabilities arising from financing activities

2023		Non-cash changes		Cash flows	
	Opening balance $'000	New leases acquired $'000	Early terminated leases $'000	Cash repayments $'000	Closing balance $'000
Lease liabilities	11,439	5,434	(76)	(4,523)	12,274
Total	11,439	5,434	(76)	(4,523)	12,274

2024	Opening balance $'000	New leases acquired $'000	Early terminated leases $'000	Cash repayments $'000	Closing balance $'000
Lease liabilities	12,274	8,005	(222)	(5,228)	14,829
Total	12,274	8,005	(222)	(5,228)	14,829

Assets and liabilities received or donated are recognised as revenues (refer to Note 4) or expenses (refer to Note 8) as applicable.

Note 26. General trust

TCHHS receives cash contributions primarily from private practice clinicians and from external entities to provide for education, study, and research in clinical areas. Contributions are also received from benefactors in the form of gifts, donations, and bequests for stipulated purposes. Contributions are collected and held within the general trust. Payments are made from the general trust for specific purposes in accordance with the general trust policy.

Note 26. General trust (continued)

	2024 $'000	2023 $'000
Opening balance	161	389
Revenue received during the year	62	58
Expenditure made during the year	(73)	(286)
Balance of general trust	150	161

The closing cash balance of the general trust at 30 June 2024 is $0.150m (2023: $0.161m). This is held on deposit with the QTC $0.094m (2023: $0.90m) and the Commonwealth Bank of Australia $0.056m (2023: $0.71m).

Note 27. Key management personnel disclosures

TCHHS's responsible Minister is identified as part of its key management personnel, consistent with guidance included in AASB 124 *Related Party Disclosures*. That Minister is Shannon Fentiman MP, Minister for Health, Mental Health and Ambulance Services and Minister for Women since May 2023 previously Yvette D'Ath MP.

Note 27. Key management personnel disclosures (continued)

The following persons were considered key management personnel of TCHHS during the 2023-24 year and the prior financial year. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of TCHHS, directly or indirectly, including any director of TCHHS.

Position	Name	Contract classification and appointment authority	Initial appointment date
Non-executive Board Chairperson	Elthies Kris Renee Williams	*S25 Hospital and Health Boards Act 2011 by Governor in Council*	18 May 2019 to 31 March 2024 1 April 2024
Non-executive Board member	Karen Price Scott Davis Susan Hadfield Marjorie Pagani Karyn Watson Darren Thamm Tara Diversi Kirstyne Davis Jason Ramsamy Dion Creek	*S23 Hospital and Health Boards Act 2011*	11 December 2015 to 31 March 2024 18 May 2016 29 September 2020 18 May 2021 to 13 December 2023 18 May 2021 18 May 2021 31 March 2022 to 31 March 2024 8 February 2024 8 February 2024 1 April 2024
Health Service Chief Executive (HSCE)	Dean Davidson (acting) Nicholas Steele (acting) Rex O'Rourke	*S24/S70 Hospital and Health Boards Act 2011*	26 June 2023 to 14 January 2024 1 September 2023 to 8 October 2023 15 January 2024
Executive Director of Finance, Information and Digital Services (and CFO)	Danielle Hoins Brendan Cann (acting) Tony Coombs (acting)	*HES2 Hospital and Health Boards Act 2011*	15 June 2020 21 August 2023 to 24 September 2023 21 November 2023 to 21 January 2024
Executive General Manager - Northern Sector	Tamara Sweeney Francis Grainer (acting) Marita Sagigi (acting)	*HES2 Hospital and Health Boards Act 2011*	4 January 2021 to 21 September 2023 3 July 2023 to 30 November 2023 1 December 2023 to 30 June 2024
Executive General Manager - Southern Sector	Michael Catt	*HES2 Hospital and Health Boards Act 2011*	6 February 2023
Executive Director - Medical Services	Marlow Coates Jennifer Wharton (acting)	*MMOI1 Hospital and Health Boards Act 2011*	16 April 2021 25 December 2023 to 10 January 2024 1 April 2024 to 14 April 2024

Note 27. Key management personnel disclosures (continued)

Position	Name	Contract classification and appointment authority	Initial appointment date
Executive Director - Nursing and Midwifery Services	Kim Veiwasenavanua Sarah Worth (acting) Jacob Walsh (acting)	*NRG13 Hospital and Health Boards Act 2011*	7 May 2018 to 17 November 2023 1 July 2023 to 23 June 2024 24 June 2024 to 30 June 2024
Executive Director Aboriginal and Torres Strait Islander Health	Wendy Burke (acting) Alan Dewis (acting)	*HES2 Hospital and Health Boards Act 2011*	1 July 2023 to 27 August 2023 2 January 2024 to 30 June 2024 28 August 2023 to 15 December 2023
Executive Director Allied Health	Amanda Wilson	*HP7 Hospital and Health Boards Act 2011*	1 August 2022
Executive Director Strategy and Investment	Lindsay Pickstone (acting) Greg Summers (acting) Manu John	*HES2 Hospital and Health Boards Act 2011*	1 July 2023 to 23 June 2024 7 August 2023 to 20 August 2023 18 December 2023 to 21 January 2024 24 June 2024
Executive Director Workforce & Engagement	Sally O'Kane	*DSO1 Hospital and Health Boards Act 2011*	11 June 2020

Key management personnel – Minister for Health, Mental Health and Ambulance Services and Minister for Women

The Legislative Assembly of Queensland's Members' Remuneration Handbook outlines the ministerial remuneration entitlements. TCHHS does not incur any remuneration costs for the Minister of Health, Mental Health and Ambulance Services and Minister for Women, but rather ministerial entitlements are paid primarily by the Legislative Assembly with
some remaining entitlements provided by the Ministerial Services Branch within the Department of Premier and Cabinet. All ministers are reported as key management personnel of the Queensland Government. As such the aggregate remuneration expenses for all ministers are disclosed in the Queensland Government and Whole of Government consolidated financial statements, which are published as part of the Queensland Treasury report on State finances.

Key management personnel – Board

The Board decides the objectives, strategies and policies to be followed by TCHHS and ensure it performs its functions in a proper, effective and efficient way. The Board appoints the Health Service Chief Executive and exercises significant responsibilities at a local level, including controlling the financial management of the Service and the management of the Service's land and buildings (Section 7 *Hospital and Health Boards Act 2011*). Remuneration arrangements of the Board are approved by the Governor in Council and the Board members are paid annual fees consistent with the government titled "Remuneration procedures for part-time chairs and members of Queensland Government bodies".

Remuneration packages for Board members comprise the following components:

- Short term employee base benefits which include allowances and salary sacrifice components expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- Short term non-monetary benefits consisting of non-monetary benefits including FBT exemptions on benefits.
- Post-employment benefits which include amounts expensed in respect of employer superannuation obligations.

Note 27. Key management personnel disclosures (continued)

Key management personnel – Executive management
Section 74 of the *Hospital and Health Boards Act 2011* provides that the contract of employment for health executive staff must state the term of employment, the person's functions and any performance criteria as well as the person's classification level and remuneration package.

Remuneration policy for key executive management personnel is set by direct engagement common law employment contracts and various award agreements. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts and awards. The remuneration packages provide for the provision of some benefits including motor vehicles.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee base benefits which include salary, allowances, salary sacrifice component and leave entitlements expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- Short term non-monetary benefits consisting of provision of vehicle and other non-monetary benefits including FBT exemptions on benefits.
- Long term employee benefits which include amounts expensed in respect of long service leave.
- Post-employment benefits which include amounts expensed in respect of employer superannuation obligations

There were no performance bonuses paid in the 2023-24 financial year (2023: $nil).

Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination. Performance bonuses are not paid under the contracts in place. Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

During the 2023-24 year there was one termination benefit paid out for $0.100m which was treated as a special payment ex-gratia.

The value of remuneration received by Board Members in their capacity as Board Members and the Executive Management Team is disclosed in the following sections.

Note 27. Key management personnel disclosures (continued)

2024 Remuneration expenses

Name	Monetary	Non-monetary	Post-employment benefits	Long-term benefits	Termination benefits	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Board						
Elthies Kris	54	-	9	-	-	63
Renee Williams	17	-	2	-	-	19
Karen Price	30	-	5	-	-	35
Scott Davis	39	9	6	-	-	54
Susan Hadfield	39	-	6	-	-	45
Marjorie Pagani	18	-	4	-	-	22
Karyn Watson	39	-	6	-	-	45
Darren Thamm	37	9	6	-	-	52
Tara Diversi	29	9	5	-	-	43
Kirstyne Davis	14	-	2	-	-	16
Jason Ramsamy	14	-	2	-	-	16
Dion Creek	11	-	1	-	-	12
Executive						
Dean Davidson	126	5	16	3	-	150
Nicholas Steele	34	1	5	1	-	41
Rex O'Rourke	142	4	17	3	-	166
Danielle Hoins	187	9	25	4	-	225
Brendan Cann	35	1	2	1	-	39
Tony Coombs	47	2	5	1	-	55
Tamara Sweeney	52	-	8	1	-	61
Marita Sagigi	126	6	15	3	-	150
Francis Grainer	102	3	12	2	-	119
Michael Catt	210	12	27	5	-	254
Marlow Coates	631	9	70	15	-	725
Jennifer Wharton	56	1	5	1	-	63
Kim Veiwasenavanua	89	-	7	-	100	196
Sarah Worth	236	9	26	5	-	276
Jacob Walsh	23	1	2	-	-	26
Wendy Burke	162	-	18	4	-	184
Alan Dewis	69	2	7	2	-	80
Amanda Wilson	210	-	24	5	-	239
Lindsay Pickstone	217	9	25	5	-	256
Greg Summers	34	1	4	1	-	40
Sally O'Kane	190	9	22	4	-	225

Note 27. Key management personnel disclosures (continued)

2023 Remuneration expenses

Name	Monetary	Non-monetary	Post-employment benefits	Long-term benefits	Termination benefits	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Board						
Elthies Kris	73	-	8	-	-	81
Karen Price	39	-	4	-	-	43
Scott Davis	40	9	4	-	-	53
Rhonda Shibasaki	13	-	2	-	-	15
Marjorie Pagani	39	-	4	-	-	43
Karyn Watson	39	-	4	-	-	43
Darren Thamm	38	9	4	-	-	51
Susan Hadfield	39	-	4	-	-	43
Tara Diversi	39	9	4	-	-	52
Executive						
Beverley Hamerton	257	9	17	4	274	561
Danielle Hoins	212	9	21	5	-	247
Tamara Sweeney	191	-	19	4	-	214
Marita Sagigi	27	1	3	1	-	32
Francis Grainer	25	1	2	-	-	28
Ian Power	111	9	10	3	124	257
Michael Catt	126	3	11	3	-	143
Marlow Coates	620	7	40	14	-	681
Jennifer Wharton	71	3	7	2	-	83
Kim Veiwasenavanua	207	7	22	5	-	241
Sarah Worth	75	-	7	1	-	83
Stephen Tillett	67	6	7	2	-	82
Wendy Burke	60	-	7	1	-	68
Amanda Wilson	177	-	20	4	-	201
Dean Davidson	183	9	19	4	-	215
Lindsay Pickstone	25	1	2	1	-	29
Sally O'Kane	160	9	18	4	-	191

Note 28. Related party transactions

Transactions with Queensland Government controlled entities
Material related party transactions for 2023-24 are disclosed in this note.

Department of Health
DoH receives its revenue from the Queensland Government (funding) and the Commonwealth. TCHHS is funded for eligible services through non-Activity Based Funding. Refer to Note 3. The funding from DoH is provided predominantly for specific public health services purchased by DoH from TCHHS in accordance with a Service Agreement between DoH and TCHHS. The Service Agreement is amended periodically and updated for new program initiatives delivered by TCHHS. The TCHHS signed Service Agreement is published on the Queensland Government website and is publicly available. As outlined in Note 7, TCHHS is not a prescribed employer and health service employees are employed by the DoH and contracted to work for the TCHHS.

Queensland Treasury Corporation
TCHHS has accounts with the QTC for general trust monies. Refer to Note 10.

Transactions with other related parties
In the ordinary course of business conducted under normal terms and conditions, TCHHS has the following key management personnel (KMP) related parties' transaction disclosures:

Note 28. Related party transactions (continued)

NQPHN is a limited company which works with various clinicians employed by DoH or TCHHS to improve and coordinate primary health care across the local health system for patients requiring care from multiple providers. The transactions with this company were at arm's length and are in accordance with the entity's constitution. TCHHS receives funding from two funding sources: Primary Health Network Health Pathways and integrated care incentive funding and mental health after hours.

TCHHS is a member of TAAHCL. Members are incorporated in a unified company and governance structure to enhance health and health services research in the region, leveraging economies of scale and the proven opportunities of the Academic Health Centre concept for northern Queensland. TCHHS has paid its 2023-24 year membership contribution directly to TAAHCL. This transaction was endorsed by the TCHHS Board and is considered to be at arm's length.

TCHHS is in a partnership with BHNQA to form an Alliance. The Alliance is a decision-making body and provides resources and authorises funding for the program. There have been no related party transactions between TCHHS and BHNQA during the 2023-24 year.

TCHHS employees that are close family members of TCHHS key management personnel were recruited in accordance with the standard TCHHS recruitment policies and procedures.

Related Party transaction values and outstanding balances

Related Party	**Transaction Type**	**2024**		**2023**	
		Transaction value Revenue/ (expense)	Receivables/ (payables)	Transaction value Revenue/ (expense)	Receivables/ (payables)
		$'000	**$'000**	**$'000**	**$'000**
DoH	Service Agreement *	309,543	(3,085)	272,236	(4,446)
DoH	Non-executive health service employees	(155,127)	(8,528)	(134,333)	(639)
DoH	Services support costs	(20,647)	(1,013)	(17,166)	(1,429)
Other Hospital and Health Services	Renal, interpretation and legal services, pharmacy supplies, office space, freight, phone levy, contract labour, travel and training	(1,244)	(2,339)	(391)	(982)
DHLGPPW	Building leases	(9,538)	-	(10,137)	-
DEC	Fleet leases	(1,401)	(10)	(1,297)	(50)
NQPHN	Primary Health care support **	343	(343)	202	(202)
TAAHC	Membership fee	(75)	-	(75)	-
Close family members	Aggregated salary and wages	(356)	-	(435)	-

* *DoH Service Agreement receivables and payables (2024: $5.712m receivables and $8.797m payables) (2023: $2.346m receivables and $6.792m payables)*

** *NQPHN revenue and expenses (2024: $2.220m of revenue and $1.877m of expenses) (2023: $1.413m of revenue and $1.211m of expenses). NQPHN receivables and payables (2024: nil receivables and $0.343m payables) (2023: $0.067m receivables and $0.269m payables).*

Note 29. Other information

(a) Goods and Services Tax (GST) and other similar taxes

DoH is a state body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The only federal taxes that TCHHS is assessed for are Fringe Benefits Tax (FBT) and Goods and Services Tax (GST) which are managed and reported to the Commonwealth by DoH. Payments/receipts made on behalf of TCHHS reimbursed to/from DoH on a monthly basis. GST credits receivable from, and GST payable to the Australian Tax Office (ATO), are recognised on this basis.

Both TCHHS and DoH satisfy section 149-25(e) of the A New Tax System *(Goods and Services) Act 1999* (Cwt.) (the GST Act). Consequently, they were able, with other Hospital and Health Services, to form a “group” for GST purposes under Division 149 of the GST Act. Any transactions between the members of the "group" do not attract GST.

(b) First year application of new standards or change in policy

Accounting standards applied for the first time

TCHHS did not apply any new accounting standards for the first time and there were no changes in policies for 2023-24.

(c) New accounting standards and interpretations not yet effective

Accounting standards early adopted

There are no accounting standards that have been implemented during 2023-24 financial year that has had a material impact on the financial statements.

(d) Climate risk disclosure

Whole of Government Climate related reporting
The State of Queensland, as the ultimate parent of TCHHS has published a wide range of information and resources on climate related risks, strategies and actions accessible via https://www.energyandclimate.qld.gov.au/climate.

The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QRS is available via the Queensland Treasury’s website at https://www.treasury.qld.gvo.au/programs-and-policies/queensland-sustainabiltiy-report.

No adjustments to the carrying value of assets or other adjustments were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements.

TCHHS continues to monitor the emergence of material climate-related risks that may impact the financial statements of the HHS, including those arising under the Queensland Government’s Queensland 2035 Clean Economy Pathway, and other Queensland Government climate-related policies or directives.

Note 30. Budget vs actual comparison

Explanations of major variances

Major variances are generally considered to be variances that are material within the 'Total' line item that the item falls within. Major variances have been identified and explained:

Statement of Comprehensive Income

User charges and fees:	*The decrease of $4.284m (49.6%) related to a reduction in pharmaceutical benefits scheme recoveries for high cost drugs, medical imaging recoveries and the change in recognition of NDIS as other grants and contributions in accordance with AASB 1058 Income of Not-for-Profit Entities.*
Funding for public health services:	*The increase of $30.407m (10.89%) related to additional funding provided through amendments to the Service Agreement with the DoH for the delivery of increased public hospital and health services and enterprise bargaining funding increases inclusive of cost of living adjustment (COLA).*
Other revenue:	*The increase of $8.431m (585.08%) related to additional funding provided for non-capital project recoveries and salary support for Australian General Practice Training (AGPT).*
Employee expenses:	*The decrease of $7.127m (21.93%) relates to the number of vacancies for Senior Medical officer positions which were backfilled by locums or Principal House Officers (PHO).*
Supplies and services:	*The increase overall of $31.803m (32.38%) relates primarily to increases in external labour ($28.237m), travel costs ($10.301m) and repairs and maintenance ($3.000m) offset by classification difference between supplies and services and other expenses.*
Other expenses:	*The increase of $6.462m (111.61%) relates to Queensland Treasury treatment of unspent grants under AASB 1058 Revenue Recognition of $8.533m offset by classification difference between other expenses and supplies and services.*
Increase in asset revaluation surplus:	*The increase of $7.127m relates to the comprehensive revaluation and indexation of buildings and land at fair value.*

Note 30. Budget vs actual comparison (continued)

Statement of Financial Position

Cash and cash equivalents:	Refer to commentary under Statement of Cash Flows.
Receivables:	The increase of $8.625m (334.56%) relates to reimbursed funding included as part of the DoH year end technical adjustment. It included clinical attraction and retention incentives, enterprise bargaining changes and a change in the timing of funding paid in arrears instead of in advance for specific programs.
Other assets:	The increase of $2.701m (587.17%) is primarily due to a recognition of the upfront mobilisation cost of the temporary Wujal Wujal clinic as a prepayment.
Property, plant and equipment:	The decrease of $34.105m (11.01%) is due to the timing of the financial commissioning of DoH managed capital projects. The Thursday Island hospital refurbishment was the largest material variance which was budgeted to contribute $28.753m in the 2023-24 year.
Right-of-use assets:	The increase of $10.357m (245.78%) relates to a commercial lease for the Clinical Coordination Hub and the transition of private housing low value leases with lease terms that are now in excess of 12 months so therefore capitalised under *AASB 16 Leases.*
Payables:	The increase of $17.004m (85.35%) relates to revenue clawback and funding returns recognised under *AASB 1058 Income of Not-for-Profit Entities* and Department of Health payroll settlement for first pay period in the 2023-24 year.
Lease liabilities:	Refer to commentary under right-of-use assets.
Accrued employee benefits:	The decrease of $0.453m (23.33%) relates to timing of payment of Remote Area Nursing Incentive Payments (RANIP) and medical inaccessibility.
Asset revaluation surplus:	The decrease of $18.541m refers to a reduction of 2.5% in indexation rate applied compared to prior year, the write down of Wujal Wujal assets and assets impacted by natural disaster and the reduction in the remaining useful lives of assets undergoing refurbishment.

Note 30. Budget vs actual comparison (continued)

Statement of Cash Flows

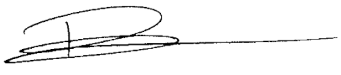
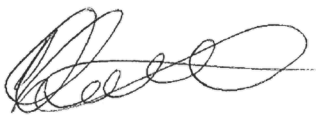
User charges and fees:	The decrease in cash inflows is lower than budgeted primarily due to the same factors outlined in the major variances for the Statement of Comprehensive Income.
Employee expenses:	The decrease in cash outflows is lower than budgeted primarily due to the same factors outlined in the major variances for the Statement of Comprehensive Income.
Supplies and services:	The increase in cash outflows is higher than budgeted primarily due to increases external labour ($28.237m), travel costs ($10.301m) and repairs and maintenance ($3.000m).
Payments for property, plant and equipment	The increase in cash flows from investing activities is due to the practical completion of large capital projects and equipment including the final stages of the new Murray (Mer) Island Primary Health clinic, refurbishments to Bamaga Hospital and Thursday Island CT scanner.
Proceeds from equity injections:	The increase in cash flows from financing activities is due to the same factors outlined in the variances for payments for property, plant and equipment.
Equity withdrawals:	The increase relates to depreciation reported in the original budget which was classified as a cash item in the original budget but treated as non-cash in the actuals.
Lease payments:	The increase in cash outflows is due to the changes in the recognition of right of use assets as outlined in the variances for the Statement of Financial Position.

These general-purpose financial statements have been prepared pursuant to s.62 (1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Torres and Cape Hospital and Health Service for the financial year ended 30 June 2024 and of the financial position of Torres and Cape Hospital and Health Service at the end of that year; and

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Renee Williams	Rex O'Rourke	Danielle Hoins - CPA
		
Board Chair	Health Service Chief Executive	Executive Director Finance, Information and Digital Services (and CFO)
23 / 08 / 2024	23 / 08 / 2024	23 / 08 / 2024

Queensland Audit Office
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INDEPENDENT AUDITOR'S REPORT

To the Board of Torres and Cape Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Torres and Cape Hospital and Health Service.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and

b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Key audit matters

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

Fair value of buildings ($232 million)

Refer to note 14 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Buildings were material to Torres and Cape Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method.	My procedures included, but were not limited to: • assessing the adequacy of management's review of the valuation process and results

Key audit matter	How my audit addressed the key audit matter
Torres and Cape Hospital and Health Service performed a comprehensive revaluation of 49 building assets across the following sites this year as part of the rolling revaluation program: • Horn Island Primary Health Centre • Bamaga Hospital • Bamaga Primary Health Centre • Coen Primary Health Centre • Laura Primary Health Centre • Hopevale Primary Health Centre • Wujal Wujal Primary Health Centre • Thursday Island Hospital. All other buildings were assessed using relevant indices. The current replacement cost method comprises: • gross replacement cost, less • accumulated depreciation. Torres and Cape Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for: • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: o estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. $/square metre) o identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components. The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense. Using indexation required: • significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used.	• reviewing the scope and instructions provided to the valuer • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices • assessing the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models • for unit rates, on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: o modern substitute (including locality factors and oncosts) o adjustment for excess quality or obsolescence • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: o reviewing management's annual assessment of useful lives o at an aggregated level, reviewing asset management plans for consistency between renewal budgets and the gross replacement cost of assets o testing that no building asset still in use has reached or exceeded its useful life o enquiring of management about their plans for assets that are nearing the end of their useful life o reviewing assets with an inconsistent relationship between condition and remaining useful life • where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

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Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Financial Accountability Act 2009, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf This description forms part of my auditor's report.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

23 August 2024

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

GLOSSARY

Aboriginal and Torres Strait Islander health worker	An Aboriginal and/or Torres Strait Islander person who holds the specified qualification and works within a primary healthcare framework to improve health outcomes for Aboriginal and Torres Strait Islander people.
Acute	Having a short and severe course of care in which the clinical intent or treatment goal is to: • manage labour (obstetric) • cure illness or provide definitive treatment of injury perform surgery • relieve symptoms of illness or injury (excluding palliative care) reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures
ACYHC	Apunipima Cape York Health Council
CAC	Community Advisory Committee
CHHHS	Cairns and Hinterland Hospital and Health Service
CKN	Clinicians Knowledge Network
Clinical governance	A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.
COVID-19	The COVID-19 novel coronavirus is a strain of coronavirus affecting humans. Some coronaviruses can cause illness similar to the common cold and others can cause more serious diseases such as Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS).
Director-General	The Director-General (DG) is the highest-ranking administrative officer within a Queensland government department. They serve as the principal advisor to the elected government and play a pivotal role in implementing government policies and priorities.
EAS	Employee Assistance Services
ELT	Executive Leadership Team
ENT	Ear Nose and Throat
Full-time Equivalent (FTE)	Full-time Equivalent is calculated by the number of hours worked in a period divided by the award full-time hours prescribed by the award/industrial instrument for the person's position.
HES	Health Equity Strategy
HESIP	Health Equity Strategy Implementation Plan
Hospital	Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.

Hospital and Health Boards	The Hospital and Health Boards are made up of a mix of members with expert skills and knowledge relevant to governing a complex healthcare organisation.
Hospital and Health Service	Hospital and Health Services are separate legal entities established by Queensland Government to deliver public hospital services. Hospital and Health Services commenced in Queensland on 1 July 2012, replacing existing health service districts.
HSCE	Health Service Chief Executive
IHS	Integrated Health Service
JCU	James Cook University
LANA	Local Area Needs Assessment
LOL	Learning On-Line
MPHS	Multi-Purpose Health Service
NDIS	National Disability Insurance Scheme
NPA	Northern Peninsula Area
NQPHN	North Queensland Primary Health Network
NSQHSS	National Safety and Quality Health Service Standards
OHO	Office of the Health Ombudsman
Outpatient	Non-admitted health service provided or accessed by an individual at a hospital or health service facility.
Open Data	Data that any individual can use freely and without technical, financial or legal restrictions, as well as reuse and dissemination, taking into account the methodology of open data .
Overnight-stay patient (also known as inpatient)	A patient who is admitted to, and separated from, the hospital on different dates (not same-day patients).
PHCC	Primary Health Care Centre
Public hospital	Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
QAIHC	Queensland Aboriginal and Islander Health Council
QAO	Queensland Audit Office
QIP	Quality Innovation Performance Limited
Registered nurse	An individual registered under national law to practice in the nursing profession as a nurse, other than as a student.
SARAS	Study and Research Assistance Scheme
Statutory bodies	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees/councils.
TCHHB	Torres and Cape Hospital and Health Board
TCHHS	Torres and Cape Hospital and Health Service

Telehealth	Delivery of health-related services and information via telecommunication technologies, including: live audio and or/video interactive links for clinical consultations and educational purposes store and forward Telehealth, including digital images, video, audio and clinical notes (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists' tele-radiology for remote reporting and clinical advice for diagnostic images Telehealth services and equipment to monitor people's health in their home.
Weighted Activity Unit	A standard unit used to measure all patient care activity consistently. The more resource intensive an activity is, the higher the weighted activity unit. This is multiplied by the standard unit cost to create the 'price' for the episode of care.
Aboriginal and Torres Strait Islander health worker	An Aboriginal and/or Torres Strait Islander person who holds the specified qualification and works within a primary healthcare framework to improve health outcomes for Aboriginal and Torres Strait Islander people.
Acute	Having a short and severe course of care in which the clinical intent or treatment goal is to: • manage labour (obstetric) • cure illness or provide definitive treatment of injury perform surgery • relieve symptoms of illness or injury (excluding palliative care) reduce severity of an illness or injury • protect against exacerbation and/or complication of an illness and/or injury that could threaten life or normal function • perform diagnostic or therapeutic procedures
CAC	Community Advisory Committee
CKN	Clinicians Knowledge Network
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COVID-19	The COVID-19 novel coronavirus is a strain of coronavirus affecting humans. Some coronaviruses can cause illness similar to the common cold and others can cause more serious diseases such as Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS).
ENT	Ear Nose and Throat
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Hospital and Health Service	Hospital and Health Services are separate legal entities established by Queensland Government to deliver public hospital services. Hospital and Health Services commenced in Queensland on 1 July 2012, replacing existing health service districts.

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IHS	Integrated Health Service
LANA	Local Area Needs Assessment
MPHS	Multi-Purpose Health Service
NQPHN	North Queensland Primary Health Network
NSQHSS	National Safety and Quality Health Service Standards
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PHCC	Primary Health Care Centre
Public hospital	Public hospitals offer free diagnostic services, treatment, care and accommodation to eligible patients.
QAO	Queensland Audit Office
Registered nurse	An individual registered under national law to practice in the nursing profession as a nurse, other than as a student.
SARAS	Study and Research Assistance Scheme
Statutory bodies	A non-departmental government body, established under an Act of Parliament. Statutory bodies can include corporations, regulatory authorities and advisory committees/councils.
TCHHS	Torres and Cape Hospital and Health Service
Telehealth	Delivery of health-related services and information via telecommunication technologies, including: live audio and or/video interactive links for clinical consultations and educational purposes store and forward Telehealth, including digital images, video, audio and clinical notes (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists' tele-radiology for remote reporting and clinical advice for diagnostic images Telehealth services and equipment to monitor people's health in their home.
Weighted Activity Unit	A standard unit used to measure all patient care activity consistently. The more resource intensive an activity is, the higher the weighted activity unit. This is multiplied by the standard unit cost to create the 'price' for the episode of care.

COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	• **A letter of compliance from the accountable officer or statutory body to the relevant Minister/s**	ARRs – section 7	4
Accessibility	• **Table of contents** • **Glossary**	ARRs – section 9.1	5 101-104
	• **Public availability**	ARRs – section 9.2	2
	• **Interpreter service statement**	*Queensland Government Language Services Policy* ARRs – section 9.3	2
	• **Copyright notice**	*Copyright Act 1968* ARRs – section 9.4	2
	• **Information Licensing**	*QGEA – Information Licensing* ARRs – section 9.5	2
General information	• **Introductory Information**	ARRs – section 10	7-10
Non-financial performance	• **Government's objectives for the community and whole-of-government plans/specific initiatives**	ARRs – section 11.1	6
	• **Agency objectives and performance indicators**	ARRs – section 11.2	11-12, 49-51
	• **Agency service areas and service standards**	ARRs – section 11.3	16-19, 52-53
Financial performance	• **Summary of financial performance**	ARRs – section 12.1	54-55
Governance – management and structure	• **Organisational structure**	ARRs – section 13.1	37
	• **Executive management**	ARRs – section 13.2	21-26, 31-36
	• **Government bodies (statutory bodies and other entities)**	ARRs – section 13.3	28
	• **Public Sector Ethics**	*Public Sector Ethics Act 1994* ARRs – section 13.4	47
	• **Human Rights**	*Human Rights Act 2019* ARRs – section 13.5	47
	• **Queensland public service values**	ARRs – section 13.6	12
Governance – risk management and accountability	• **Risk management**	ARRs – section 14.1	43
	• **Audit committee**	ARRs – section 14.2	29-30
	• **Internal audit**	ARRs – section 14.3	43-44
	• **External scrutiny**	ARRs – section 14.4	44-45
	• **Information systems and recordkeeping**	ARRs – section 14.5	44-47
	• **Information Security attestation**	ARRs – section 14.6	47
	• **Strategic workforce planning and performance**	ARRs – section 15.1	39-41

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• **Early retirement, redundancy and retrenchment**	Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	42
Open Data	• **Statement advising publication of information**	ARRs – section 16	2
	• **Consultancies**	ARRs – section 31.1	https://data.qld.gov.au
	• **Overseas travel**	ARRs – section 31.2	https://data.qld.gov.au
	• **Queensland Language Services Policy**	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• **Certification of financial statements**	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	97
	• **Independent Auditor's Report**	FAA – section 62 FPMS – section 46 ARRs – section 17.2	98-100

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

ANNUAL REPORT 2023–2024

Torres and Cape Hospital and Health Service

www.torres-cape.health.qld.gov.au