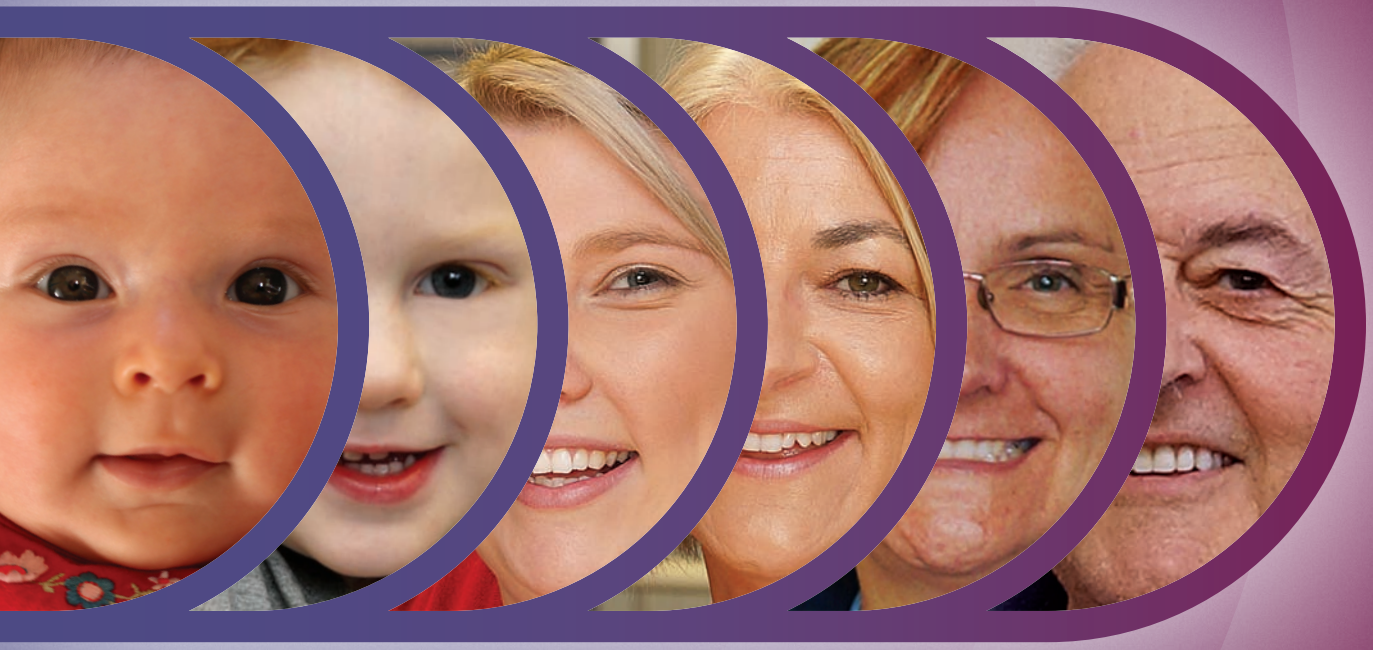
Tasmanian Health Organisation
North West



Annual Report 2012-2013

Tasmanian Government

ISBN 978-0-9872591-7-2

What we do	The community we serve	2012-13 at a glance
We deliver health services to **113,000** Tasmanians	We represent **22%** of Tasmania's population	We delivered **22,386** Hospital separations (32% more than last year)
across **13** sites 2 acute hospitals, 3 rural hospitals and 8 community health and multipurpose centres	Our average age is **41** years compared with 40 across Tasmania and 37 across Australia	**20,925** Weighted hospital separations (16% more than last year)
182 Acute hospital beds 103 at the NWRH and 79 at the MCH	**17%** of us are aged 65 years and over compared with 16% across Tasmania and 14% across Australia	**9,215** Operations including 3,828 elective surgery procedures
30 Aged Care beds 14 on King Island and 16 in Queenstown	We have a life expectancy (from birth) of **80** years compared with 80 years across Tasmaniaand 82 years across Australia	**103,404** Outpatient attendances (7% less than last year)
spending **$227.8m** in 2012-13	**32%** of us are concession card holders compared with 30% across Tasmania and 23% across Australia	**50,892** Emergency Department attendances (2% more than last year)
employing **1,611** people (1,269 Full-time equivalent staff) 44% nurses, 9% medical practitioners and 7% allied health providers	Our mortality rate (per 1,000 people) is **6.8** compared with 6.6 across Tasmania and 5.6 across Australia	**1,032** Admissions to rural hospitals (9% less than last year)
Supported by nearly **300** volunteers	**17.4%** of our population identify themselves as daily smokers compared with 16.2% across Tasmania	**110,466** Community Health occasions of service including community nursing, home help, personal care and home maintenance
Receiving feedback through **875** compliments **180** complaints	**27.2%** of our population identify themselves as drinking alcohol at potentially harmful levels compared with 26.7% across Tasmania	**1,002** Aged Care Assessments from 1,247 referrals

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INTRODUCTION

GOVERNING COUNCIL

Chairman's Letter of Transmittal

Dear Ministers

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

The national health reforms agreed in August 2011 by the Australian Government and all state and territory governments demanded a major restructure of the health system in Tasmania and across the whole of Australia.

The Tasmanian Health Organisations Act 2011 was developed to meet the objectives of national health reform in establishing Local Hospital Networks. The Act was proclaimed in December 2011 and three Local Hospital Networks known as Tasmanian Health Organisations (THOs) were formally established from 1 July 2012.

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

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

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

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

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

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

- The establishment of our new governance structure to reflect increased local accountability to drive improvement in health systems and services in the region.
- appointment of our first Chief Executive Officer with a wealth of experience, skill, commitment and enthusiasm.
- establishment of an Audit and Risk Committee, chaired by Sarah Jordan to support the work of the Governing Council.
- implementation of the new funder, purchaser, and provider relationships and addressing inevitable tensions that emerged with devolution of responsibility and new systems and accountabilities.
- publication of our first Corporate Plan and Business Plan and adoption of our first Service Agreement with the Minister for Health.
- two joint meetings of the three THO Governing Councils, with their Chief Executive Officers, to work on matters of common interest.
- participation in the development of a statewide clinical governance framework.
- service changes and role delineation between the region's two acute hospitals to improve the quality, safety and sustainability of health care in the region.

- development of forward strategies to address systemic challenges for the region including difficulties in health workforce recruitment, high costs of service delivery (particularly in rural and remote areas) and increasing demand for services in a resource constrained environment.
- building new relationships with service delivery and community partners in the region.
- closing the gap between the local price and the "national efficient price" for hospital services in preparation for the implementation of the new funding model from 2014-15.
- achievement of a balanced 2012-13 budget outcome (cash) and the minimisation of any accrued budget deficit in the face of increasing demand for services and cost increases in excess of funding indexation.

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

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

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

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

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

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

Graeme Houghton

Chair
Tasmanian Health Organisations

CEO's Report

Welcome to the Tasmanian Health Organisation – North West (THO-North West) 2012-13 Annual report. 2012-13 was a year of both significant achievements and challenges for our organisation.

As a result of National Health Reforms, we transitioned to become THO-North West on 1 July 2012. These reforms also saw us become an independent organisation that is now responsible for managing our own public health services at a local level.

This transition provided us the opportunity to reassess our organisational values as health providers. Organisational values underpin the way we approach our work and how we treat each other. It is essential we respect each other and our patients and act with the utmost integrity in everything we do. If our work values are aligned with our colleagues it becomes much easier for teams to build good relationships and make the right choices for ourselves and others.

A project involving input from all THO-North West staff will see a new set of values imbedded into all areas of our organisation during 2013-14.

The THO-North West Executive Committee is also working towards moving our organisation to a 'patient-centred' model-of-care whereby our patients / clients are engaged with our service and empowered to play a central role in their own healthcare journey.

More than $50 million worth of capital works projects commenced at North West Regional Hospital (NWRH) in 2012-13. These included the start of works on the three-storey Regional Cancer Centre, the upgrade and expansion of the Emergency Department (ED), completion of a multi-storey car park and the installation of a state-of-the-art MRI machine. A $5 million upgrade at the King Island Hospital and Community Health Centre (KIHCHC) was also completed to coincide with the hospital's 100th anniversary.

These capital works projects were welcome highlights for a year in which the main challenge has involved balancing expectations of increased demand for services within a constrained budget environment.

The increased incidence of chronic disease within the North West community, together with a rapidly ageing population, is exerting significant pressure on our health system. While we have achieved activity levels at our two acute hospitals in excess of the expectations of our funders, we have been faced with continued pressure from unplanned acute and emergency admissions that have reduced our capacity to achieve other service targets including those for elective surgery.

The announcement of the extra elective surgery funding by the Commonwealth Government through the Tasmanian Health Assistance Package allowed us to achieve greater throughput in high cost procedures that would otherwise have not been possible. Despite this injection, we were unable to significantly reduce our elective surgery waiting list as it continues to grow faster than it can be serviced.

Faced with this mismatch between demand and our capacity to supply services, we have responded with innovation and service redesign to promote clinical safety and best practice that are beginning to yield benefits in sustainability that will continue into future years.

THO-North West is blessed with loyal and enthusiastic staff who are always willing to problem-solve and explore better ways of doing things. Some examples of this throughout 2012-13 have included the implementation of the Digital Medical Record project, the establishment of a Nurse Practitioner role in Diabetes, changes to the delivery of paediatric and surgical services at the Mersey Community Hospital (MCH) and continued expansion in the use of telehealth to support the care of people in rural and remote areas.

In striving for efficiency we have been also been effective in reducing our dependence on agency and locum staff in certain disciplines that has yielded significant cost savings.

Notwithstanding these initiatives, THO-North West faces unique challenges that are built into the culture and the structure of our health service and these will need continued attention in years to come.

There continues to be high numbers of our population accessing services in Victoria and other states which generate significant cost to our organisation. Our ED activity is a major challenge with the number of low acuity presentations to our EDs continuing to increase – statistics indicate that every second person in the North West attends the ED each year at some point.

Our rural health facilities, Smithton District Hospital (SDH), KIHCHC and the West Coast District Hospital (WCDH) continued to perform to the best of their abilities throughout 2012-13 despite ongoing financial challenges.

In the face of these challenges and constraints, THO-North West achieved all but five of the standards specified in its 2012-13 Service Agreement and also delivered a net operating deficit of -$0.9million or 0.4% which, for an operation of our size working within our environment, was no mean feat.

To achieve this great result took a lot of dedication and huge effort from our staff, and I sincerely thank them for their work.

Gavin Austin

Chief Executive Officer

Tasmanian Health Organisation – North West

Governing Council

Each THO has its own Governing Council which makes decisions in consultation with health CEOs about how services are delivered. The THO Act 2011 specifies the functions and powers of Governing Councils and each Governing Council may consist of between four and eight members. The Act also includes provisions for acting members, disclosure of member interests and offences as members, which are generally consistent with standard corporate governance arrangements.

The Governing Council sets the strategic direction for each THO. Each Governing Council is accountable to the Minister for Health and Treasurer for the performance of its functions and exercise of its powers.

The functions of Governing Councils are

- to negotiate the THO service agreement.
- to ensure the organisation delivers the services agreed under the service agreement.
- to ensure the organisation delivers the services in accordance with the performance standards set out in the service agreement.
- to ensure the organisation operates within the budget set out in the service agreement.
- to improve the outcomes for patients in the THOs area, in accordance with the service agreement.
- to consult and provide information to the State Government and people within the THOs area.
- to ensure that the objectives specified in the THOs Ministerial Charter and Corporate Plan are achieved.
- to provide advice to the Minister for Health about future capital investment requirements of the THO and the planning of service delivery.

Part 3 of the *Tasmanian Health Organisations Act 2011* details the process to be used by responsible Ministers (the Minister for Health and the Treasurer) to appoint Governing Council members including the chairperson. This process is similar to that used for Government Business Enterprises.

The Minister for Health, the Hon. Michelle O'Byrne, appointed a Chairperson and four members of each Governing Council in July 2012. The Chairman, Mr Graeme Houghton, is common to each of the three Governing Councils and the remaining four members were selected through a merit selection process based on their relevant skills and experience in accordance with Part 3, Section 15 of the Act.

The selection criteria for Governing Council members are consistent with the requirements of the National Health Reform Agreement, including:

- skills and experience necessary to oversee and provide guidance to a large complex organisation
- skills and experience in health management, business management and financial management
- clinical expertise
- an understanding of the health needs of the local area.

Mr Graeme Houghton – Mr Graeme Houghton is Chairman of the THO-North West Governing Council. Appointed by the Minister in May 2012 for a period of three years.

Graeme holds a BSc and Master of Health Administration and is a Fellow of the Australasian College of Health Service Management.

Graeme has held appointments as Chief Executive Officer of Fairfield Hospital, Austin Hospital, Repatriation General Hospital (Daw Park) and The Royal Victorian Eye and Ear Hospital. Graeme also has experience in the private hospital sector and as Hospital Standards and Accreditation Adviser to the National Department of Health in Papua New Guinea.

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

Mrs Sarah Jordan – Mrs Sarah Jordan is Chair of the Governing Council's Audit and Risk Sub-Committee. Appointed by the Minister in July 2012 for a period of three years.

Sarah was the former CEO of General Practice Tasmania Ltd for 10 years and has a Masters degree in Economics from the University of Tasmania (UTAS).

Sarah has over 20 years experience in health sector management and administration working across the three sectors of Government, private and not-for–profit. She is also a Graduate of the Institute of Company Directors.

Associate Professor Dr Deborah Wilson – Dr Deborah Wilson is a specialist anaesthetist who has worked for over 14 years in the public and private health care sectors across North West Tasmania providing consultant anaesthesia and intensive care services. Appointed by the Minister in July 2012 for a period of three years.

Deborah is the Acting Co-Director of the University of Tasmania (UTAS) Rural Clinical School (RCS) and Associate Head of Acute Medical Education at the RCS. Deborah also has a teaching role with the Australian and New Zealand College of Anaesthetists.

Mr Dale Elphinstone – Mr Dale Elphinstone is a successful private entrepreneur from Burnie. Appointed by the Minister in July 2012 for a period of three years.

Dale is a past Director of Caterpillar Elphinstone Pty Ltd and a current Director and Chairman of Williams Adams, the Caterpillar dealer in Victoria and Tasmania. He also has extensive other board and committee experience including at the Burnie Port Corporation Board, National Hire Board and the Queensland Gas Board.

Dr Emil Djakic – Dr Emil Djakic is a Tasmanian born General Practitioner (GP) who has been based in Ulverstone in the North West for 17 years. Appointed by the Minister in July 2012 for a period of three years.

Emil has broad experience in various roles including the Chairman of the Board of General Practice North West and the Australian General Practice Network and a member of the Board of the Australian Medicare Local Alliance and the Mersey Community Hospital. He is also a Graduate of the Institute of Company Directors.

Attendance Report

Tho-North West Governing Council Meeting Attendance 2012-13

The THO-North West Governing Council met on 11 occasions during the year.

Board member	24 Jul 2012	28 Aug 2012	25 Sep 2012	23 Oct 2012	27 Nov 2012	29 Jan 2013	26 Feb 2013	26 Mar 2013	23 Apr 2013	21 May 2013	25 Jun 2013
Mr Graeme Houghton	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Emil Djakic	✓	✓	✓	✓	✓	✓	✓	A	A	✓	✓
Assoc Prof Deborah Wilson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Dale Elphinstone	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓
Mrs Sarah Jordan	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓

THO-North West Governing Council Remuneration

Board member	Annual Remuneration 2012-13
Mr Graeme Houghton	$50,000
Dr Emil Djakic	$28,832
Assoc Prof Deborah Wilson	$28,832
Mr Dale Elphinstone	$28,832
Mrs Sarah Jordan	$28,832

Audit and Risk Sub-Committee

In November 2012 the THO-North West Governing Council established an Audit and Risk Sub-Committee (A&RSC). The role of the A&RSC is to monitor and provide advice to the THO-North West Governing Council in relation to the organisation's

- risk management
- control framework
- external accountability (including the review of financial statements)
- compliance with applicable laws and regulations
- internal audit
- external audit.

Audit and Risk Committee Members

- Mrs Sarah Jordan, THO-North West Governing Council member (Chair)
- Associate Professor Deborah Wilson, THO-North West Governing Council member
- Mr Peter Mancell, External Advisor appointed by the Governing Council
- Mr Graeme Houghton, Statewide Chair THO Governing Councils (as required)

Audit and Risk committee additional participants (not formal members of the Committee)

- Mr David Basire, THO-North West Finance Director
- Mr Gavin Austin, THO-North West Chief Executive Officer
- Dr Don Coid, THO-North West Director of Medical Services

Audit and Risk Sub-Committee Attendance

Member	27 Nov 2012	26 Feb 2013	23 Apr 2013
Mrs Sarah Jordan (Chair)	NA	A	A
A/Prof Deborah Wilson	✓	✓	✓
Mr Peter Mancell*	✓	✓	✓
Mr Graeme Houghton	✓	✓	✓

* Mr Peter Mancell was appointed after the November meeting of the A&RC but was not available to attend meetings until August 2013.

The A&RC also met on 13 August 2013 to consider the 2012-13 THO-North West Financial Statements and recommend to Governing Council that these be executed and submitted for external audit.

THO-North West Governing Council Sub-Committee Remuneration

Board member	Annual Remuneration 2012-13
Mrs Sarah Jordan (Chair)	$10,000
Associate Professor Deborah Wilson – Member Audit and Risk Sub-Committee	$5,832
Mr Graeme Houghton – Member Audit and Risk Sub-Committee	$0
Mr Peter Mancell – appointed Member of the Audit and Risk Sub-Committee	$0

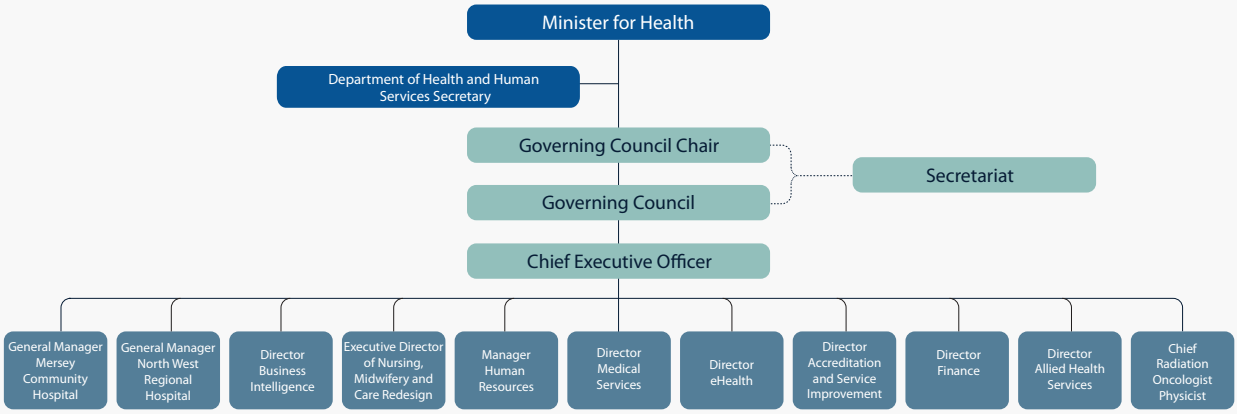
OVERVIEW

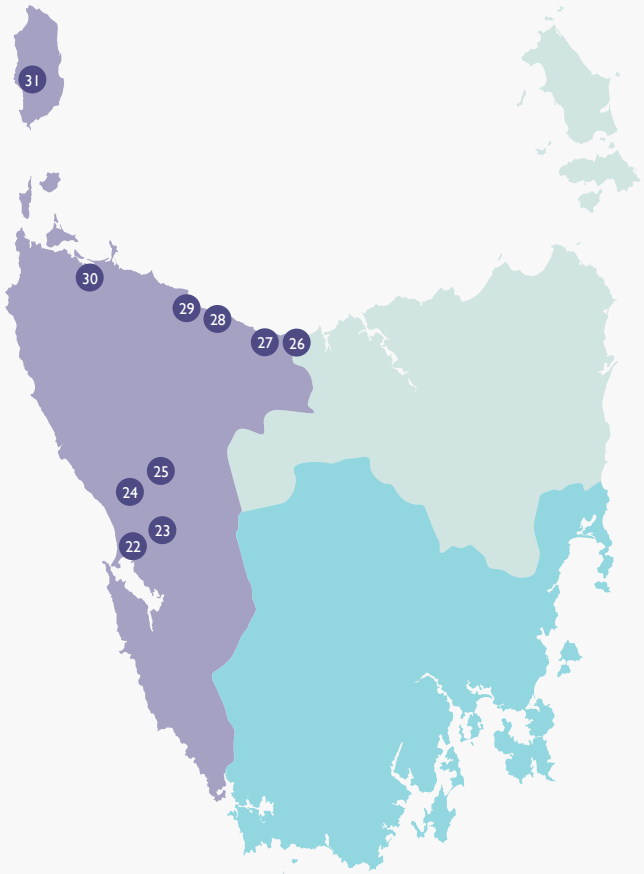
Our Organisation

The Tasmanian Health Organisations are separate corporate entities accountable under the Tasmanian Health Organisation Act 2011 to the Minister for Health. Performance of the THOs is monitored and reported to the Minister by the Secretary through the System Purchasing and Performance Unit.

THOs utilise shared services provided by the Department of Health and Human Services for asset management, business systems, finance, internal audit, payroll, procurement and risk management.

The following chart shows the organisational structure of THO-North West under the strategic governance of its Council with its relationship to the Minister and department, under the operational direction of the THO-North West CEO.





22 Strahan CNC
23 West Coast DH (Queenstown)
24 Zeehan CNRHSCS
25 Rosebery CHC
26 Devonport CHC
27 Central Coast CHC (Ulverstone)
28 Parkside & Burnie CHC
29 James Muir CHC (Wynyard)
30 Smithton DH
31 King Island Hospital & Health Centre MPC

THO-North West Facilities and Services

The THO has responsibility for providing a wide range of community and hospital services to the people of North West Tasmania. Services are delivered from 12 sites. The continuum of health services delivered ranges from health promotion activities, disease prevention strategies, primary health care, palliative care and rehabilitation, to sub-acute and acute care.

The services provided are flexible enough to target specific needs at the different stages of a patient's health journey, in order to provide an integrated, holistic and patient-centred approach health care delivery.

Primary Health Services

Services provided at a community level include access to General Practitioners and outreach medical specialists, emergency response, allied health, midwifery and nursing (including specialised nursing), aged and palliative care, community care, aids and appliances and disease prevention programs.

These services are commonly provided from Community Health Centres in the THO but can also be provided from hospitals, non-government organisations, patients' homes, schools, and workplaces.

Community health and multipurpose centres are at eight sites: Burnie, Parkside (Burnie), Central Coast (Ulverstone), Devonport, James Muir (Wynyard), Rosebery, Strahan and Zeehan.

Specific services provided at these centres include

- Occupational Therapy
- Physiotherapy
- Podiatry
- Social Work
- Speech Pathology
- Orthotics and Prosthetics
- Community Care (Care Assessment, Nursing and Home Care, Community Equipment Scheme)
- Palliative Care
- Youth Health
- Statewide Services including the Continence and Medical Specialist Outreach Assistance Programs.

Sub-Acute Services

Sub-acute care is available in rural hospitals (including multi-purpose services and multi-purpose centres) and the Mersey and North West Regional Hospitals. Rural hospitals also offer emergency care and primary health services and may offer residential aged care. Some of these facilities are operated by the THO while others are non-government providers contracted by the THO.

Sub-acute services are provided at the three rural hospitals: KIHCHC, SDH and WCDH; residential aged care facilities are available at WCDH and KIHCHC.

Acute Services

The North West Regional Hospital (NWRH) at Burnie is an acute secondary hospital offering medical, surgical, paediatric and allied health services through inpatient and outpatient care. The hospital is the receiving centre for North West trauma patients and has a well-equipped Emergency Department (ED) supported by an intensive care/high dependency unit and a 24/7 operating theatre. As NWRH is a secondary level service transfers of patients to tertiary hospitals in Launceston, Hobart and Melbourne for some injuries and illnesses occurs. NWRH has a close working relationship with Mersey Community Hospital in service delivery and patient care alongside community services.

The Mersey Community Hospital (MCH) is funded by The Commonwealth Government under a Heads of Agreement with the Tasmanian Government. The MCH offers general and specialist health services to the North West region. The Mersey is an integral part of the THO and works closely with other hospitals and primary health services to meet the needs of patients across the region.

Acute services are delineated across the NWRH and MCH.

- 24/7 emergency, medical, surgical and maternity services are provided at both sites.
- NWRH is the centre for high acuity surgeries, including orthopedics, assisted by the presence of the region's Intensive Care Unit on-site.
- MCH is the centre for lower acuity, high volume procedures including ophthalmology, endoscopy, dental and urology.
- Rehabilitation services are based at NWRH only.
- Complex births are provided only at the NWRH through a contract with the North West Private Hospital. Less complex births are also provided at the MCH.

Workforce

Awards and Agreements

There are 13 awards and agreements that apply to the range of employees and disciplines within THO-North West. These are:

Allied Health Professionals

- Allied Health Professionals (Tasmanian State Service) Agreement 2012

Medical Practitioners

- Medical Practitioners (Public Sector) Award
- Rural Medical Practitioners (Public Sector) Agreement 2009
- Salaried Medical Practitioners (Australian Medical Association Tasmania/DHHS) Agreement 2009
- Nurses and Midwives Heads of Agreement 2010
- Nurses (Tasmanian Public Sector) Award 2005
- Nurses (Tasmanian Public Sector) Enterprise Agreement 2007

Visiting Medical Practitioners

- Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2013

Other Awards and Agreements Not Covered Above

- Mental Health Services North West Crisis Assessment Team 10 Hour Shift Arrangement 2012
- Health and Human Services (Tasmanian State Service) Award
- Tasmanian State Service Award
- Public Sector Union Wages Agreement 2012

Workforce Statistics

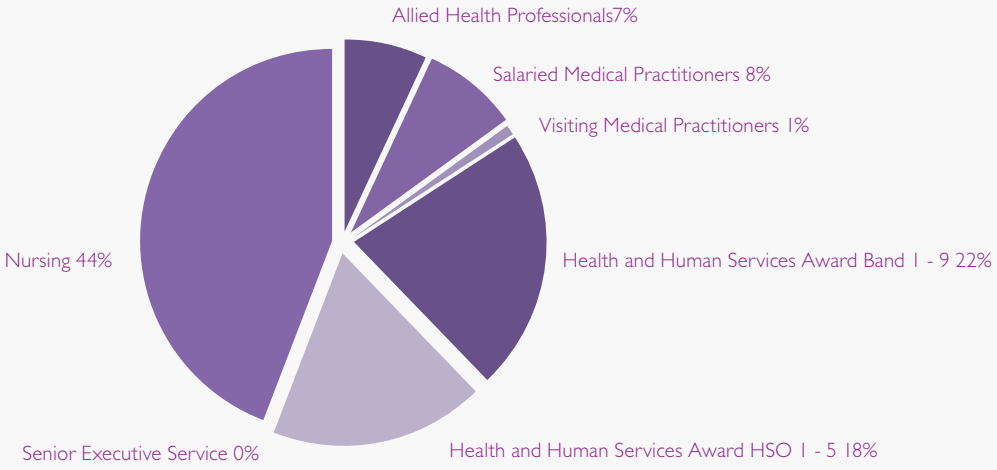
Please note with the creation of the new THOs from 1 July 2012 there are no previous year comparisons.

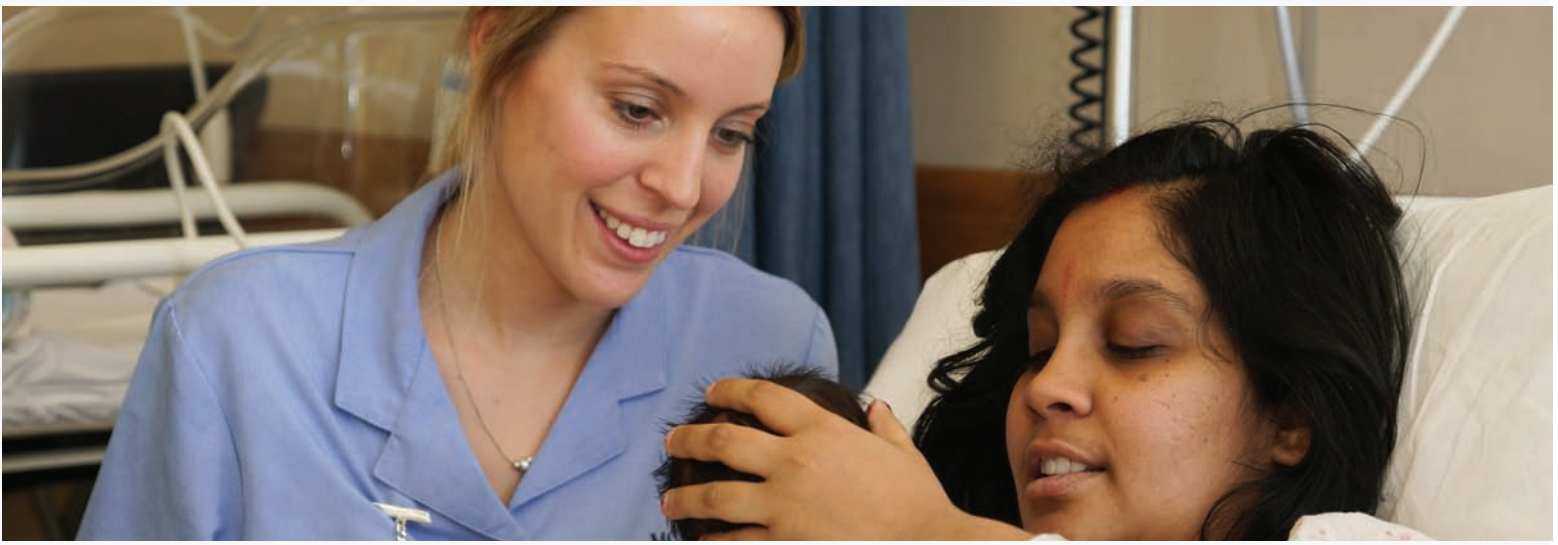
Total Number of FTE Paid Employees by Award

Award	Number	%
Allied Health Professional	91.6	7.2
Health and Human Services Award*	498.6	39.3
Salaried Medical Practitioners	108.9	8.6
Nursing	559.6	44.1
Rural Medical Practitioners	0.7	0.1
Senior Executive Service (SES)	2.0	0.2
Visiting Medical Officers**	8.3	0.6
Total	**1 269.0**	**100.0**

*Includes Rural Medical Practitioners

* Includes 275.0 FTEs in Bands 1-9 and 223.6 FTEs in HSO 1-5
** Includes 0.7 FTE Rural Medical Practitioners

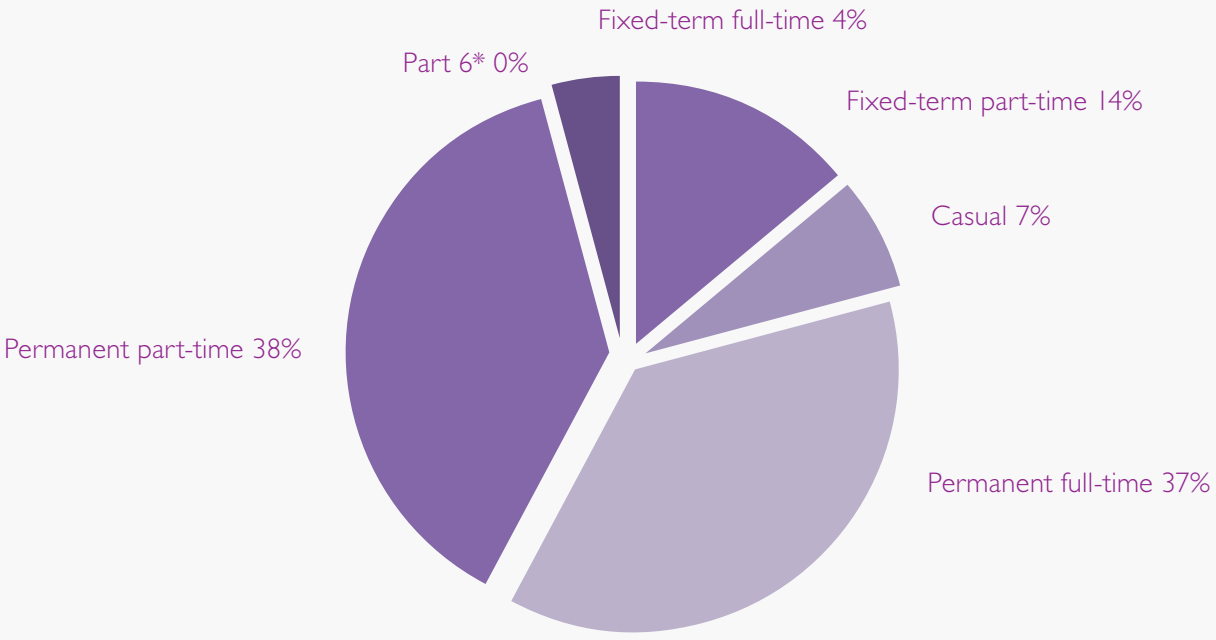




THO-North West – Paid Employees by Category as at 30 June 2013

Category	Number	%
Permanent full-time	469.3	37%
Permanent part-time	476.3	38%
Fixed-term full-time	56.0	4%
Fixed-term part-time	172.5	14%
Part 6*	2.0	1%
Casual	92.8	7%
Total	**1 269.0**	**100%**

* Part 6 refers to Head of Agency, Holders of Prescribed Offices and Senior Executives and Equivalents.



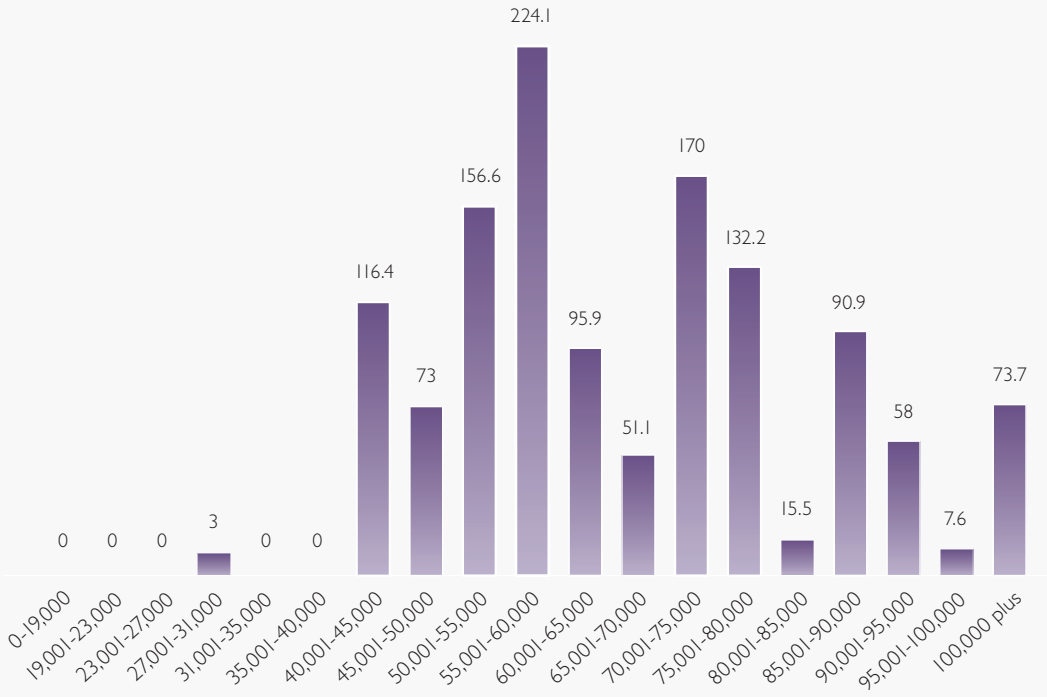
THO-North West – Paid Employees by Gender as at 30 June 2013

Gender	Number	%
Female	1 294	80.3
Male	317	19.7
Total	**1 611**	**100%**

THO-North West – Paid Employees by Salary Bands (Total Earnings) as at 30 June 2013

Salary Band	Number	%
0-19 000	0.0	0
19 001-23 000	0.0	0%
23 001-27 000	0.0	0%
27 001-31 000	3.0	0%
31 001-35 000	0.0	0%
35 001-40 000	0.0	0%
40 001-45 000	116.4	9%
45 001-50 000	73.0	6%
50 001-55 000	156.6	12%
55 001-60 000	224.1	18%
60 001-65 000	95.9	8%
65 001-70 000	51.1	4%
70 001-75 000	170.0	13%
75 001-80 000	132.2	10%
80 001-85 000	16.5	1%
85 001-90 000	90.9	7%
90 001-95 000	58.0	5%
95 001-100 000	7.6	1%
100 000 plus	73.7	6%
Total	**1 269**	**100%**

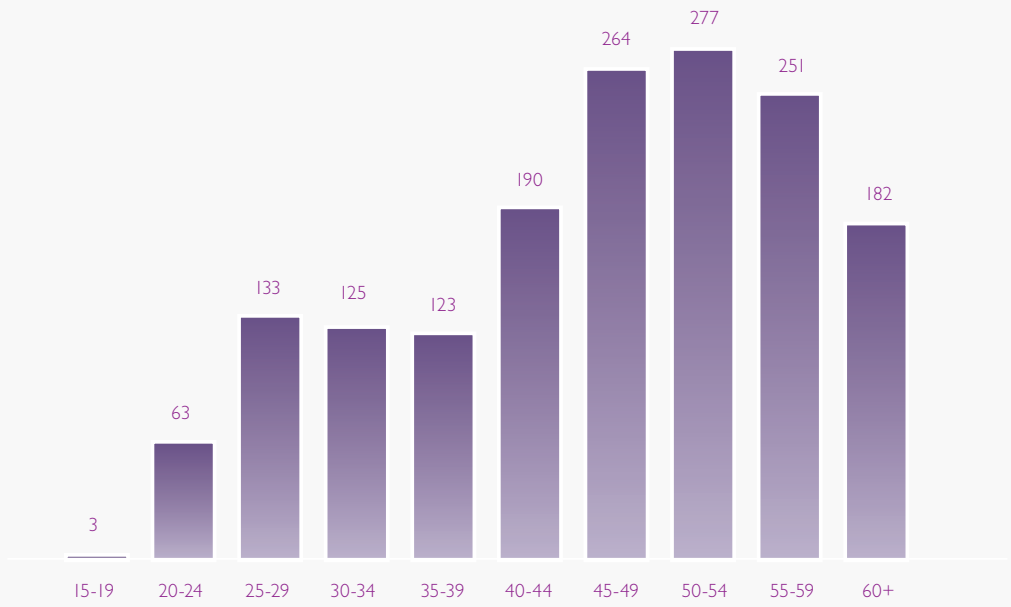
THO-North West – Paid Employees by Salary Bands (Total Earnings) as at 30 June 2013



THO-North West – Paid Employees by Age Range as at 30 June 2013

Age Range	Number	%
15-19 years	3	0%
20-24 years	63	4%
25-29 years	133	8%
30-34 years	125	8%
35-39 years	123	8%
40-44 years	190	12%
45-49 years	264	16%
50-54 years	277	17%
55-59 years	251	16%
60+ years	182	11%
Total	**1 611**	**100%**

THO-North West – Paid Employees by Age Range as at 30 June 2013



The average age of THO-North West employees as at 30 June 2013 was 46.6 years compared with the average age of all other THO and DHHS employees of 45.7.

Employee average age **Average Age by Award**	**THO-North West**	**All other DHHS & THOs**
Allied Health Professional	38.0	43.0
Health and Human Services Award	49.1	47.1
Medical Practitioners Award	37.5	39.4
Nurses Award	47.0	46.0
Rural Medical Practitioner	45.1	49.9
Senior Executive Service	52.6	52.1
VMO Agreement	53.0	53.9
Total	**46.6**	**45.7**

Indicators of Organisational Health

Indicator	2012-2013
Average personal leave days per average paid FTE	10.6 days
Paid overtime/callback paid hours per average paid FTE	26.45 hours
Turnover rate = total number of separations (FTEs) divided by the average paid FTE *	8.63%

* The turnover rate is the rate at which people were leaving THO-North West as at 30 June each year.

Leave Type of Leave	2012-2013
Long Service Leave - Average number of days used per paid FTE	2.78 days
Annual Leave - Average number of days used per paid FTE	19.71 days
Number of FTEs with Annual Leave entitlements ≥ the 2 year limit	156 FTEs

Recruitment Policies and Programs

THO-North West filled 229 advertised vacancies during 2012-13.

Our recruitment practices are designed to select the best person for the position through application of the merit principle. Our people are both our most valuable asset and our biggest liability so a strong recruitment program is vital in enabling the organisation to deliver services to the North West Tasmania community.

THO-North West undertakes recruitment in line with the Right Job, Right Person! (RJRP) framework and supports an integrated, proactive and cost effective approach to recruitment. Effectively marketing THO-North West as an employer of choice, identifying and promoting the benefits of our vacancies, and selling Tasmania as a home continue to be important.

RJRP is a contemporary and innovative Tasmanian State Service recruitment and selection framework developed to equip recruiting managers with the resources to get the right people,in the right job at the right time. The RJRP framework includes three steps:

1 Define – ensure that you understand the role you wish to recruit to.

2 Attract – ensure that you will attract your target market through your advertising.

3 Select – ensure that you select the right person for the role.

During 2012 - 13 internal vacancy management processes were applied in line with the budget management strategy.

Officer and Employee Development Activities

Leadership and management development continues to be a key priority for THO-North West. The Management and Leadership framework is an initiative that contributes to the growth and support of our staff. The framework is made up of the following components:

- An Academic program.
- A Graduate Trainee program.
- A Management and Leadership Development program.
- A series of Essential Management Skills Seminars.

Participation Rates for 2012-13

Component	Participants
Academic	26
Management and Leadership	41
Essential Management Skills	215
Total	**282**

Workplace Diversity Programs

THO-North West has a broad approach to workplace diversity based around our Employee Contact Officer (ECO) program.

In the past 12 months the ECO program has recruited four new members and now has a team of nine across all of the main business units. The ECO program assists THO–North West in

- promoting a positive working environment.
- addressing workplace diversity issues.
- providing support to staff if they are affected by negative workplace behaviours such as bullying, discrimination or harassment .
- providing a contact person for information on the DHHS Grievance Resolution Process.
- providing a contact person for employees seeking advice and assistance when experiencing negative workplace behaviours.
- supporting self-resolution of workplace conflicts.

ECOs provide THO-North West with an independent source of information for employees on matters relating to Workplace Diversity such as discrimination, harassment, bullying and victimisation.

Employee Participation in Industrial Relations Matters

THO-North West fosters an employee-centred and values-based culture. We also have a range of forums that provide employees with an opportunity to put forward their views. These include, the Workplace Health and Safety Committee, the Joint Consultative Committee and a range of subject-specific advisory and focus groups such as the Values Focus Group and Health and Wellbeing Advisory Sub-committee.

Internal Grievance Procedures

THO-North West has a principles-based Internal Grievance Resolution Procedure. An employee may seek to resolve any matter either informally or formally through this process and can expect the grievance to be dealt with both promptly and fairly.

Workplace Health and Safety

THO-North West offers Health and Wellbeing activities to support improvements in employee health as well as workplace culture and productivity including the following:

- Annual on-site flu vaccinations.
- Support to quit smoking.
- Participation in the Healthy@Work pilot.
- Workshops and activities related to the National Health Events Calendar.

An increased focus in this area has resulted in the formation of a THO-North West Health and Wellbeing Committee that will assess and make improvements to our program in the coming year.

Finances

The funding arrangements for THOs are quite complex and include a mix of Activity Based Funding (ABF) and Block Funding sourced from both the State and Commonwealth Governments and Commonwealth Own Purpose Expenditure Payments (COPEs) as well as funding under the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST).

ABF funds hospital activity at the NWRH (acute admissions, other admissions, non-admitted and Emergency Departments). Block funding is also provided for the NWRH to cover non-hospital costs (i.e. invisibles), blood products, interstate charges and maternity services that are outsourced to the private sector.

Other block funding is provided for non-ABF hospitals (KIHCHC, SDH and WCDH) by both the State and Commonwealth Governments.

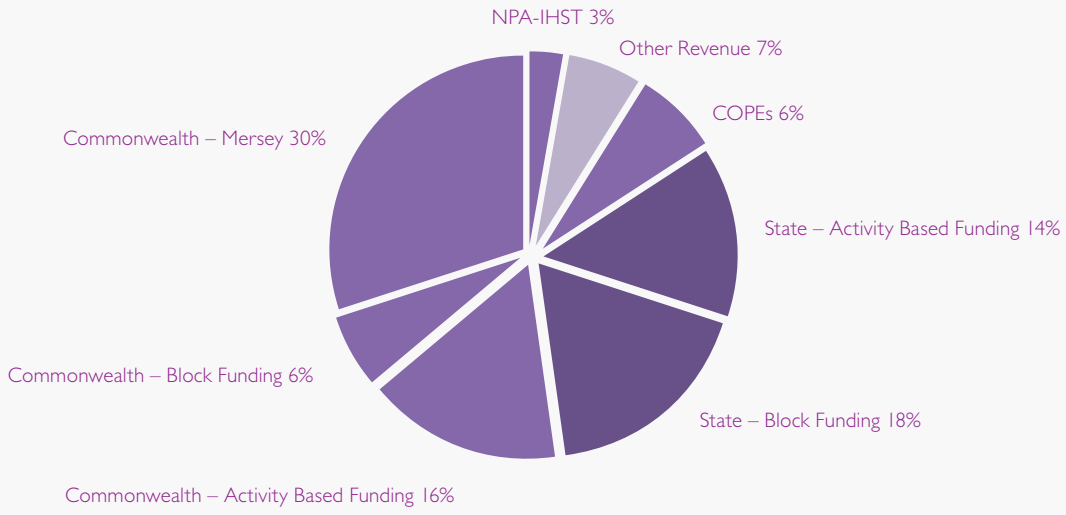
The MCH is owned by the Commonwealth Government and operated by the Tasmanian Government through a Heads of Agreement (HOA). MCH is block funded under these arrangements.

In addition to the ABF and block funding for the NWRH and the MCH, the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST) provided additional funding during 2012-13 to THO-North West to fund additional elective surgery and other initiatives including workforce expansion and expansion of the Medical Specialist Outreach Assistance Program.

In addition to the block funding, Primary Health Care and Other THO-North West activities are funded through operational grants from the State Government augmented by Commonwealth block funding and COPEs such as residential aged care funding.

During 2012-13 the budgeted expenditure for THO-North West was $216.9 million distributed across the sources of funds.

THO-North West Sources of Funds 2012- 13



During 2012-13 the actual total expenditure for THO-North West was $228 million yielding a net operating balance of $0.9 million deficit.

	Actual Revenue ($'000)	Actual Expenditure ($'000)	Variance ($'000)
Mersey Community Hospital	71 884	74 070	(2 186)
North West Regional Hospital and Primary Health North West	155 070	153 752	1 318
Total	**226 954**	**227 822**	**(868)**

Financial Highlights 2012-13

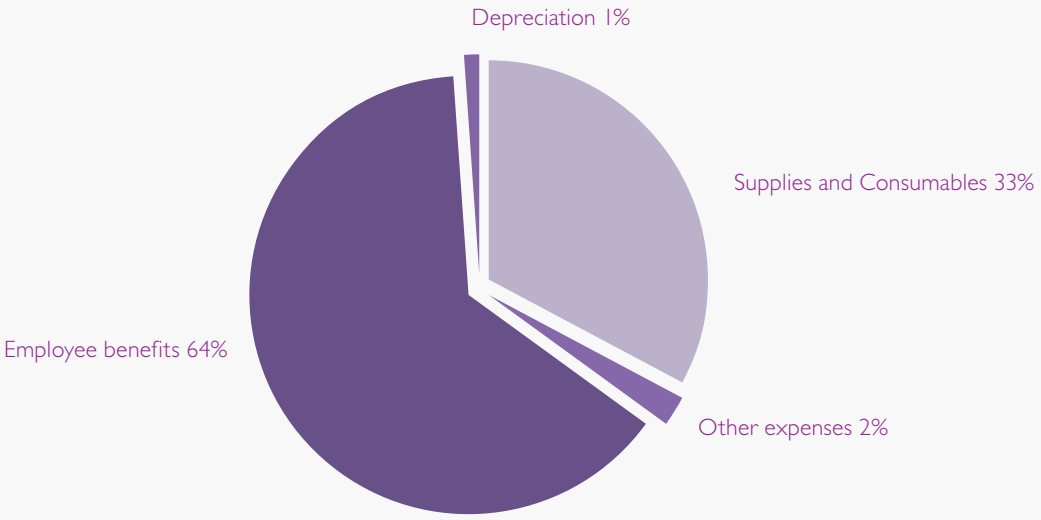
As 2012-13 was the first year of operation for THO-North West comparisons to previous years are not possible.

Employee Benefits (salaries and employee related expenses), at $145.1. million, accounted for 64% of total operating expenses and Supplies and Consumables, at $74.6 million, accounted for a further 33% made up of the following

Components of Supplies and Consumables	($'000)	% of Total Budget
Consultants	368	0.2%
Property Services	6 534	2.9%
Maintenance	967	0.4%
Communications	863	0.4%
Information Technology	572	0.3%
Travel and Transport	2 812	1.2%
Medical, Surgical and Pharmacy Supplies	41 781	19.3%
Advertising and Promotion	9	0.0%
Patient and Client Services	9 491	4.2%
Leasing Costs	329	0.1%
Equipment and Furniture	605	0.3%
Administration	3 080	1.3%
Food Production Costs	1 443	0.6%
Other Supplies and Consumables	5 095	2.3%
Service Fees	598	0.3%
Total	**74 547**	**33.4%**

During 2012-13 the actual total expenditure for THO-North West was $229 million yielding a net operating balance of $0.9 million deficit.

THO-North West Expenditure by Category 2012-13



Further financial information about THO-North West is provided in Part 3, Financial Statements.

Community Engagement

Our Consumer Engagement Reference Group (CERG) was established in late 2010 through an advertisement and application process. The group currently has 11 members who represent communities within the North West region. In 2012, five new consumer representatives were welcomed to the group following resignations due to illness or unavailability.

Consumer Engagement Reference Group Members

- Norman Britton - retired power station operator, enjoys trout fishing and gardening, and is a lifelong community worker who is always optimistic about life!
- Louise Broomhall - interested in health and its management by individuals, health teams, the community and the government due to extensive experience with chronic diseases. Louise wants to gain knowledge so she can people build their invested interest in managing their own health.
- Kevin Deakin - retired detective sergeant, councillor on the Waratah-Wynyard Council, Alternative Technology Association member and committee member of the Sporting Shooters Association of Australia, Waratah branch. Kevin is interested in early health intervention programs and cancer treatment. Many of Kevin's family and friends have used health services in the North-West so he feels well placed to facilitate communication between service provider and consumer.
- Amanda Diprose - a mother of two young girls and Central Coast Councillor. Amanda has previously worked with people dependent on drugs and/or alcohol; she realises the importance of disseminating actual health facts to residents. Helping to get the truth out into the community alleviates unnecessary stress when inaccurate hearsay arises.
- Cheryl Fuller - events and marketing professional. Deputy Mayor of Central Coast, board member Cradle Coast Authority and Choose Life Services. Resident of Ulverstone. Married with two teenage daughters. Interested in the Tasmanian community developing a gratitude for our wonderful health service and the role of Local Government in the health of our communities.
- Norma Jamieson - consumer representative from Devonport, retired nurse, politician, widow and part-time Granny. Norma works for Family Based Care and in her spare time is a part-time pretend farmer. Norma Joined CERG because of her continuing interest in health issues and she feels that the concept of CERG is a valuable link between the community and health system.
- Alison Jarman - real estate agent, Alderman and a member of Down Syndrome Tasmania. Alison joined CERG because she believes the North West of Tasmania has a great health system and wants to learn more about it so she can educate the general public to assist with their understanding.
- Justine Keay - political advisor, electorate officer and Alderman. Justine is a mother of three young boys. Justine is interested in helping the community and the longevity of the healthcare that is provided to the North West.
- Jeanie Murrell - CERG representative, Councillor from Circular Head living in Smithton. Jeanie is married with two adult sons and five grandchildren, one with Down Syndrome. Jeanie's main interest is in community and health issues; She is the boards of Rural Health Tasmania, Emmerton Park Aged Care Facility, Wyndarra and the local Hospital Reference Group.
- Gordon Sutton - retired builder, married with three children and seven grandchildren. Gordon has lived in Queenstown for 55 years and has a keen interest in local history and the demise of the areas' services.

- Josephine Weeks - a retired school teacher currently teaching First Aid for St John Ambulance and TasTafe. Josephine has been a member of St John Ambulance for 49 years. Josephine is married with two children and seven grandchildren and has a strong interest in health issues and the community.

Attendance at the monthly CERG meetings is excellent, and members regularly provide positive feedback about involvement in the group. Members of the CERG are confident to provide honest input about their own and other community member experiences. Organisational and service delivery issues for THO-North West are regularly presented to the CERG for discussion and feedback. Members also receive information and education about current and proposed services, and are asked to consult with their community and provide feedback.

During 2012-13, CERG reviewed 32 patient focussed documents, including brochures, fact sheets, signs, and policy documents. The group has also been integral in the development of questions for the THO-North West consumer experience survey. This survey is still in development but is intended to measure the experience people have when they use our services.

During 2012-13 CERG also heard from 13 guest speakers from THO-North West on services including representatives from palliative care, Emergency Department, business and clinical data and outpatients departments. The group took questions from these speakers to discuss with their community for feedback. This feedback was given to the guest speakers to guide quality improvement in their area.

The CERG was also visited by Dr Emil Djakic from the Governing Council who reaffirmed the THO-North West's commitment to ensuring that consumers are engaged with the organisation in meaningful ways.

Two of our CERG consumer representatives participated in the accreditation for THO-North West Corporate and Primary Health services including discussions about a range of issues affecting the THO-North West such as the new national accreditation standards and the introduction of new work health and safety laws.

CERG is currently undertaking its strategic planning for the coming year including considering the opportunity for further consumer engagement in planning and prioritising strategies and system changes for THO-North West. Part of this work will include consultation regarding the development of a consumer engagement policy and engagement plan. THO-North West also convenes a consumer engagement group in Queenstown (WCDH) and King Island.

The Community Advisory Committee in Queenstown and King Island acts as a conduit for the health related concerns of their respective communities, identifying health needs and priorities and suggesting possible, practical and locally appropriate strategies to meet those needs. They report community satisfaction with our services and help raise awareness about primary health. Members include;

West Coast (Queenstown)

- June Potter (Secretary, WCDH Ladies Auxiliary)
- Gordon Sutton (Community rep, THO-North West CERG member)
- Phil Kemp (WHS Officer, CMT)
- Peter Reid (West Coast Council representative)
- Chris Winskill (MMG, Rosebery)

King Island

- Neva Boschetto (Community representative)
- David Brewster (King Island Council representative)
- Jill Munro (Community representative)
- Dale Whatley (Volunteer representative)
- Sue Fisher (King Island Council representative)
- Robert Jordan (Volunteer representative)

THO-North West Network Advisory Group

The THO-North West Network Advisory Group (NAG) was first established in 2009 as a mechanism for our organisation to share information about service provisions and performance with the local North West community.

NAG meetings are generally held quarterly at the UTAS Rural Clinical School (NWRH or MCH campus). The meetings are facilitated by CEO Gavin Austin, with assistance from key executive staff. Approximately 150 community stakeholders are invited to attend. Attendees include local State and Federal politicians, mayors and local government representatives, consumers, local non-government health providers, aged care providers and THO-North West staff.

Meeting topics align with topical issues within the community at the time, but generally include updates on:

- The financial position of the THO.
- The performance of the THO (waiting lists and throughput).
- Capital works progression.

NAG meetings also feature a 30 minute question and answer section at the end, whereby attendees can ask the CEO questions or request feedback on any issues related to local health.

NAG has proved a highly valuable forum, allowing the CEO and THO-North West staff membership to strengthen their relationship with local community stakeholders and to provide transparent information to the community about the organisation. NAG members are also able to take information gleaned from the NAG meetings back to share with their local networks. This leads to less community speculation on health services, , which results in a lower number of negative media stories in relation to rumours or scaremongering about health services.

Volunteers

Volunteers are special people supporting services across the North West. The organisation is indebted to them. Their commitment and passion is remarkable. THO-North West thanks them for their unwavering support. Volunteers give freely of their time in delivering and supporting a range of services from chaplaincy, refreshment rounds on the wards, meet and greet, drivers and much more. Supporting our services are the volunteers from our hospital auxiliaries. These volunteers run our kiosks at our acute hospitals and fundraise for the West Coast, Smithton, Penguin and King Island services. They have raised extraordinary amounts of money this year that go towards the purchase of equipment for our services. They provide a valuable contribution that we are very thankful for and we appreciate their contribution of time and support that for some volunteers has been over many years.

March 2013 marked the first year anniversary of NWRH Volunteer in Partnership program. The VIP program was established to provide a framework for volunteers in our services. The VIP's are just that, very important people working with/supporting NWRH staff/services to provide the best care possible. We are continually reviewing our volunteer service in partnership with our volunteers and over the year we have added new tasks. Each week day at NWRH the meet and greet volunteers go to our oncology unit and provide a cuppa to patients having chemotherapy.

The MCH Auxiliary is a committed team of volunteers who make a significant contribution to the work of the hospital and the care that we provide to our patients. These volunteers run the hospital kiosk that has, for many years, provided funds to purchase equipment and facilities that assist our staff to meet the health care needs of the community. The Hospital Auxiliary also performs a range of volunteer work that supports the many services that the hospital provides and the contribution that they make is invaluable to our patients, visitors and staff. The Auxiliary has approximately 80 members plus 10 social members who have retired but attend social functions.

SDH Auxiliary has mainly a fundraising role and over the last 12 months bought some much needed equipment for the hospital. Smithton volunteers also assist with the delivery of Meals on Wheels.

King Island has a large group of volunteers that offer their assistance across a range of services including, Meals on Wheels, King Island Advisory Committee, residential care activities, adult day centre activities, day centre bus drivers and King Island community bus drivers. The time they volunteer to the hospital is invaluable. They boost the morale of the community and help to maintain a level of independence with aged care residents.

The West Coast Hospital Ladies Auxiliary is a committed team of 22 volunteers who make a significant contribution to the hospital and the care that we provide to our patients, residents, visitors and staff. They run the hospital kiosk, and fundraise by catering, community raffles, baby knitting, all of which provide funds to purchase equipment and materials that help to meet the health care needs of our community, and the comfort of our aged care residents. Next year will be their 60th Anniversary of the Queenstown Hospital Auxiliary.

Volunteer services in THO-North West spread further than our local hospitals with volunteer drivers based in the surrounding communities to transport patients to our acute facilities. Volunteers provide services for the adult day centres in Ulverstone and Latrobe, arranging activities and outings for clients and a hospice service in Burnie who volunteer and assist with Palliative care.

Donations

Donations and sponsorship for Community Nursing 1st July 2012 – 30th June 20

Donation from	Donation made
Mr Elvin Cornick	$281
Mr Lawrence Richardson (on behalf of his late wife)	$3,000
Mrs Glenys Gaffney	hand rails and wheelchair
Mr William Horsman	shower stool, over-toilet seat, wheelie walker
Mrs Jo Keen (on behalf of the late Levena Hamilton)	$25
Mr Victor Hamilton (on behalf of late wife Levena Hamilton	$103
Mrs Carnie Corbel	$544
Sheffield Golf Club	$50
Mr Graeme Hamilton (on behalf of his late mother Levena Hamilton)	$220
Mr Andrew Murphy (on behalf of late brother Danny Murphy)	$823
Zonta Club	$2,000

Donations and sponsorship for Community Nursing 1st July 2012 – 30th June 20

Donation from	Donation made
Forth Football Club	$2,000
Country Music Festival - Mr D Ivory	$3,628
Mrs R Crowden	$172
VI and EJ Munro	$300
Devonport football club	$2,250
Mr J Lowery, Pinegrove Funeral Centre	$694
Mrs Muriel Noakes	$165
Soroptimist In	$500
Mrs A Russell	$218
Mrs G Bay	$1,000

Donations and sponsorship for Community Nursing 1st July 2012 – 30th June 20

Donation from	Donation made
SDH Auxiliary	14 Digital televisions
Hearts in Craft	5 Intravenous smart stands
Anonymous	24 Insulated tea pots and an ice crusher

Donations and sponsorship for WCDH 1 July 2012-30 June 2013

Donation from	Donation made
Bluestone Mine	$3,000
MMG Mine	$2,100
Unity Mine	$1,150
Vedanta	$2,100
UTAS	$2,000
DPAC	$1,500
Bendigo bank	$750
Tassal	$500
Queenstown Police	$500
Gaspersic Contracting	$400
Dillon Electrical	$250
Queenstown Rotary	$200
Zeehan Lions Club	$200
Roseberry Lionesses	$200
Skilled	$150
Harcourts	$150
GBE Contracting	$100
Kitties	$100
WCDH Ladies Auxiliary	$4,674

Donations and sponsorship for KIHCHC 1 July 2012-30 June 2013

Donation from	Donation made
Pat and Frank Mauric	$100
June Payne	$365
Leo and Nance Larkey	$2,000
Mavis Burgess	$2,865
JB Swift	$10,000
Sartori / Maher	$2,000
King Island Dairy	Breast feeding chair

Donations and sponsorship for NWRH 1 July 2012-30 June 2013

Donation from	Donation made
NWRH Auxiliary	$100 to ICU
NWRH Auxiliary	$4,000 Chaplaincy fund
NWRH Auxiliary	$15,500 Bed mover
NWRH Auxiliary	$1,080 2 recliner chairs
NWRH Auxiliary	$2,596 shower commode chair, extension commode and instrument trolley
NWRH Auxiliary	$7,500 2 B20 Monitors
NWRH Auxiliary	$100 to Day centre
NWRH Auxiliary	$100 to Children's ward
NWRH Auxiliary	$1,989 Patient helper
NWRH Auxiliary	$96 Band-Aids to Children's ward
NWRH Auxiliary	$4,320 134 sets of theatre scrubs
NWRH Auxiliary	$6,865 ECG interpretive CP200 plus ECG trolley
NWRH Auxiliary	$6,459
NWRH Auxiliary	$12,695 Lung function equipment
NWRH Auxiliary	$2,800 2 Garden sets
NWRH Auxiliary	$1,650 Examination couch
NWRH Auxiliary	$100 to Emergency Department
NWRH Auxiliary	$100 to Surgical centre
NWRH Auxiliary	$8,500 Uroflow
NWRH Auxiliary	$32,955 Defibrillator
NWRH Auxiliary	$7,530 4 Desktop computers
NWRH Auxiliary	$180 Chapel flowers
Elphinstone Group	$800,000 MRI machine
Stella Maris students	2 iPods to Children's ward
April Zuydam and family	Stomal model
7BU Wishing Well appeal	$2,664
St Peters School - Smithton	Toys to Children's ward
Woolworths Fresh Food Kids appeal	$25,233
Commonwealth Bank	$700 to Children's ward
Matthew House funeral donation	$50
K Sheahan	$200 for Cancer Centre
Finovia - Memory of Dr Jill Louse Morris	$200
Jill Morris	$195 to Oncology
Wynyard Bowls Club	$900
Anonymous	$250 to Oncology unit
C and WF O'hara	$228 to Oncology unit
Vincent Funeral Services - funeral of Elizabeth Fawdry	$160 to Medical ward
Eric McCormack	$360
In memory of Jennifer Dishington	$100
Anonymous	$140 to Children's ward
Hologic Australia Pty Ltd	$200 to Obstetrics training day
North West Private Hospital	$500 to Obstetrics training day
Anonymous sponsorship	$100 to Diabetic services

Donations and sponsorship for MCH 1 July 2012-30 June 2013

Donation from	Donation made
MCH Auxiliary	$232 Text Books
MCH Auxiliary	$49,922 Syringe Driver
MCH Auxiliary	$7,400 Humidifiers
MCH Auxiliary	$3,962 CO2 Monitor
Zonta Club of Devonport	Coffee machine to Oncology
7AD Wishing Well appeal	$5,646
Ulverstone Primary School	$ and toys to MCH Emergency Department
Dr Richard Annis	iPad to Surgery ward
Woolworths Fresh Food Kids appeal	$19,441

Good News Stories from the North West

THO-North West doctors, nurses and specialists volunteering in the Pacific Islands.

During the 2012-13 financial year many THO-North West doctors and nurses have volunteered their time and expertise to aid struggling overseas communities.

Emergency medicine doctor tackles dengue fever

NWRH Emergency Medicine Specialist Brady Tassicker is no stranger to volunteering. Throughout his career he has embarked upon dozens of trips to Pacific Island countries to help set up emergency care and trauma services.

In March 2013 the Australian Government received a request from the Solomon Islands to provide assistance following a dengue fever outbreak. Dr Tassicker is well known in the area and was approached by the government due to his years of volunteer work and previous medical placements in Kiribati, Papua New Guinea and Vanuatu.

With a day's notice, Dr Tassicker left family and work commitments to travel to the fever-stricken area. Based in Honiara (Solomon Islands capital city), Dr Tassicker led a Needs Assessment Team in the Emergency Department where more than 700 new and reviewed cases of the fever were being reported every week. Their working days were long but very satisfying.

Dr Tassicker said a huge component of his work was also to provide training to local medical staff. After long days treating patients, Dr Tassicker would spend his evenings training local doctors and nurses in the hopes that they would be able to prevent any future outbreaks from recurring.

"Working in the Emergency Department in Honiara is immensely different to working here," Dr Tassicker said. "You get different types of patients coming through the door; here it is more about patient and risk assessment, over there it is more about diagnosis and risk management. The diseases you see there are very different to here; there is a lot of dysentery and congenital rubella."

Dr Tassicker plans to return to Honiara Emergency Department in the near future to roll out additional teaching to local medical staff. "Once one door opens you find your name is known and you find a way to get in and do more.

Ophthalmology team travels to Samoa

In early 2013 a team of local ophthalmology specialists and nurses travelled to Samoa as part of the Pacific Islands Program (PIP).

There is a shortage of trained and skilled local specialists in many of the Pacific Island Countries (PIC) which reduces the countries' capacity to deliver essential health care. PIP aims to improve population health through the delivery of health services in these countries. These include

- The provision of a range of clinical services to Pacific nations through the deployment of specialist medical teams.
- The provision of on-the-job and other education development opportunities to Pacific medical personnel, wherever possible.
- Delivery of specific training courses as required or requested by Pacific Ministries of Health.

The PIP is funded by the Australian Agency for International Development (AusAID) and managed by the Royal Australasian College of Surgeons (RACS). Countries included in the program include the Cook Islands, Fiji, the Federated States of Micronesia, Kiribati, the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu and Nauru.

The Ophthalmology team included surgeons' Dr Michael Haybittel, Dr Basil Crayford, theatre nurses - Andrea Schuurmans and Linda Wynwood. The volunteer team was sponsored by PIP for air travel and accommodation. Jane Haybittel and Margie Crayford also joined the team in a purely voluntary basis and worked tirelessly wherever needed, including instrument cleaning, instrument sterilising and pre-operative preparation of the patients.

The team completed more than 50 cataracts during their four-day visit to the Tupua Tamases Mealo II hospital – also providing mentoring and training to Samoa medical and nursing staff.

MCH nurse Linda Wynwood said "Samoan staff were wonderful, providing us with their support when needed. A feast of local food was provided each day to keep the team going and ensure we would return the next day. The hours were long and there was not an idle moment during the day but the end results and the smile on each patient's face and the joy they expressed at being able to see again at the end of the procedure made it all worthwhile and very humbling".

Kirsten Loring announced as the 2013 Elphinstone Scholarship recipient

Burnie UTAS student Kirsten Loring was announced as the 2013 recipient of the Elphinstone Group/Family Scholarship in Medical Radiation Sciences - the 5th scholarship recipient in total.

Under the scholarship program Kirsten will have all fees and costs associated with her five-year university degree covered. In return she will come back to the North West to begin her career.

The $1.2m Elphinstone Scholarship is jointly funded by the Tasmanian Government and the Elphinstone Group/Family Trust. Its purpose is to ensure the North West retains local university students who are trained to operate specialised equipment in the future Regional Cancer Centre, including an MRI machine and linear accelerator.

Under the scholarship program, recipients enter into a contract with THO-North West to work in the North West region for a three year period, beginning within five years of graduation.

THO-North West CEO Gavin Austin said the scholarship was a fantastic local initiative.

"We are very grateful to the Elphinstone family for the initiative and forethought they have put into this scholarship program," Mr Austin said.

Dale Elphinstone and his wife and Cheryl are passionate about the health and wellbeing of care very deeply about the health and wellbeing of the community and believe investing in local people is the key to ensuring high quality and sustainable health services into the future.

The scholarship provides a win-win for both the Kirsten and THO-North West. Kirsten will have the rare opportunity to focus her full attention on her studies, free from worry about the costs associated with gaining a university degree, and THO-North West is guaranteed a highly skilled employee at the end.

Kirsten is the fifth North West student to receive an Elphinstone Scholarship under the program which will run until 2016. She said the scholarship would make a huge difference to her studies.

"This is going to make a such a big difference for me, to be able to do my degree without having to worry so much about the cost of things," Kirsten said.

The Elphinstone Scholarships in Medical Radiation Sciences are open to high performing students from North West Tasmania who are eligible to enter the UTAS Bachelor of Health Science.

KIHCHC celebrates its 100th anniversary

The King Island community came together to celebrate a very special milestone in their local hospital – it's 100th birthday!

The King Island cottage hospital was first built in 1912 as a result of community fundraising. The growing settlement of King Island celebrated the opening of the Cottage Hospital on 31 October 1912. The then 'state of the art' facility and its various forms, have offered primary health care to the community on the same site ever since.

The original building comprised of three rooms and six beds, and was staffed by one doctor, a matron and a nurse. These staff were jacks of all trades - They lived in the hospital and were on call day and night. Not only did they care for their patients, they did all the cooking and laundry. They grew vegetables which they then cooked and fed to their patients. The doctor also performed all operations with instruments sterilised in the hospital kitchen.

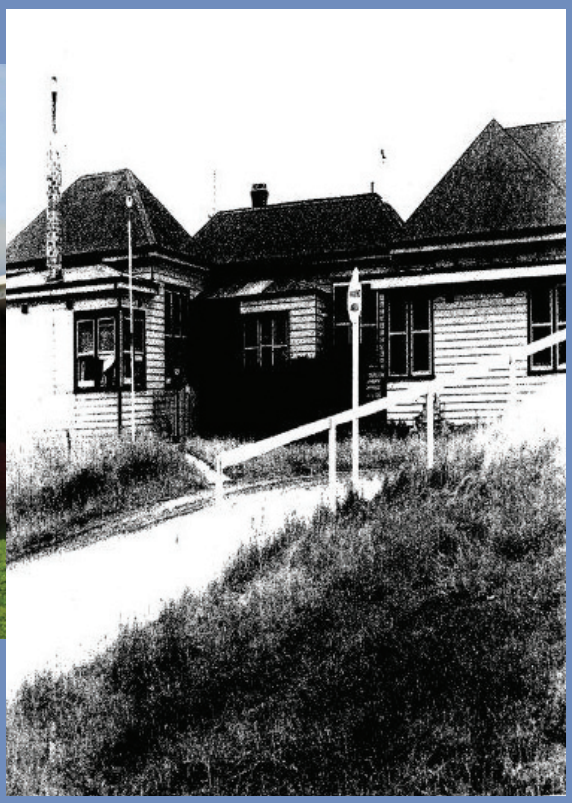
From that time, additional rooms, staff and services have continued to be added.

While much has changed physically and in service delivery over the past century the intimate connection the hospital has with its community has remained constant.

The 100th year anniversary also marked the official opening of the $5m redevelopment completed at the hospital in 2012. The redevelopment included upgrades to the centre's residential aged care facility, emergency area, entrance and other assets.

The aged care facility has grown from 14 to 16 rooms, each with its own ensuite, and the main living and dining areas have been expanded and upgraded. An undercover area has also been constructed at the front entrance and the hospital's emergency room has also been expanded and upgraded.

Still at the heart of the community the KIHCHC will continue to provide service to the close knit community for many years to come.



Operating Environment

THO-North West provides health services to approximately 113,000 Tasmanians (22% of Tasmania's total population). The North West region is geographically dispersed, socio-economically disadvantaged and, like the rest of Tasmania, has a high prevalence of chronic disease and lifestyle risk factors.

The increase in aging population and rise in poor lifestyle choices is seeing a significant increase in resource intensive treatments for diseases such as diabetes and kidney disease. Hospitalisations for age and life-style related conditions, such as cancers and heart disease are also increasing. At the same time new treatment options and rising health care costs are also increasing the pressure on the region's health and aged care system.

In comparison to the rest of Tasmania, the North West region has the highest median age, the greatest proportion of population aged 65 years and older and the greatest proportion of indigenous population. The North West also has the highest disadvantaged socio-economic group in the State, lower average income, higher unemployment rates and a higher than average reliance on government benefits. Close to 32% of the total population in the North West region are concession card holders (health care card, pensioner concession card) – more than 81% of these are aged pensioners.

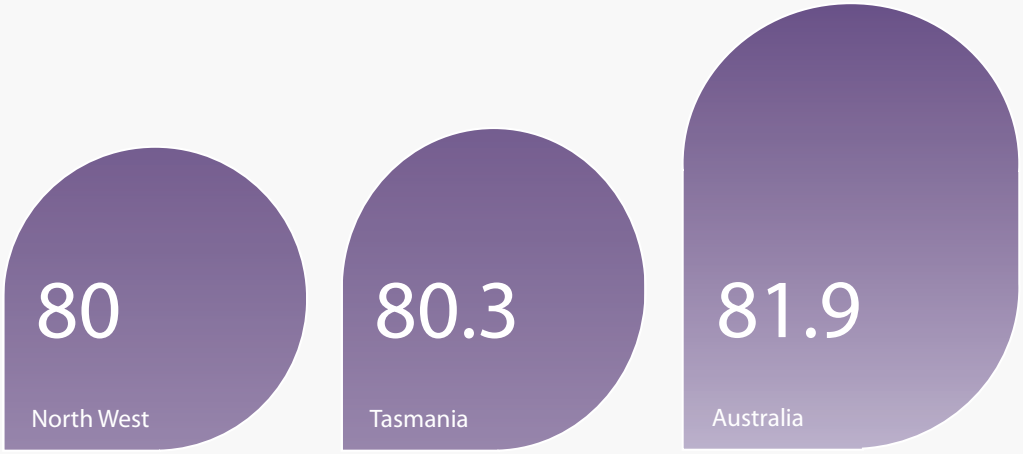
North West Tasmania - Comparison of Key Demographic and Socio-Economic Indicators

	North West Region	Tasmania	Australia
Median Age (years)	41	40	37
% of people aged 65+	17.4	16.3	14.2
% Indigenous population	5.9	4.0	2.5
Median Weekly Household Income	$867	$948	$1,234
% Unemployed	7.0	6.4	5.6
% Concession Card Holders (health care card, pensioner concession card)	32.0	29.7	23.1
% that are Aged pensioners	81.2	77.5	70.6
% that are Disability Support pensioners	9.3	8.2	5.2

Source:
2011 Census QuickStats availbale at
http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/604?opendocument&navpos=220
Tasmania Medicare Local, *Primary Health Indicators Tasmania Report, Vol 5 Issue 1 April 2012*

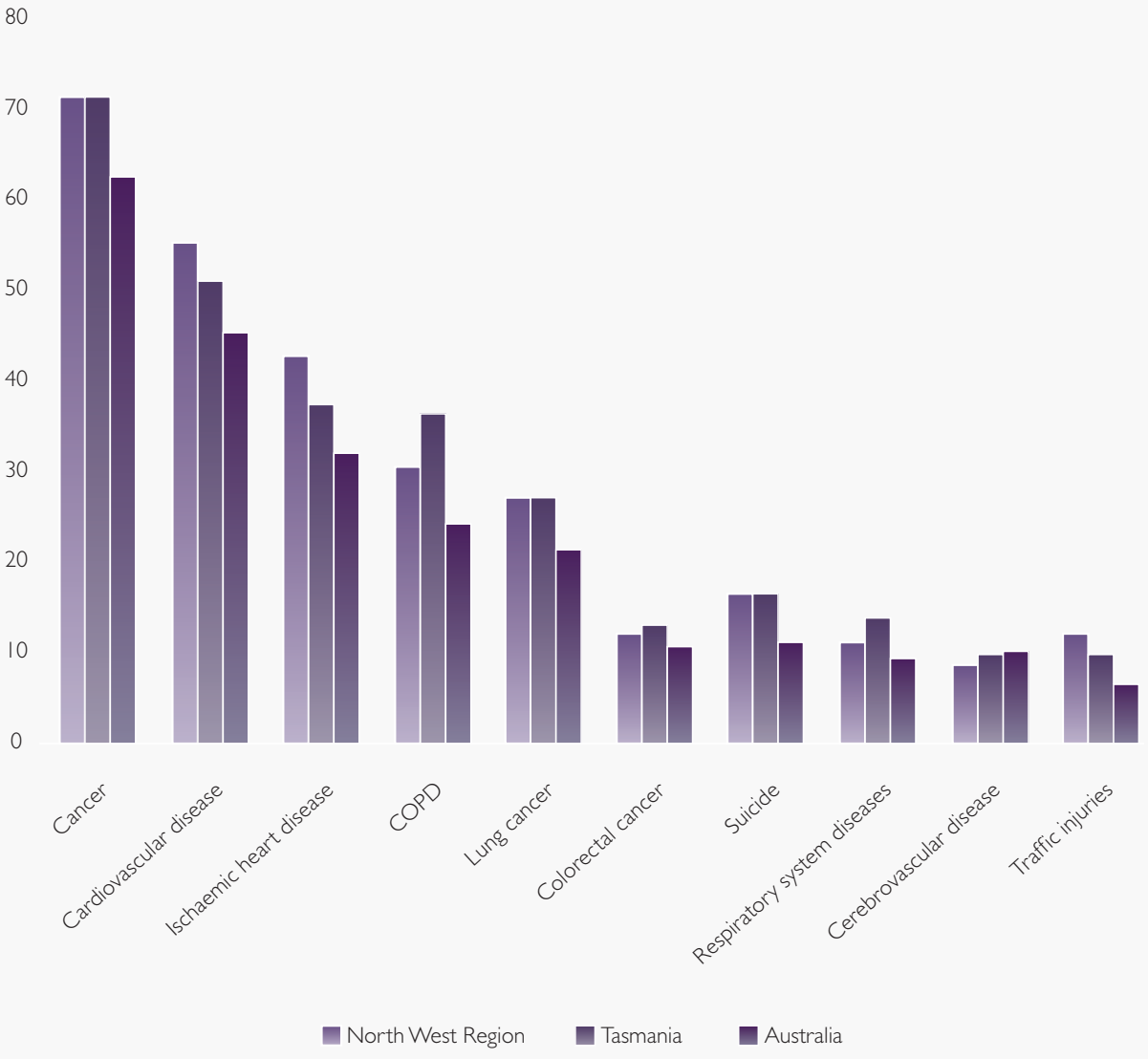
As illustrated below, compared with the rest of the State, people in the North West region also have lower life expectancy, a higher overall mortality rate and higher avoidable mortality rates for lung cancer, cardiovascular disease, ischaemic heart disease and traffic injuries.

Life Expectancy (Years) at Birth, 2011



Standardised Mortality Rate (per 100 population), 2011

Avoidable Mortality Average Annual rate per 100, 00 2003-07



Source: Tasmania Medicare Local Limited, Primary Health Indicators Tasmania Report, Vol 5 Issue 1, April 2012

The population in the North West region also report relatively high rates of lifestyle related health risk factors as shown in the Table below.

Local Government Area	Daily smoker % 2009	Risk of short term harm from alcohol % 2009	Insufficient physical activity % 2009	Inadequate vegetable consumption <5 serves daily % 2009
Burnie	21.3	29.8	27.2	89.2
Central Coast	14.1	27.9	28.5	88.2
Circular Head	20.3	27.8	27.7	85.5
Devonport	18.0	28.9	25.4	91.9
Kentish	12.7	20.2	26.0	94.5
King Island	n/a	15.7	21.6	79.2
Latrobe	16.2	21.5	29.3	87.8
Waratah/Wynyard	16.8	23.8	32.1	90.0
West Coast	22.3	34.7	27.3	95.8
North West Region	**17.4**	**27.2**	**27.7**	**89.8**
Southern Region	15.5	25.6	27.2	88.9
Northern Region	16.4	28.1	27.8	88.8
Tasmania	**16.2**	**26.7**	**27.5**	**89.0**

Source: Health Indicators Tasmania 2013 Report

The ageing population and prevalence of chronic disease is also impacting on the demand for general practice and other primary care services, particularly after hours, which is having a spill-over effect into Emergency Department presentations at both the NWRH and MCH.

Compared with the rest of the State, the North West region has the highest number of standard GP surgery consultations, the highest number of GP chronic disease management services, the highest number of GP mental health treatment consultations and the highest number of GP emergency visits.

Activities and Achievements

North West Regional Hospital

NWRH is an acute secondary hospital offering medical, surgical, paediatric and allied health services through inpatient and outpatient care. The hospital is the receiving centre for North West trauma patients and has a well-equipped Emergency Department (ED) supported by an intensive care/high dependency unit and a 24/7 operating theatre. As NWRH is a secondary level service and transfers patients to tertiary hospitals for some injuries and illnesses is necessary. NWRH has a close working relationship with MCH.

Over the past year there have been significant achievements at NWRH in reviewing service delivery to enhance patient care. An estimated date of discharge has been implemented that has improved discharge planning and decreased the overall length of stay for patients. Access to hospital has been enhanced by bed management/ patients flow strategies with the adoption of a 'whole of hospital' approach.

NWRH ED leads the state in achievement of the Australasian Triage Categories which requires care in our ED to be timely against how urgently you need care. A sexual assault medical service has been established in the North West to improve access to care and a dedicated forensic examination room is located at NWRH. Our Volunteer in Partnership (VIP) program Meet and Greet has also made a significant contribution to patient care by being available to assist people at our front door.

Work commenced in April 2013 on the construction of a new Regional Cancer Centre in Burnie providing medical resonance imaging (MRI), oncology and radiotherapy services. A total of $31.85 million has been committed by the Australian and State Governments as well as through private donations from the Elphinstone Family/Group to fund the construction of this Centre. The Cancer Centre will be built over three levels to accommodate medical oncology, radiation therapy and related services and also include chemotherapy chairs, consulting rooms, teaching facilities, equipment and facilities to provide radiation therapy and a base for palliative care.

A section of land was acquired in August 2012 directly adjacent to the THO-North West Emergency Department facility. This area will accommodate the MRI infrastructure. Works on the MRI slab were completed in April 2013 and construction has commenced on the MRI facility. The MRI is expected to be operational in late 2013.

This has been a major undertaking including: the relocation of the main access road to the NWRH to provide space to build and integrate the new Regional Cancer Centre into the existing hospital; the upgrade and expansion of the hospital car park to provide an additional 180 spaces; and the opening of 12 self-contained patient accommodation units onsite at the NWRH.

The North West Regional Cancer Centre is one of three regional cancer centres being constructed under the Tasmania Cancer Care Project.

Acquisition of the NWRH Burnie Campus by the Crown in September 2010 has also enabled the Government to invest in the Campus' redevelopment to meet increasing demand and provide contemporary models of care.

Following a comprehensive assessment of the Campus' design and capacity to meet current and expected future demand and health facility guidelines a number of redevelopment priorities were identified.

A new 10 bed sub-acute rehabilitation ward adjoining an existing eight bed unit is currently under construction. This $2.3 million project has been funded by the Australian Government under the National Partnership Agreement.

NWRH ED will be expanded and redeveloped as a concurrent activity with the Cancer Centre construction. Works include a 12 bed combined short stay/Acute Medical Unit, an additional ten general treatment cubicles (with two specific paediatric treatment cubicles), an upgrade to the ED entrance/reception and waiting areas, a new expanded Ambulance Bay, a dedicated secure mental health room, an Isolation Room, a decontamination unit and a four bay discharge lounge.

State funding of $5.5 million has also been allocated to construct a 180 space multi-storey car park on site at the Hospital. One million dollars was allocated to this project in 2011-2012 and a further $4.5 million was allocated in 2012-2013. Construction will be completed early next financial year.

The car park will significantly improve the flow of traffic at the hospital and provide an additional 180 parking spaces, under cover parking, better traffic and pedestrian signage, increased security and safety with closed circuit television monitoring, improved lighting and reduced risk of accidents.

Mersey Community Hospital

The MCH is increasingly delivering a suite of non-complex surgical services for the North West region which is consistent with the requirements of the Heads of Agreement with the Commonwealth Government. Surgical cases of greater complexity and patients of higher acuity are generally treated at the NWRH consistent with safe models of care. The North West Private Hospital is sub-contracted to provide complex maternity services. Delineation of roles in this manner enhances the capacity for safe, effective and efficient delivery of services and has been agreed previously with the Australian Government through acceptance of the 2010-11 Clinical and Financial Services Plan. MCH continues to move towards a model of short stay and day only surgical services for the THO-North West community and an increasing volume of elective surgery associated with endoscopy and ophthalmology.

This service delineation is consistent with the objectives of Tasmania's Health Plan released in 2007, and further articulated in the 2008 Clinical Services Plan Update, where it was noted that continued efforts to duplicate services across both campuses had created significant sustainability problems and compromised the quality of health care for the community. The 2008 Clinical Services Plan update reaffirmed Tasmania's commitment to provide a patient focused, system wide health system, not designed around the needs of individual clinicians, individual regions or individual hospitals.

Implementing these changed surgical service models has also enabled consolidation of a regional general surgical on-call roster that meets contemporary Royal Australian College of Surgeons guidelines for on-call General Surgeons and Surgical Registrars in training.

Following careful planning and extended periods of consultation, inpatient Paediatric Services for the THO-North West were consolidated during 2012-13. MCH retains the capacity to provide care for suitable low complexity paediatric patients in the ED Short Stay Unit that was opened in February 2013. This unit has designated areas for the management of sick children who require treatment and monitoring for up to 24 hours. This includes facilities for a parent to remain with their child during this time. Children presenting to MCH who require a higher level of care are assessed and stabilised in the ED and then transferred to the inpatient Paediatric Unit at NWRH or a higher level Paediatric Unit if required.

MCH has also increased the number of available outpatient paediatric clinics to assist with growing demand for ambulatory paediatric services. These are staffed by THO-North West Paediatricians who also participate in the regional on-call paediatric roster.

During the course of the previous and current Heads of Agreement between the Commonwealth and the State, the MCH has continued to upgrade and improve facilities and equipment. This included two major works - the relocation of the High Dependency Unit and redevelopment of the ED completed in 2011 and yielding significant benefits to patient care at the MCH during 2012-13 through the use of equipment and infrastructure that have been upgraded to meet contemporary standards. Additional space for emergency patient assessment and management as well as greatly improved facilities have provided enhanced quality of patient care and made the MCH ED a more attractive unit in terms of recruitment of senior clinical staff.

New Technology to Benefit Patients and Staff

New electronic information systems have been implemented to allow clinical information to be better gathered and shared.

In November 2012 THO-North West successfully replaced outdated paper medical records with the new Digital Medical Record (DMR). The DMR includes scanned forms and documents, electronic pathology and radiology reports as well as directly entered patient information and allows authorised staff to readily access patient information no matter where the patient is being treated - be it at one of the two acute hospitals (NWRH and MCH) or at the three rural hospitals (WCDH, KIHCHC and SDH).

The DMR has also been rolled out to the Spencer Clinic (Mental Health Ward at NWRH), ensuring THO-North West Emergency Departments have important clinical information readily at hand when a Mental Health patient presents.

THO-North West has also worked in partnership with the UTAS RCS, Tasmania Medicare Local (TML) and the Cradle Coast Authority to establish an electronic health record for residents of aged care facilities that allows residents' care plans and their wishes for end of life care to be shared between Residential Aged Care Facilities (RACF), GP, acute hospitals and after-hours GP services. The 4C (Cradle Coast Connected Care) Electronic Health Record was rolled out to four RACFs during 2012-13 and plans are underway to rollout the service statewide in 2014.

A new Medication Oncology Electronic Medical Record (MOEMR) has also been successfully implemented allowing all information about Medication Oncology patients to be available and shared electronically between clinicians and hospitals. Patients travelling to Launceston for radiation therapy can now be assured that their medical record is available to the clinicians at the Launceston General Hospital (LGH) as well as at the MCH and NWRH. The MOEMR is also supported by a new Telehealth network to enhance communication links between cancer services, particularly in rural and remote communities.

Tasmanian Health Assistance Package

The Australian Government announced the $325 million Tasmanian health assistance package in June 2012 to ease immediate pressure across the Tasmanian health system and to fund clinical innovation and system improvement. This package included funding for additional elective surgery procedures during 2012-13 and the following three years.

The package is also funding expansion of the Medical Specialist Outreach Program (MSOAP) to extend chronic pain self-management programs and outreach Paediatric Rehabilitation clinics to meet needs in the North West Region.

King Island Hospital and Community Health Centre

A $5 million redevelopment of the KIHCHC was completed and opened on the 100th anniversary of the hospital on 31 October 2012. The project included major upgrades to the centre's aged care facility, including an expansion from 14 beds to 16 beds as well as upgrades to the emergency area, a new entrance and some additional minor strategic upgrades. A separate $1 million project to remove asbestos from the ceiling of the facility was also completed during the year.

Accreditation

THO-North West is committed to providing safe, high quality care for our community and visitors to the North West of Tasmania. We participate in accreditation to ensure that we are providing a high standard of care to our consumers, and use the process as an opportunity to improve our health service. Because of this commitment, we are now the first THO to have a fully accredited health service.

Our Primary Health Service undertook an organisation-wide survey with the Australian Council of Healthcare Standards (ACHS) in October 2012. This review included SDH, WCDH, KIHCHC, and Community Health Nursing. Our services were measured against 47 criteria all of which were met to the required standard. In addition, the services exceeded the standard required in relation to the Access to the Organisation, Blood Management, and Fire and Emergency Management criteria and the service was commended by the ACHS surveyors for work to date.

Our residential aged care facilities at King Island and Queenstown are reviewed by the Aged Care Standards and Accreditation Agency. The facility at King Island was surveyed in January 2012 and Lyell House, Queenstown's aged care facility, was surveyed in August. Both facilities were successful and their accreditation is current for three years. During this time they will receive unannounced visits from the surveyors to ensure they are continuing their great work. King Island passed an unannounced visit from surveyors in December. To meet the aged care accreditation standards requires a huge amount of work from our staff and a continued commitment to safety and quality, and we are proud of their on-going success.

We are required to review our Home and Community Care (HACC) funded services against the Community Care Common Standards. In May 2012, Devonport Community Health and Service Centre (DCHSC) participated in a HACC quality review against the Community Care Common Standards. The service was successful and achieved 18 out of the 18 expected outcomes. Community Health Services are continuing to review and develop quality improvement activities to ensure consistency across the organisation.

THO-North West undertook a periodic review of our corporate services in December 2012. Two ACHS surveyors visited the corporate office for a day to review our organisational practices such as risk management and staff safety. We were given a positive report and three Extensive Achievements (EAs) for Risk Management, Emergency and Disaster Management and Continuous Quality Improvement. We received two recommendations from this survey, and these will be rolled into our future accreditation reviews.

Inpatient mental health services in the North West of Tasmania became part of the THO-North West in July 2013. We will be working with the Mental Health Services (MHS) team over the upcoming months to ensure successful integration into THO-North West's quality framework and our accreditation cycle.

The 10 National Safety and Quality Health Service (NSQHS) Standards were introduced in January 2013 for all public hospitals and day procedure services across Australia. These standards have raised the expectation of what is considered high quality care, and, along with all health organisations, it will be a challenge for us to achieve. However, we are excited about working towards these standards because it gives us the opportunity to improve our service for our consumers and community.

We are working towards a Periodic Review of our two acute hospitals (MCH and NWRH) which will occur later in 2013. This review will be against the ACHS EQuIP National program which is the 10 NSQHS National Standards plus five extra standards for areas which are not covered in the National Standards.

Current Accreditation Status

Service	Accreditation Status
North West Regional Hospital	Accreditation by the Australian Council on Healthcare Standards (ACHS) was achieved in June 2011 for four years. Self-assessment was completed in 2012.
Mersey Community Hospital	Accreditation by the Australian Council on Healthcare Standards (ACHS) was achieved in June 2011 for four years. Self-assessment was completed in 2012.
Corporate Services	Fully accredited by ACHS in December 2010 for four years. Periodic review took place in December 2012 with maintained accreditation and three Extensive Achievements (EAs) awarded.
Primary Health Services	Fully accredited by ACHS in Oct 2012 for four years, with three EAs awarded
Aged Care - King Island and Queenstown (Lyell House)	Aged care accreditation completed in 2012, valid for three years.
Home and Community Care (HACC)	In May 2012, Devonport Community Health Service Centre participated in a HACC Quality Review and successfully achieved all of the 18 expected outcomes of the Community Care Common Standards.

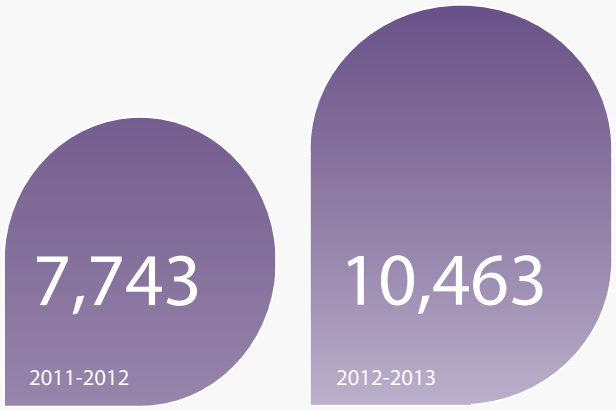
Activity Data

NWRH Separations

Hospital activity is measured as patient separations. A separation is an episode of admitted patient care. Raw separations are not adjusted for the complexity of the episode of care and represent each individual episode of care in a given period. Weighted separations show the level and complexity of the work done in public hospitals by combining two measures: the number of times people come into hospital and how ill people are when they come into hospital.

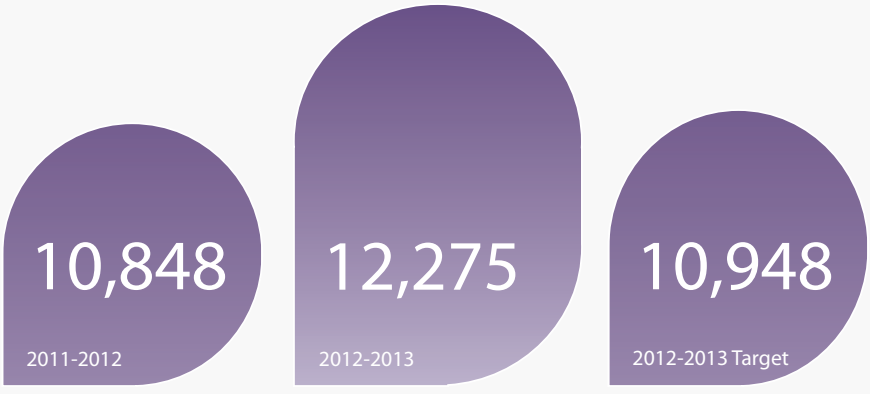
The NWRH delivered 10,463 raw separations during 2012-13 which was 35.1% above the activity level for the previous year.

NWRH - Raw Separations



The NWRH delivered 12,275 weighted separations during 2012-13 which was 12.1% above the target set for the year and 13.2% above the activity level for the previous year.

NWRH - Weighted Separations



NWRH Emergency Department Attendances

All patients presenting to an ED are triaged on arrival by a specifically trained and experienced registered nurse.

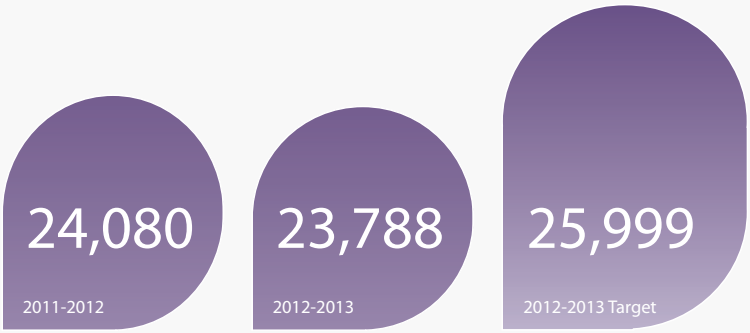
Triage assessment against the Australasian Triage Scale (ATS) is recorded as follows:

- Immediately life-threatening (Category 1)
- Imminently life-threatening (Category 2)
- Potentially life-threatening or important time-critical treatment or severe pain (Category 3)
- Potentially life-serious or situational urgency or significant complexity (Category 4)
- Less urgent (Category 5)

The ATS has been endorsed by the Australasian College for Emergency Medicine (ACEM) and adopted in performance indicators by the Australian Council on Healthcare Standards (ACHS).

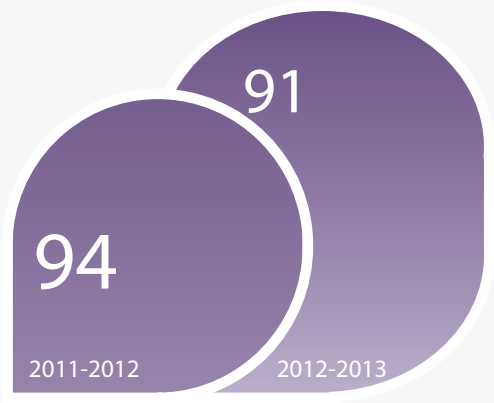
Total ED attendances for the NWRH during 2012-13 were 23,788 which were 8.5% below the target set for the year and 1.2% below the number for the previous year. In the context of ED attendances, activity less than the target is a good outcome.

NWRH - Emergency Department Attendances

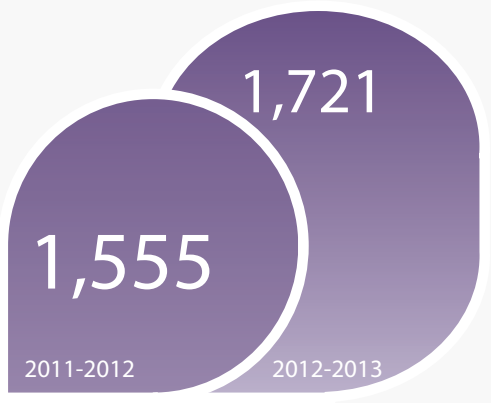


Compared with the previous year, Emergency Department attendances at the NWRH by triage category increased for categories 2 and 3 and decreased for categories 1, 4 and 5. There is evidence that increased availability of after-hours general practice services in the area is reducing the demand on the NWRH Emergency Department among the less urgent triage categories.

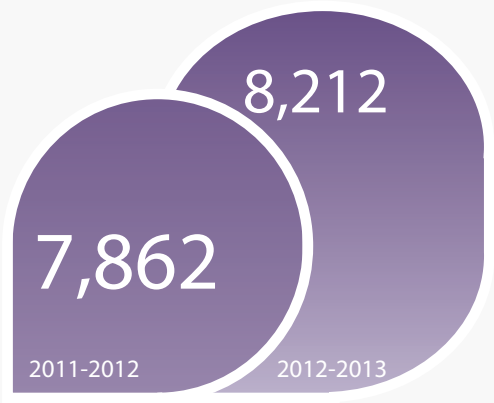
NWRH - Emergency Department Presentations by Category



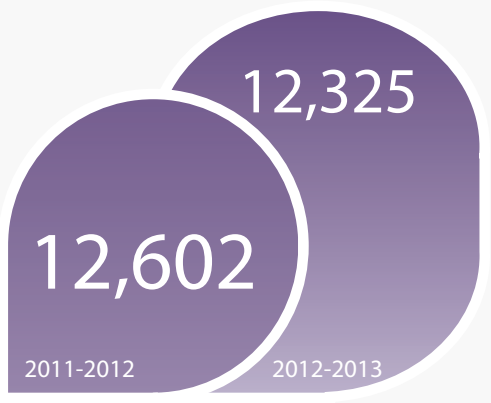
Category 1



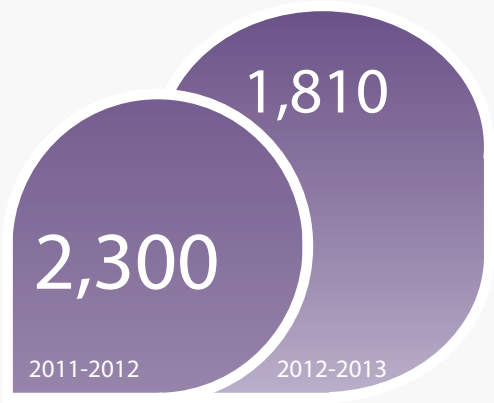
Category 2



Category 3



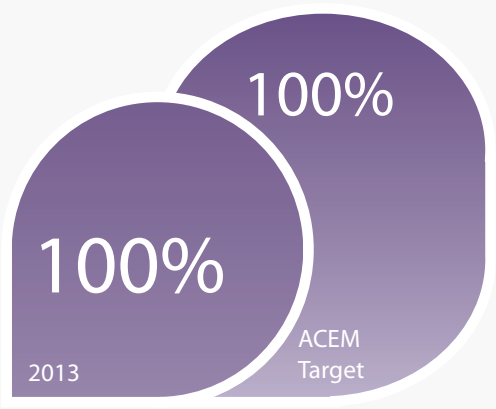
Category 4



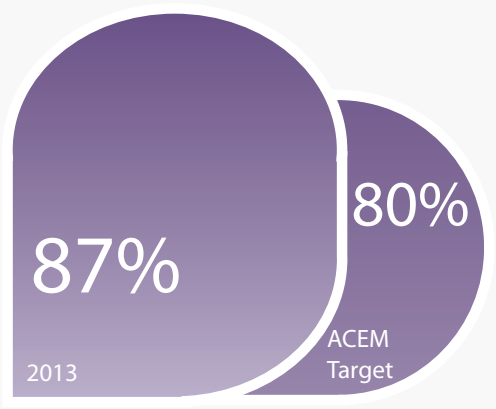
Category 5

86% of all ED attendances at NWRH during 2012-13 were seen within the recommended timeframes and ACEM Targets were met or exceeded for all triage categories.

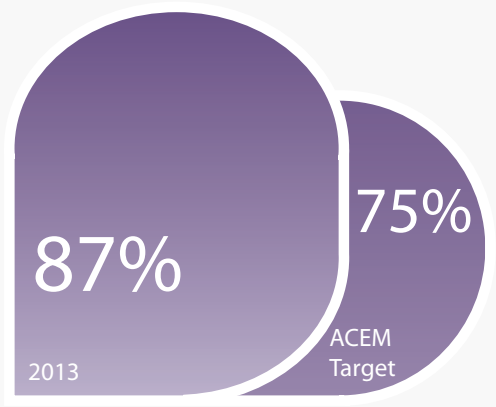
NWRH - Emergency Department Patients Seen Within Recommended Timeframes 2012-13



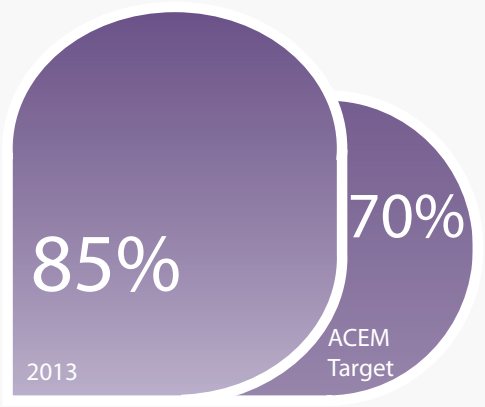
Triage Category 1
(Immediately)



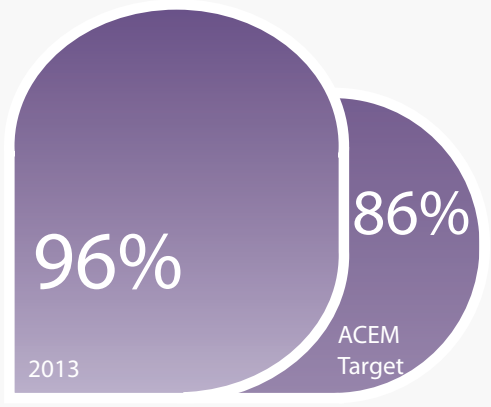
Triage Category 2
(Within 10 minutes)



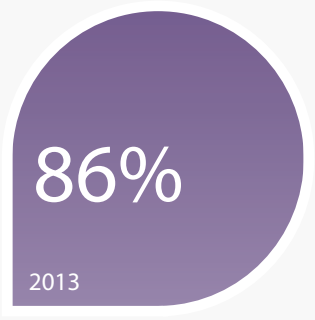
Triage Category 3
(Within 30 minutes)



Triage Category 4
(Within 60 minutes)



Triage Category 5
(Within 120 minutes)

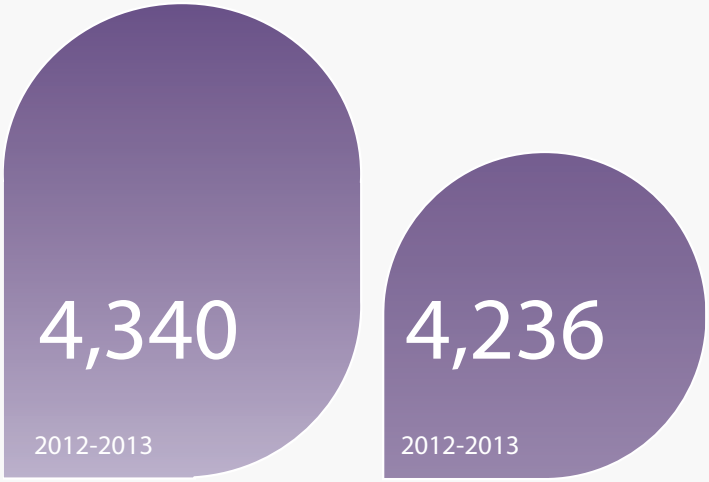


All Triage Categories
seen within time

NWRH Surgical Procedures

Total operating theatre activity at the NWRH during 2012-13 was 4,236 procedures which was 104 or 2.4% below the number of procedures for the previous year. This includes elective surgery and emergency procedures.

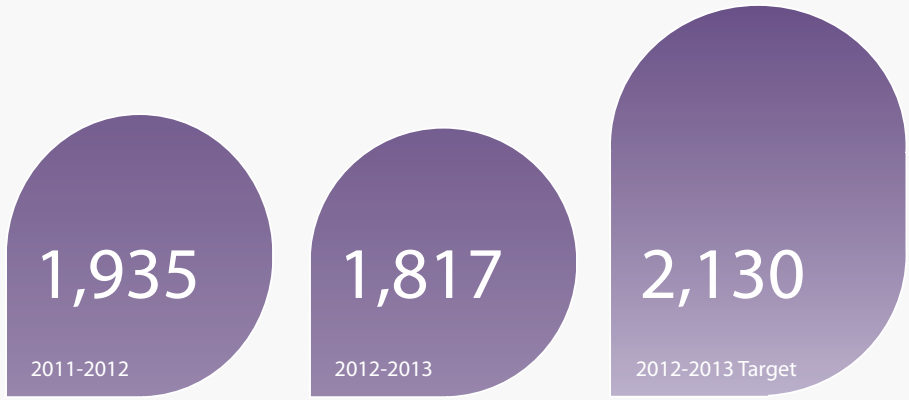
NWRH - Total Operating Theatre Activity



1,817 Elective Surgery procedures were undertaken at the NWRH during 2012-13, 14.7% or 313 below the target of 2130.


Datex-Ohmeda
69
98
Apnea
Apnea
Aestiva/5

NWRH - Elective Surgery Procedures



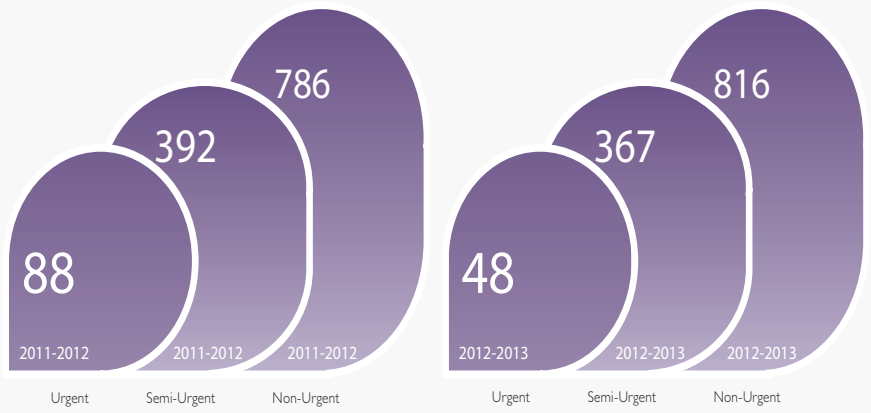
Elective Surgery Waiting List

The elective surgery waiting list is reported on a consolidated basis across THO-North West due to the synergies that exist between the NWRH and the MCH in delivering elective surgery.

The total number of patients "Ready for Care" on the elective surgery waiting list for the North West as at 30 June 2013 was 1,231 compared with 1,266 at 30 June 2012 which represents a 2.8% decrease compared with the previous year. Ready for care patients are those who are prepared to be admitted to hospital or to begin the process leading directly to admission. These could include investigations/procedures done on an outpatient basis, such as autologous blood collection, pre-operative diagnostic imaging or blood tests. Not ready for care patients are those who are not in a position to be admitted to hospital.

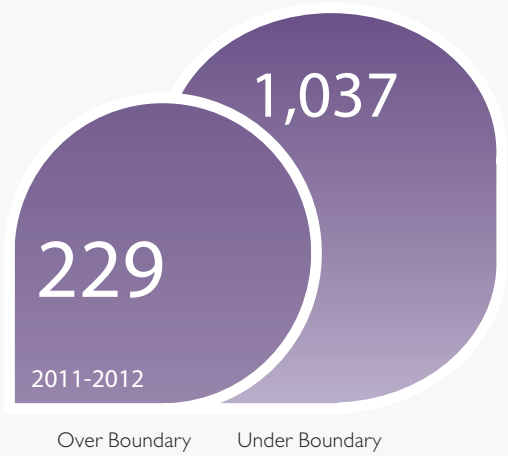
Category 1 (Urgent) patients on the elective surgery waiting list as at 30 June decreased by 45.5% from 88 to 48.

THO-North West Elective Surgery Waiting List by Priority



The number of patients "over boundary" has increased by 23.1% from 229 at 30 June 2012 to 282 at 30 June 2013. A patient is considered to be over boundary when the number of days on the waitlist exceeds the clinically recommended time for their urgency category as defined in the National Access Guarantee.

THO-North West Elective Surgery Waiting LIst Over/Under Boundary

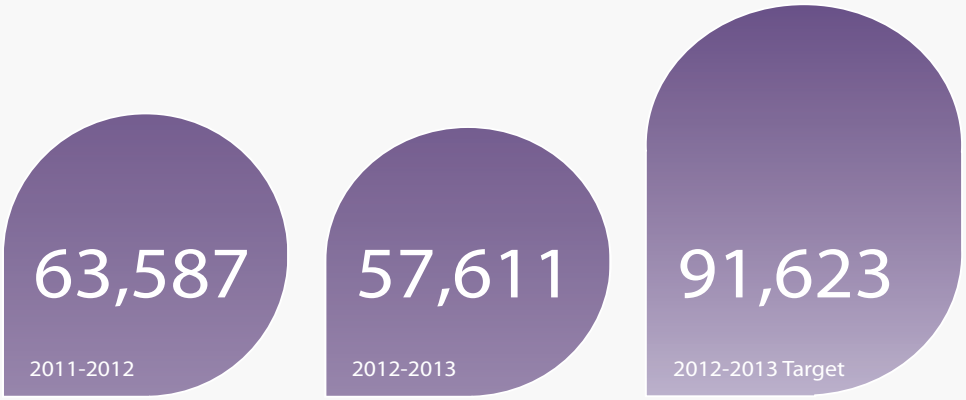


NWRH Outpatient Services

An outpatient "occasion of service" is defined as an interaction between a health care professional and a patient where the patient is not admitted to hospital. Outpatient services include interactions such as assessments and consultations and an occasion of service is a treatment that is unbroken in time.

57,611 outpatient occasions of service were delivered at the NWRH during the year. This level of activity was 9.4% lower than the activity level of the previous year and 37.1% below the target activity level for 2012-13. The reason for this significant gap between the volume of services delivered and the target is a change in classification of chemotherapy services which are now counted as hospital admissions rather than outpatient visits. This change was not reflected in a changed target.

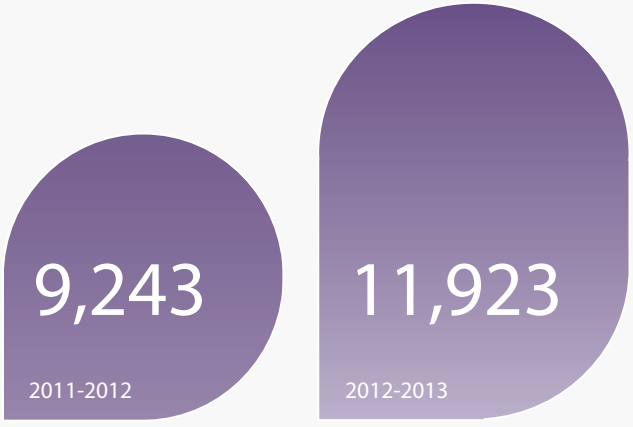
THO-North West Outpatient Services



MCH Separations

The MCH delivered 11,923 raw separations during 2012-13 which was 29.0% above the activity level for the previous year.

MCH - Raw Separations



The MCH delivered 8,650 weighted separations during 2012-13 which was 25.5% above the target set for the year and 21.4% above the activity level for the previous year.

MCH - Weighted Separations

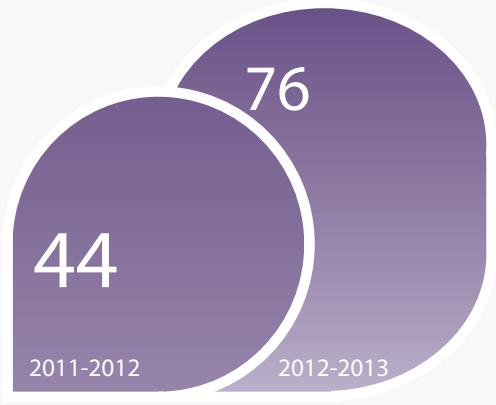
MCH Emergency Department Attendances

Total ED attendances for the MCH during 2012-13 were 27,104 which were 3.0% above the target set for the year and 5.4% above the number for the previous year.

MCH - Emergency Department Attendances

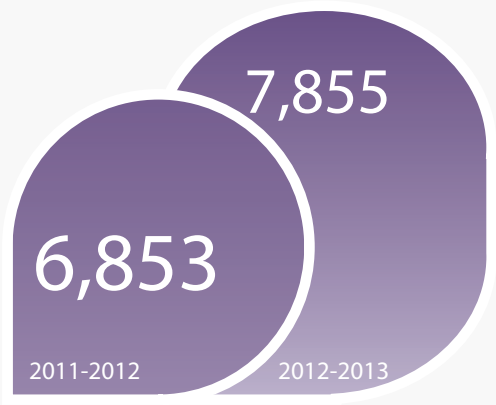
Compared with the previous year, ED attendances at MCH by triage category increased for all categories except for Category 5.

MCH - Emergency Department Presentations by Category

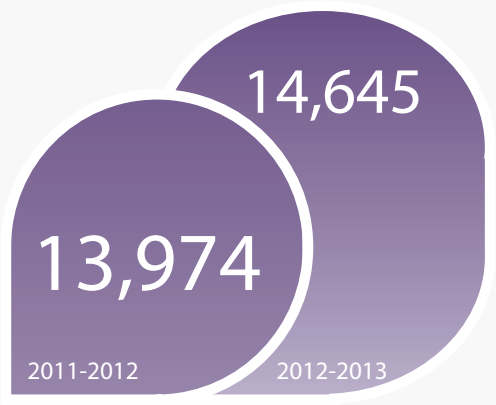


Category 1

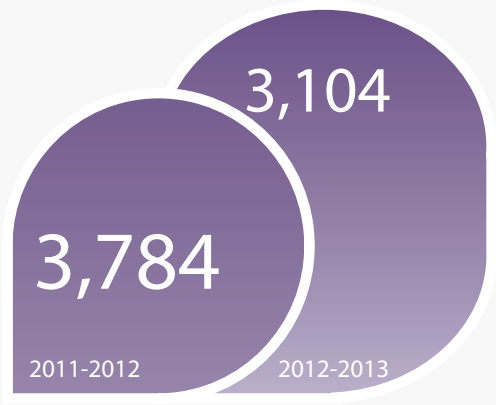
Category 2



Category 3



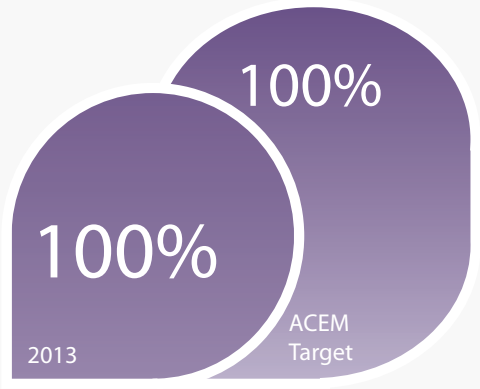
Category 4



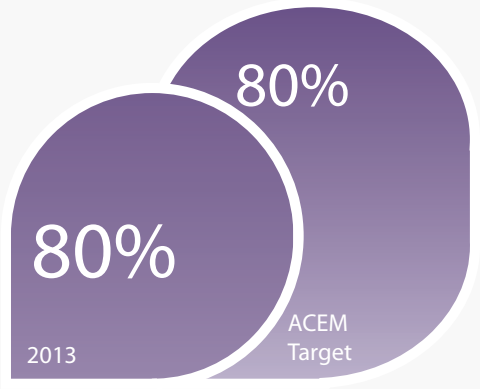
Category 5

77% of all ED attendances at MCH during 2012-13 were seen within the recommended timeframes and ACEM Targets were met or exceeded for all triage categories with the exception of Triage Category 3 which achieved 71% in comparison to the ACEM target of 75%.

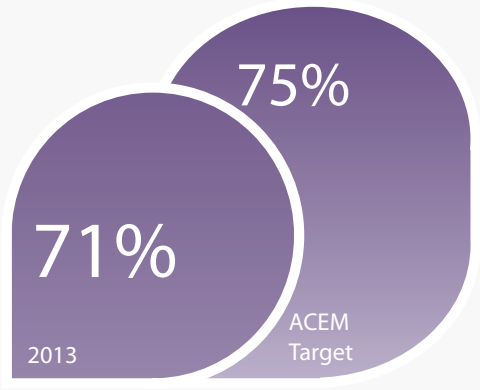
MCH - Emergency Department Patients Seen Within Recommended Timeframes



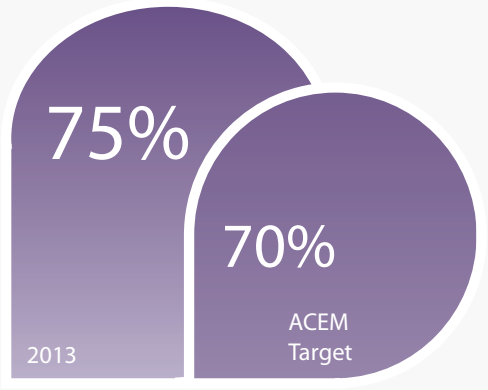
Triage Category 1
(Immediately)



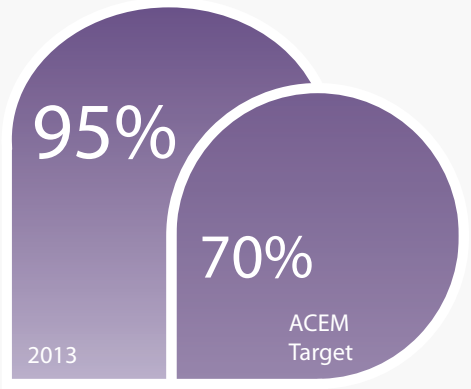
Triage Category 2
(Within 10 minutes)



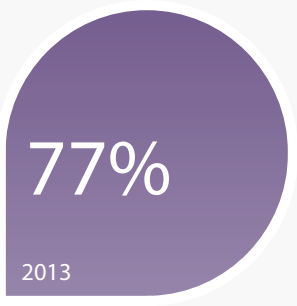
Triage Category 3
(Within 30 minutes)



Triage Category 4
(Within 60 minutes)



Triage Category 5
(Within 120 minutes)

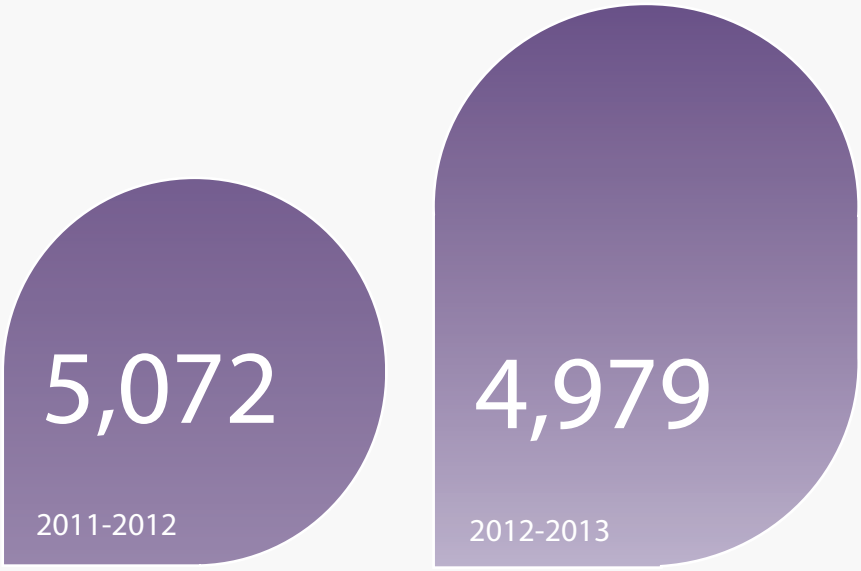


All Triage Categories seen within time

MCH Surgical Procedures

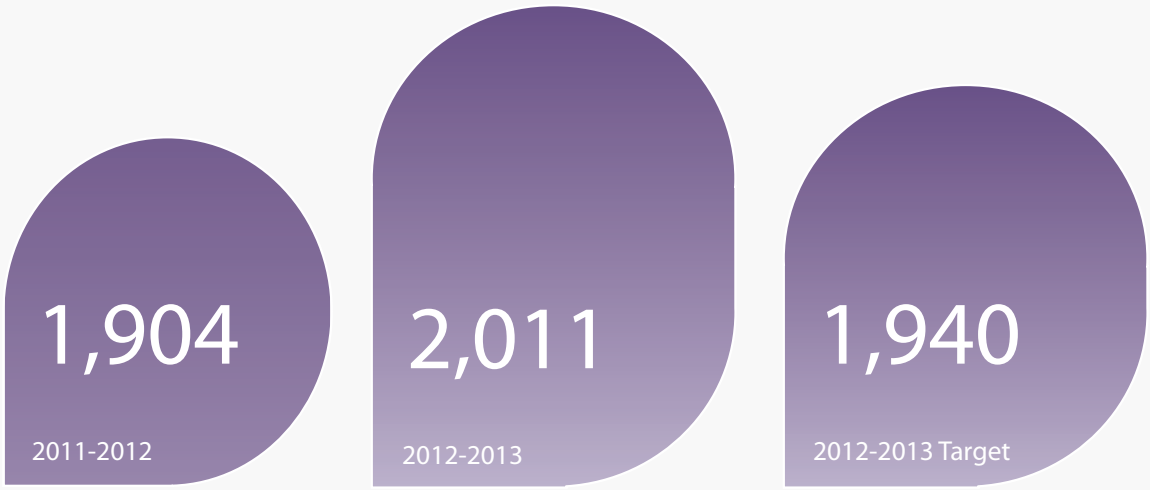
Total operating theatre activity at the MCH during 2012-13 was 4979 procedures which was 93 or 1.8% below the number of procedures for the previous year. This includes elective surgery and emergency procedures,

MCH - Total Operating Theatre Acticity



2,011 elective surgery procedures were undertaken at the MCH during 2012-13. This was 3.7% or 71 above the target of 1,940 and 5.6% more than in 2011-12.

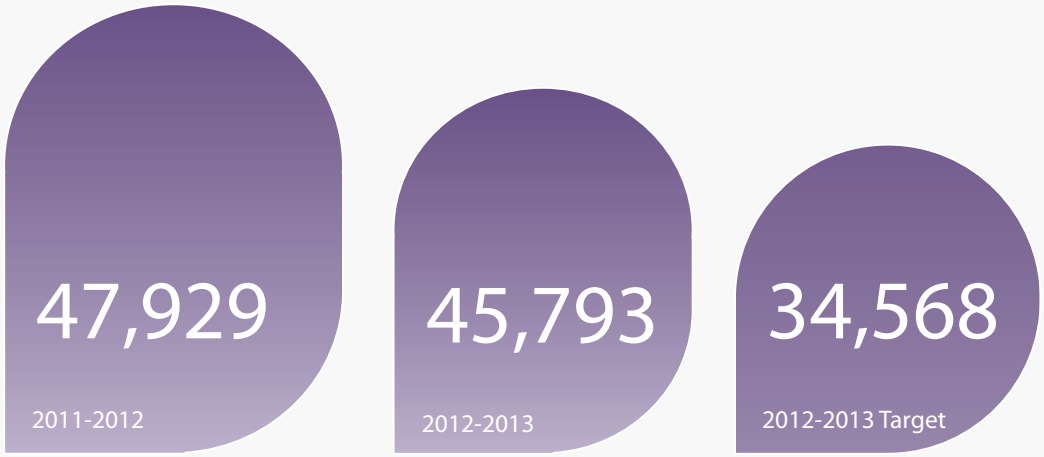
MCH - Elective Surgery Procedures



MCH Outpatient Services

During 2012-13 45,793 outpatient "occasions of service" were delivered at the MCH. This level of activity was 4.5% lower than the activity level of the previous year but 32.5% above the target activity level for 2012-13.

MCH - Outpatient Services



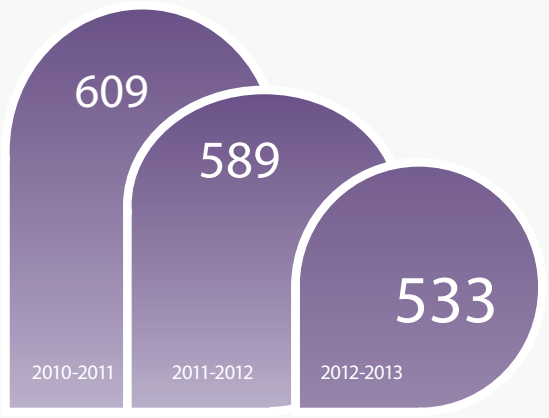
District Hospitals

Admissions

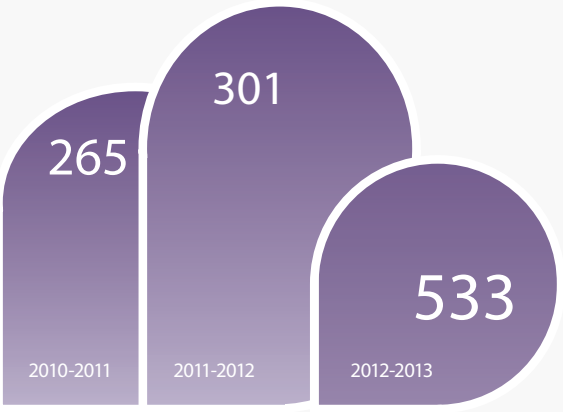
Total admissions to the region's three district hospitals during 2012-13 were 1,032:

- 533 to SDH (9.5% lower than the previous year);
- 235 to KIHCHC (21.9% lower than the previous year); and
- 264 to WCDH (5.6% higher than the previous year).

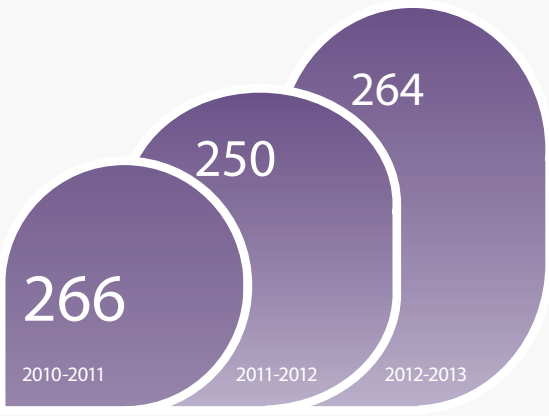
District Hospital Admissions



Smithton District Hospital



King Island Hospital



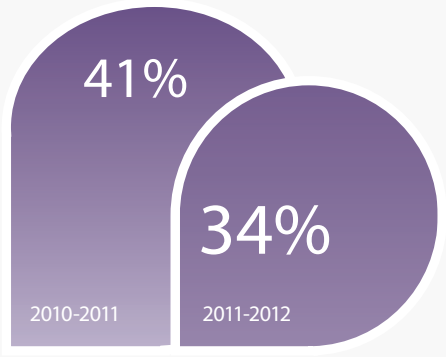
West Coast District Hospital

Acute Occupancy Rates

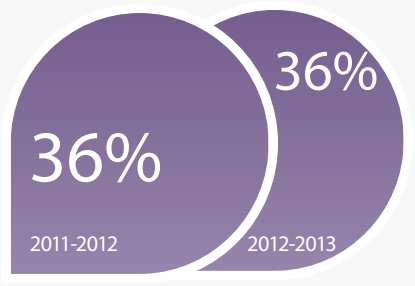
Average acute occupancy rates across the region's three district hospitals during 2012-13 were:

- 34% for SDH (7.0% lower than the previous year)
- 33% for KIHCHC (2.0% higher than the previous year)
- 36% for WCDH (the same as the previous year).

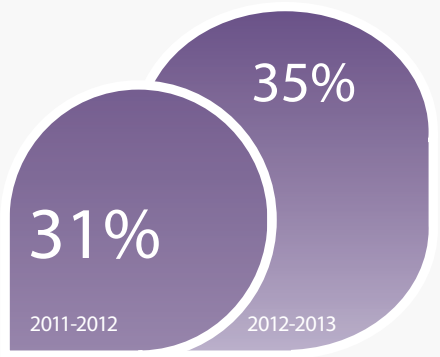
District Hospital Acute Occupancy Rates



Smithton District Hospital



West Coast District Hospital



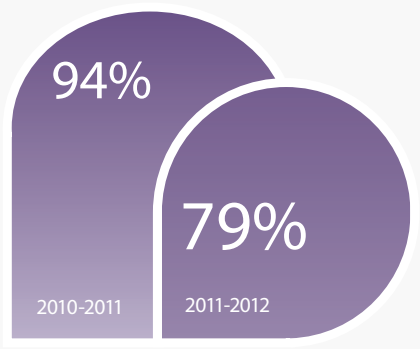
King Island Hospital

Aged Care

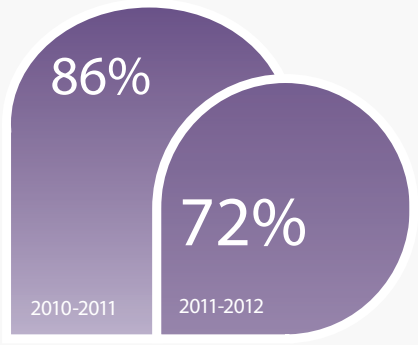
KIHCHC has 14 aged care beds. The average occupancy rate for these beds decreased from 86% in 2011-12 to 72% in 2012-13.

WCDH has 16 aged care beds. The average occupancy rate for these beds decreased from 94% in 2011-12 to 79% in 2012-13.

District Hospital Aged Care Occupancy Rates

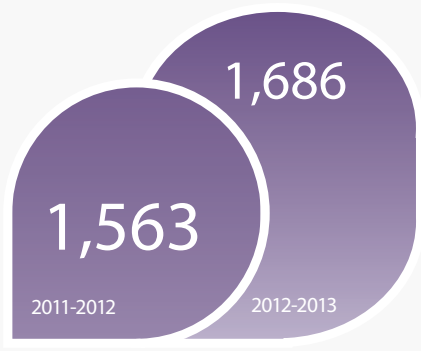


West Coast District Hospital

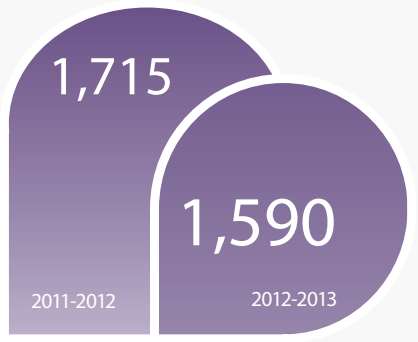


King Island Hospital

District Hospital Outpatient Occasions of Service



West Coast District Hospital



Smithton District Hospital

Strategic Directions

In delivering services to meet the needs of the North West Tasmania community, THO-North West will lead necessary cultural, system, service and process changes to establish ourselves as a successful health service organisation that meets or exceeds all performance expectations.

In doing this we have developed seven strategic objectives and associated strategies to achieve them.

1. Provide safe, quality, sustainable and appropriate health services relevant to the needs of the North West population.
2. Engage, involve and integrate consumers in the planning and provision of health services.
3. Work in collaboration with TML, other THOs, local GPs and relevant non-government organisations to better coordinate and support the transition of patient care to deliver the right health care at the right time in the right place.
4. Recruit, retain and support a skilled workforce which meets the needs of the organisation.
5. Ensure our infrastructure and equipment is fit for purpose and effectively supports the delivery of safe, high quality health care and meets current and expected future demand.
6. Achieve activity levels and priorities set out in service agreements within our allocated budget.
7. Support initiatives that improve health literacy among members of the North West community and aim to improve their health status and reduce the prevalence of health risk factors.

Objective	Strategic Approach
1. Needs based service provision Provide safe, quality, sustainable and appropriate health services relevant to the needs of the North West population	• Continue to delineate the roles of the NWRH and MCH with the aim of consolidating high acuity services at the NWRH and reducing or eliminating any areas of service duplication. • Model planned admitted activity within acceptable waiting times to allow service activity volumes to be ramped up and down to accommodation unplanned admissions. • Integrate North West MHS into THO-North West operations and establish key performance indicators. • Adjust service delivery models and service mix in light of innovations and areas for improvement identified by the Lead Clinicians Group (LCG) in the revised Tasmanian Health Plan/Clinical Services Plan and recommendations of the Commission on Delivery of Health Services in Tasmania. • Establish an effective and efficient operational cancer service. • Integrate renal services into the operations of THO-North West to better respond to local demand. • Review West Coast facilities, services and retrieval systems. • Review appropriateness of services that may be considered to extend beyond the core business of the THO. • Continue to develop and implement effective systems for clinical governance and clinical leadership. • Meet the national clinical standards as determined by the Australian Commission on Safety and Quality in Healthcare and within the context of the Tasmanian regulatory framework. • Establish systems and processes to support satisfactory performance against other accreditation standards aimed at continuous quality improvement, evidence-based practice and education, training and research (eg aged care standards for multipurpose centres).
2.Community engagement Engage, involve and integrate consumers in the planning and provision of health services	• Develop and implement a comprehensive community and consumer engagement strategy building on existing mechanisms such as the CERG. • Investigate opportunities for greater "visibility" of THO-North West to the community. • Increase the awareness and profile of the THO-North West GC. • Deliver health services and health support services that are consistent with the intent of the Australian Charter of Healthcare Rights. • Ensure an effective patient complaint and dispute resolution process is in place.

3. Partnerships Work in collaboration with TML, other THOs, local GPs and relevant non-government organisations to deliver the right health care at the right time in the right place	• Actively work with TML and other partners in the non-government sector to reduce unnecessary hospital admissions through better care coordination, streamlined care pathways and models of supported home based care. • Develop joint approach to community engagement that has a system wide focus. • Work with other THOs to provide access to facilities within THO-North West to enable other THOs to deliver statewide services which they are contracted to deliver to the Tasmanian community. • Work with other THOs and the department to implement the statewide clinical governance framework. • Cooperate with the department and provide information and data as required to ensure the government is able to monitor performance and meet all of its Commonwealth and State reporting requirements.
4. Workforce Recruit, retain and support a skilled workforce which meets the needs of the organisation	• Develop THO-North West strategic workforce plan. • Support strong and sustainable medical leadership. • Provide training and education relevant to the provision of health services. • Work with other THOs and the Department to develop a strategic approach to community nursing workforce planning and models of care. • Implement other strategies as outlined in the THO-North West Human Resources Plan.
5. Infrastructure Ensure our infrastructure and equipment is fit for purpose and effectively supports the delivery of safe, high quality health care and meets current and expected future demand;	• Develop a strategic asset management plan that fully assesses the condition of the region's infrastructure and equipment and develops a scheduled and (as far as possible) predictable approach to asset management and replacement and identifies funding mechanisms/options. • Ensure that THO-North West resources are prudently managed and the assets under its control are maintained. • Build and bring into operation an integrated Regional Cancer Centre, a redeveloped and expanded ED and a new rehabilitation ward. • Provide reliable and timely access to integrated information to enable improved patient/client care across the whole continuum of care. • Develop Clinical Telehealth Services. • Implement Voice Over Internet Protocol (VOIP).

6. Performance Achieve activity levels and priorities set out in service agreements within our allocated budget	• Utilise appropriate systems to monitor revenue, employment, procurement and expenditure to enable best practice budget management. • Develop and implement a financial management strategy to close the gap between the local price and the nationally efficient price for services. • Ensure an effective system is in place for access to statewide services. • Utilising and not duplicating statewide services that the THO-North West is directed to use under section 38 of the *Tasmanian Health Organisations Act 2011*. • Review efficiency of operational services and infrastructure and implement cost savings measures. • Negotiate new and more cost effective arrangements with external contractors. • Work with the department in developing a service purchasing framework that reflects medium to long term performance and purchasing intentions. • Pursue suitable fundraising opportunities. • Maximise approved own source revenue. • Renegotiate the Heads of Agreement between the Australian and State Governments for the operation of the MCH. • Have in place performance management arrangements that ensure the CEO and Managers are accountable for achieving budget management outcomes. • Develop and implement a code of ethics for members of the Governing Council that is consistent with the *Tasmanian Health Organisations Act 2011*. • Achieve external accreditation against the Australian Commission on Safety and Quality in Healthcare Standards.
7. Health literacy and improved health status Support initiatives that improve health literacy among members of the North West community and aim to improve their health status and reduce the prevalence of health risk factors	• Work with our partners in contributing to a statewide plan to improve health literacy among health care consumers. • Work with the Department and TML in supporting initiatives aimed at reducing smoking rates and unsafe alcohol consumption, increasing physical activity and healthy eating


EMERGENCY

REGULATORY INFORMATION

Performance against 2012-13 Service Agreement

In accordance with Section 44 of the Tasmanian Health Organisations Act 2011 a Service Agreement between the Minister for Health, the Hon Michelle O'Byrne, and the THO-North West GC was established to clearly set out the service delivery and performance expectations for the funding provided to THO-North West for the 2012-13 financial year. As such, the Service Agreement is the key accountability agreement between the Minister for Health and the THO.

The 2012-13 Service Agreement for THO-North West consisted of 6 parts:

A. An overview of the service profile of THO-North West.

B. Information on MCH and the requirements of the THO–North West under the Heads of Agreement for the continued management, operation and funding of the MCH.

C. An outline of the quality and service standards against which THO performance would be monitored and assessed.

D. The contracted service volumes and associated activity based funding and other contracted services for which block funding was provided.

E. An outline of the Minister's Direction to the THO regarding its relationship with the System Purchasing and Performance Group of the Department and the service manuals that were to be issued by the Group during 2012-2013.

F. Detail on the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST) as it related to the 2012-13 Service Agreement.

The Agreement clearly acknowledged that 2012-13 was a year of transition, being the first year of operation of the THOs in Tasmania. To that end, both the THO and the Minister, through her Department, reviewed the 2012-13 Service Agreement throughout the year and recognised that there would be challenges in the achievement of some targets and performance expectations for 2012-13.

The following tables provide an overview of THO-North West's performance against the Quality and Safety Standards and the Activity targets. More detailed information about THO-North West's activity for the year is provided in Part 1.7 Activity and Achievements.

THO-North West met or exceeded 28 of the total 40 Standards set in the 2012-13 Service Agreement.

MANAGEMENT	Standard	Performance	Standard Achieved
Budget	$0 Variation	Net Cash from Operating activities + $3.2m	✓
		Net Operating Balance -$0.9m	x
		Comprehensive Result -$2.2m *	x

* Explanations of material variances between budget and actual outcomes are provided in Note 4 to the Financial Statements at Part 3 of this report.

SAFETY AND QUALITY*	Standard	Performance	Standard Achieved
Hand Hygiene Compliance	70%	69%	x
Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate	2.0 per 10,000 bed days	1.3	✓
Healthcare associated clostridium difficile infection rate	4.0 per 10,000 bed days	2.6	✓

* Data for infection rates is for 2011-12 as 2012-13 data is not yet available

ACTIVITY	Standard / Volume	Performance	Standard Achieved	Variance
Weighted Hospital Separations				
North West Regional Hospital	10 704	12 275	✓	+ 1 571
Mersey Community Hospital	6 884	8 650	✓	+ 1 766
Emergency Department (Occasions of Service)				
North West Regional Hospital	25 999	23 788	×	- 2 211
Mersey Community Hospital	26 318	27 104	✓	+ 786
Outpatients (Occasions of Service)				
North West Regional Hospital	91 623	57 611	×	- 34 012
Mersey Community Hospital	34 568	45 793	✓	+ 11 225
Activity - Elective Surgery Admissions *				
QUARTER 1 (July – September 2012)				
North West Regional Hospital	541	478	×	- 63
Mersey Community Hospital	462	498	✓	+ 36
QUARTER 2 (October – December 2012)				
North West Regional Hospital	490	396	×	- 94
Mersey Community Hospital	469	505	✓	+ 36
QUARTER 3 (January – March 2013)				
North West Regional Hospital	598	428	×	-170
Mersey Community Hospital	486	512	✓	+26
QUARTER 4 (April – June 2013)				
North West Regional Hospital	501	515	✓	+ 14
Mersey Community Hospital	523	496	×	- 27
TOTAL Elective Surgery Admissions 2012-13				
North West Regional Hospital	2 130	1 817	×	- 313
Mersey Community Hospital	1 940	2011	✓	+ 71

* Includes all elective surgery admissions for the period

Emergency Department ACCESS	Standard	Performance	Standard Achieved
Percentage of patients who have physically left the ED within 4 hours			
North West Regional Hospital	2012: 72% 2013: 78%	79%	✓
Mersey Community Hospital	2012: 72% 2013: 78%	81%	✓
Percentage of all ED presentations seen within recommended triage time			
North West Regional Hospital	**80%**	**86%**	✓
Mersey Community Hospital	80%	77%	×
Percentage of ED "did not wait" presentations			
North West Regional Hospital	**< 5%**	**1.5 %**	✓
Mersey Community Hospital	**< 5%**	**0.7%**	✓
Incidence of ambulance presentations to ED experiencing offload delay			
North West Regional Hospital	< 10%	0.1%	✓
Mersey Community Hospital	< 10%	0.3%	✓
Total time (hours) spent by ambulance presentations in offload delay			
North West Regional Hospital	No target set	2.2 hours (full year)	na
Mersey Community Hospital	No target set	14.7 hours (full year)	na

ELECTIVE SURGERY ACCESS	Standard	Performance	Standard Achieved
Percentage of patients seen within the clinically recommended time			
CATEGORY 1			
North West Regional Hospital	2012: 84% 2013: 92%	80.1%	×
Mersey Community Hospital	2012: 84% 2013: 92%	89.4%	✓
CATEGORY 2			
North West Regional Hospital	2012: 67% 2013: 76%	77.6%	✓
Mersey Community Hospital	2012: 67% 2013: 76%	82.8%	✓
CATEGORY 3			
North West Regional Hospital	2012: 81% 2013: 86%	89.8%	✓
Mersey Community Hospital	2012: 81% 2013: 86%	73.6%	×
Elective Surgery Access - Average Overdue Wait Time *			
CATEGORY 1			
North West Regional Hospital	2012: 69 days 2013: 0 days	12.1 days	✓
Mersey Community Hospital	2012: 69 days 2013: 0 days	7.0 days	✓
CATEGORY 2			
North West Regional Hospital	2012: 285 days 2013: 214 days	132.4 days	✓
Mersey Community Hospital	2012: 285 days 2013: 214 days	33.8 days	✓
CATEGORY 3			
North West Regional Hospital	2012: 352 days 2013: 264 days	142.3 days	✓
Mersey Community Hospital	2012: 352 days 2013: 264 days	43.1 days	✓

* for elective surgery patients who have waited beyond the recommended time

Asset Management

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

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

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

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

The DHHS continues to improve rigour on investment analysis of potential capital works projects using the Department of Treasury and Finance's "Structured Infrastructure Investment Review Process". This staged gateway review process is coordinated by Asset Management Services through the department's Corporate Governance Structure.

Asset Management Services operate subject to need, either as an informed client or an internal consultant interfacing with industry in a complex and high risk market place. It retains competencies that are not efficient to replicate. Asset Management Services also works to ensure that within asset management, issues of probity, process and risk are prudently managed to achieve value for money.

Public liability claims arising from asset failures may have severe consequences for the Crown; therefore it is necessary to ensure that responsibility and accountability are established and clearly understood during times of transition. To this end Asset Management Services has promoted a range of asset documentation and implementation strategies.

Asset Management Services also continues to represent the DHHS in asset related forums at a national level, particularly as a member of the Australasia Health Industry Alliance. This organisation is collaborating to develop national health facility guidelines to provide consistency and promote best practice in hospital design across Australasia and to undertake research and benchmarking into energy efficiency measures.

In 2012-2013 the DHHS had a budget for the following construction of facilities and equipment acquisitions:

Funding	DHHS $'000
Special Capital Investment Fund (SCIF)	20 264
Capital Investment Program (CIP) Plus For Non-Works	36 883
Essential Maintenance Program	1 617
Other funding sources (such as specific Australian Government funding)	3 763
Royal Hobart Hospital Redevelopment (SCIF and CIP Funded)	113 788

Asset Planning

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

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

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

The development of a SAMP is a strategic priority for THO-North West during 2013-14.

Major Capital Works Program 2012-2013

Completed Major Capital Works during 2012-2013 (those for which project funds are fully expended) do not include any works for THO-North West. The DHHS completed Major Capital Works are reported in the DHHS annual report.

Major Capital Works Program – Ongoing 2012-2013

Ongoing Major Capital Works 2012-2013 include the following works relevant to THO-North West.

Ongoing Major Capital Works in 2012-2013	2012-13 Expenditure $'000	Estimated Total Cost $'000	Estimated Cost to Complete $'000	Estimated Completion Year
Essential Maintenance	2387	N/A	N/A	Ongoing
Hospital Equipment Fund	397	25000	4336	2014
King Island Hospital and Community Health Centre	1614	6060	332	2012
Mersey Community Hospital	0	1900	1900	2015
Mental Health Services Electronic Client Mgt & Report System	215	2290	26	2014
National Health and Hospitals Network - Capital - Emergency Department - North West Regional Hospital	135	4110	3861	2014
North West Regional Hospital - Car Park	3820	5500	605	2013
North West Regional Hospital – Emergency Department	872	2954	2954	2014
North West Regional Hospital – Rehabilitation Unit	200	8280	8280	2016
Rural Inter-professional Clinical Education and Training Centres	2205	4450	1038	2013
North West Regional Cancer Centre	1737	31675	29938	2016

Acquisitions relevant to THO-North West

DHHS acquired Miranbeena at 306 Mount Street, Burnie from the Department of Education. This property is used by a non-government organisation to provide valuable community services to those with a disability. THO-North West acquired part of Brickport Road (408m2) to house the MRI facility at a cost of $30,000.

Disposals relevant to THO-North West

During 2012-2013 the WCDH at Queenstown was listed for sale. Proceeds of sale will be reinvested into the DHHS and THO real estate asset portfolio.

Asset Sustainability

Leased Accommodation

There were no changes to leased office accommodation in the THO-North West during 2012-2013.

Maintenance

Through Asset Management Services, the ongoing management of statutory building compliance required under the Building Act 2000 continues to ensure that this category of risk is regularly reviewed and required works promptly completed.

One third of the asset portfolio has a Building Condition Assessment undertaken each year (excluding major acute care hospitals). A risk-based and prioritised Capital Investment Program – Essential Maintenance Program is derived from these Building Condition Assessments and from occupant requests to address deficiencies that are identified across the remainder of sites that are not assessed in that year.

Energy Management

Energy management is increasingly important both from a climate change point of view and from an economic efficiency perspective as energy costs have risen faster than other business costs. The DHHS has developed an energy management strategy which addresses information gathering and analysis, practical responses, climate change and cultural change. THOs will develop their own energy management plans in line with the whole-of-Agency strategy.

Transport

At 30 June 2013, THO-North West operated 137 leased light vehicles comprising 42 executive and 95 operational vehicles. This is an increase of nine leased (five executive and four operational) vehicles from the previous year. The total cost of leased vehicles increased by $2,333.40 (excluding GST) to $109,736.92 (excluding GST) in 2012-2013.

Risk Management

Risk Management Framework

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

The THO–North West GC and Executive have overall responsibility for ensuring that material business risks faced by the organisation are addressed.

Assessing, treating and monitoring risks are integral to THO–North West planning and decision making processes. Effective risk management ensures THO–North West maximises opportunities and minimises uncertainty.

THO-North West operates within a comprehensive risk management framework based on Standard —AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines that includes a strategic risk register, routine identification of financial and operational risks at an Executive level, continuous development and monitoring of risk mitigation strategies, and regular reporting of these to both THO Governing Council (GC) through the Audit and Risk Sub-Committee and to Internal Audit.

The Audit and Risk Sub-Committee (A&RSC) of the GC has clear responsibilities set out in its Charter for reviewing the THO-North West risk management and control framework as well as ensuring external accountability and compliance.

A specialist Risk Management Team provides support to the GC and Executive to help manage business and project risks.

An annual corporate audit cycle is developed and agreed in consultation with Internal Audit through which a number of priority risks are identified by the GC for further investigation either on a routine basis or seeking improvement recommendations from Internal Audit. Any recommendations made by Internal Audit are reviewed by GC and implemented where possible.

THO-North West is also audited at the end of each financial year by the Tasmanian Audit Office.

The MCH is subject to a separate audit process in accordance with the requirement of the Heads of Agreement with the Commonwealth.

Clinical safety and risk is monitored through a range of mechanisms that include:

- Morbidity and mortality review
- Adverse event and complaint investigation and review
- Credentialing and scope of practice review for clinical staff
- Monitoring of clinical indicators and key performance indications
- Clinical audit activities

Clinical safety and risk will also be separately monitored at a governance level through THO-North West's Safety and Quality Committee that is to be established in 2013-14.

During 2012-13, THO-North West's major financial and operational risks were driven by increasing demand for services threatening the organisation's ability to achieve performance targets within budget, challenges in the recruitment and retention of clinical workforce and ageing infrastructure and equipment with impending obsolescence.

Mitigation strategies for these and all other risks on the THO-North West risk register were developed and implemented during the year.

Insurable Risk

THO-North West also has coverage for various classes of insurable risk (eg workers compensation, property, general liability and medical liability) through the Tasmanian Risk Management Fund (TRMF) administered by the Department of Treasury and Finance.

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

Risk by Class	Excess Period $ (excl GST)	Contribution $ (excl GST)	Number of claims	Incurred cost of claims $ (excl GST)
Personal Injury				
Workers' Compensation	1 week			
Personal Accident	50	2 226 802	103	1 403 183
Asbestos Levy		89, 072		
Property				
General Property	14 000	112 879	0	0
Motor Vehicles – Fleet Vehicles	500 / 1 000	37 769	20	28 790
Motor Vehicles – Miscellaneous	500	5 905	1	706
Liability				
General Liability	10 000	29 141	0	0
Medical Liability	50 000	845 183	9	3 782 770
Miscellaneous				
Government Contingency		1 427		
Travel plus stamp duty		564		
Total				**5 215 449**

Climate Change

The Emissions Reduction Plan

The Agency (DHHS) remains committed to early action toward the State's target of reducing its greenhouse gas emissions to at least 60 per cent below 1990 levels by 2050. The Agency is cooperating with other departments to develop a whole–of-government emission reduction strategy.

A whole-of-Agency Energy Management Strategy has been prepared in accordance with which the Agency continues to focus on the following key areas of activity where greenhouse gas emissions information is readily available:

- Auditing of Agency greenhouse gas emissions from its built assets, and
- Monitoring and reporting greenhouse gas emissions.

The THOs will be developing their own energy management and emission reduction plans in line with the whole-if-Agency strategy.

Auditing of Greenhouse Gas Emissions

DHHS Asset Management Services undertakes energy audits of THO-North West facilities. Audit findings are provided to THO-South for progression.

The Agency is monitoring activity in the following areas:

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

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

Monitoring and Reporting Greenhouse Gas Emissions

The Agency reports on its greenhouse gas emissions using the Online System for Comprehensive Activity Reporting (OSCAR) provided by the Australian Government, Department of Climate Change and Energy Efficiency. The Agency is continuing the development of systems to increase the accuracy of the measurements of its emissions volumes.

Greenhouse gas emissions during 2012-13 were 5,193 tonnes of carbon dioxide equivalent (CO2-e).

Current position 2012-13		
Activity	**Volume**	**tCO2-e**
Electricity	12.46 GWh	4217
Natural Gas	1,454 GJ	80
Unleaded Petrol	237 kL	608
Diesel Fuel	60 kL	175
Air Travel	0.7 million Km	113
Total		**5,193**

Reducing Greenhouse Gas Emissions

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

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

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

The Agency maintains it position that directing funds into projects able to deliver energy efficiency improvements will deliver greater benefits than the purchase of "green power", at least in the short to medium-term.

The Agency has submitted a bid under the Department of Treasury and Finance's "Structured Infrastructure Investment Review Process" for $6 million for the first tranche of potential energy efficiency projects identified through the Agency's ongoing energy audit program.

The Agency will continue energy auditing of all significant buildings, monitoring of electricity consumption through a computerized energy management system and the installation of electricity check meters in a range of buildings. It is anticipated that energy audits of approximately 50 buildings will have been completed by 2015.

The Agency has invested approximately $500 000 provided by the Australian Government to install approximately 300 kilowatts of grid-connected photovoltaic (PV) renewable energy systems on five rural hospitals and associated residences. This is expected to achieve energy savings of around 15 per cent per annum for those sites for an investment payback period expected over approximately seven years.

Right to Information

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

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

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

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

Time to Make Decisions		
1	Number of requests determined within the following timeframes (matches the number of applications determined as listed in the table Number of Applications #5) • 1 - 20 working days of the application being accepted. • More than 20 working days of the application being accepted	3
2.	Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a)	Nil
3.	Number of requests which took more than 20 working days to decide that involved an extension gained through an application to the Ombudsman under s.15(4)(b)	Nil
4,	Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5)	Nil

Reviews

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

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

Public Interest Disclosure

The Public Interest Disclosures Act 2002 encourages and facilitates disclosures about the improper conduct of public officers or public bodies.

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

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

During 2011-2012 the Tasmanian Health Organisation – North West received no Public Interest Disclosure reports.

Pricing Policies

THO-North West undertakes activities for which the pricing of goods and services is required. Each fee/charging program is based on the full cost recovery model in accordance with the Government's policy on fees and charges.

THO-North West levies fees and charges in accordance with the provisions of the following Acts:

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

Tasmanian Health Organisation – North West maintains a Revenue Policy that provides information on the financial requirements for funding a program from sources outside of the Tasmanian Health Organisation. This policy is subject to ongoing review.

Workplace Health and Safety

THO-North West is committed to fostering a culture that supports and sustains a safe, healthy and engaged workforce.

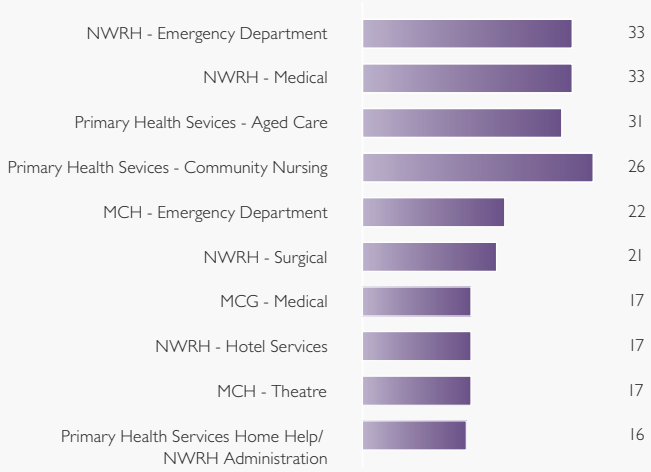
The Model Work Health and Safety (WHS) Act 2012 came into effect in Tasmania on 1 January 2013. The model laws contain considerably more detail (and greater prescription in some areas) than the previous law and there is a wider range of penalties for breaches under the new Act.

During 2012-13 WHS responsibilities and liabilities were transferred from the Department to the individual THOs. As a result, the WHS responsibilities of THOs and individuals working within the THOs have increased significantly. Extensive WHS training and education has commenced and will continue in future years.

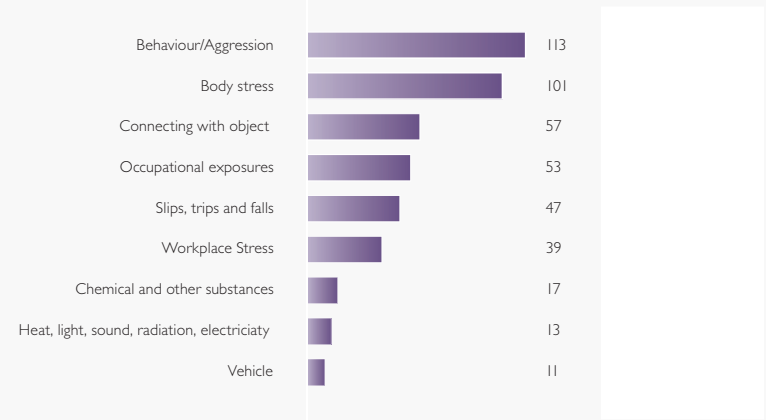
The THO-North West received a total of 114 workers' compensation claims during 2012-13. The major areas of injury were as a result of aggressive behaviour (seven claims) and body stress through manual handling (44 claims).

The cost of all claim payments for 2012-13 was $1,455,214.25.

THO-North West Workplace Health and Safety Incidents 2012-13 by Top 10 Locations



THO- North West Workplace Health and Safety Incidents 2012-13 by Top 10 Incident Types



Consultancies, Contracts and Tenders

THO-North West ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for business. It is our policy to support Tasmanian businesses whenever they offer best value for money for the Government.

Summary of Participation by Local Business

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

Total number of contracts awarded	2
Total number of contracts awarded to Tasmanian suppliers	0
Value of contracts awarded	$3,051,369
Value of contracts awarded to Tasmanian suppliers	$0
Total number of tenders called and/or quotation processes run	1
Total number of bids and/or written quotations received	4
Total number of bids and/or written quotations received from Tasmanian businesses	0

Contacts and Tenders Awarded in 2012-13

(for contracts with a value of $50 000 or over and excluding consultancy contracts, ex GST)

Name of Contractor	Location	Description of Contract	Period of Contract	Total value
Philips Electronics Australia Ltd	Vic	North West Regional Hospital - Upgrade of Telemetry System	01/06/2013 - *	$116 369
Siemens Limited	SA	North West Regional Hospital - Magnetic Resonance Imager (MRI)	26/02/2013 - 30/06/2023	$2935 000

* Indicates a one-off purchase.

Contracts awarded as a result of a direct/limited submission sourcing process

(approved in accordance with Treasurer's Instruction 1114 or 1217 ex GST)

Name of Supplier	Description of Contract	Reasons for Approval	Total value
Philips Electronics Australia Ltd	North West Regional Hospital - Upgrade of Telemetry System	Additional deliveries of goods or services by the original supplier or authorised representative that are intended either as replacement parts, extensions or continuing services for existing equipment, software, services or installations, where a change of supplier would compel the agency to procure goods or services that do not meet requirements of interchangeability with existing equipment.	$116 369

Ministerial Directions and Performance Escalations

A Ministerial Charter sets out the broad policy expectations, including strategic priorities, performance expectations and objectives, of the responsible Ministers for the THO-North West.

THO-North West must comply with this Ministerial Charter in accordance with Section 41 of the *Tasmanian Health Organisations Act 2011*. Compliance with the Ministerial Charter is demonstrated through the acceptance by the responsible Ministers of the THO-North West Corporate Plan, and the THO-North West meeting the objectives that it sets out in that Plan.

Part 7 of the *Tasmanian Health Organisations Act 2011* sets out formal performance measures that may be put in place if a THO does not perform as required.

Although DHHS and the Minister for Health have a system manager role, including performance monitoring and management in relation to the THOs and their GC, the GC and THOs are expected to manage themselves and resolve problems so as to meet the Service Agreement requirements and fulfil their statutory obligations and powers.

The *Tasmanian Health Organisation Act 2011* includes a number of performance management tools, which the Minister can use if required. These include:

- The Minister can instigate a review and audit.
- The Minister can require the production of a performance improvement plan.
- The Minister can establish a performance improvement team.
- The Minister can appoint a Ministerial delegate or delegates to a Governing Council.

The ultimate sanction available to the Minister is the termination of a Governing Council.

Under the Act (Section 59), a THO is defined to be performing unsatisfactorily if the Minister is of the opinion that

(a) *the organisation has failed to meet the requirements of the organisation's Service Agreement or its Corporate Plan; or*

(b) *the organisation, or the Governing Council of the organisation, has not been performing its functions, or exercising its powers, in a satisfactory manner.*

The Department, through its System Purchasing and Performance Division, monitors the performance of THOs and advises the Minister which performance management tools may be appropriate when performance concerns are identified. A Performance Management Framework provides the 'rules' surrounding performance management so that THOs are aware of the circumstances in which action may be taken, how it will be applied and by whom. Under the framework performance is assessed using the THOs monthly performance reports and any performance concerns are classified according to four levels

Level 0 No performance concerns

Level 1 Under review

Level 2 Unsatisfactory performance

Level 3 Challenging and failing

During 2012-2013 three performance escalations were applied to THO-North West as follows

Level	Nature of Escalation	Measures Taken
Level 1 (Under Review)	Safety and Quality – A Level 1 performance escalation was initiated in November 2012 due to the non-achievement of the hand hygiene compliance target at the North West Regional Hospital reported in the September Performance Report. The compliance rate was 69% compared with a target of 70%.	Data released in December 2012 showed the Hospital had achieved the hand hygiene target. The demonstration of sustained improvement through achievement of the target for further reporting periods was considered necessary before de-escalation to Level 0.
Level 1 (Under Review)	Savings Strategies - A Level 1 performance escalation was initiated in November 2012 as THO- North West was projecting a budget deficit of $3.5 million in its October Performance Report.	THO-North West was required to provide a progress report on how 2012-13 savings strategies were being implemented to ensure a balance budget outcome would be achieved.
Level 2 (Unsatisfactory Performance)	Financial Control – A Level 2 performance escalation was initiated in January 2013 as THO-North West was projecting a $5.7 million budget deficit in its December Performance Report.	THO-North West was advised that it must fully explore legitimate cash management practices and utilise cash reserves to address the projected budget overrun. The Premier and Treasurer directed the Chair of the THO Governing Councils to ensure a balanced 2012-2013 budget outcome.

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

Legislation

Legislation Governing the Operations to THO-North West is

- Alcohol and Drug Dependency Act 1968
- Ambulance Service Act 1982
- Anatomical Examinations Act 2006
- Blood Transfusion (Limitation of Liability) Act 1986
- Fluoridation Act 1968
- Food Act 2003
- Health Act 1997
- Health Practitioner Regulation National Law (Tasmania) Act 2010
- Health Professionals (Special Events Exemption) Act 1998
- Health Service Establishments Act 2006
- HIV/AIDS Preventive Measures Act 1993
- Human Cloning for Reproduction and Other Prohibited Practices Act 2003
- Human Embryonic Research Regulation Act 2003
- Human Tissue Act 1985
- Medical Radiation Science Professionals Registration Act 2000
- Mental Health Act 1996 - except in so far as it relates to the appointment, functions and operation of the Mental Health Tribunal and the appointment of the registrar and other officers of that Tribunal, and the appointment, functions and operation (including the provision of staff, assistance, resources and facilities) of the Forensic Tribunal (see Department of Justice under the Minister for Justice)
- Model Work Health and Safety (WHS) Act 2012
- Obstetric and Paediatric Mortality and Morbidity Act 1994
- Optometry Offences Act 2010
- Pharmacy Control Act 2001
- Poisons Act 1971 - except in so far as it relates to the Poppy Advisory and Control Board (see the Department of Justice under the Minister for Justice)
- Public Health Act 1997
- Radiation Protection Act 2005
- Tasmanian Health Organisations Act 2011
- Therapeutic Goods Act 2001
- Right to Information Act 2009
- Audit Act 2008
- Fee units Amendment Act 2002
- Financial Management and Audit Amendment Act 2012
- Health Complaints Amendment Act 2005
- Aged Care Act 1997

The awards and agreements that are established to cover the range of employees and disciplines within THO-North West are as follows:

Allied Health Professionals

- Allied Health Professionals (Tasmanian Public Sector) Industrial Agreement 2010
- Tasmanian Public Sector Allied Health Professional Industrial Agreement 2005

Medical Practitioners

- Medical Practitioners (Public Sector) Award 2007
- Rural Medical Practitioners (Public Sector) Agreement 2009
- Salaried Medical Practitioners (Australian Medical Association Tasmania/DHHS) Agreement 2009
- Salaried Medical Practitioners Industrial Agreement 2006

Nurses

- Midwifery Group Practice at Mersey Community Hospital Agreement
- Nurses and Midwives Heads of Agreement 2010
- Nurses (Tasmanian Public Sector) Award 2005
- Nurses (Tasmanian Public Sector) Enterprise Agreement 2007
- Nurses (Tasmanian Public Sector) Enterprise Agreement – Variation 2008

Visiting Medical Practitioners

- Department of Health and Human Services Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2009
- Other Awards and Agreements Not Covered Above
- Department of Health and Human Services – Rostered Carers Agreement 2008
- Department of Health and Human Services Support Workers Agreement 2009
- Health and Human Services (Tasmanian State Service) Award

Senior Executive Service

- Tasmanian State Service Award
- Tasmanian State Service Union Agreement 2008

List of Publications

Author, Unit or Area	Year	Title	Publication
Dr James Roberts-Thomson Anne Jong, Elissa Shaw, Jill McCarthy from THO – North West and Heidi Behrens, Professor Isabelle Ellis and Penny Allen from UTAS Rural Clinical School.	2013	A Study of the Characteristics of Post Colonoscopy Pain	Day Surgery Australia, Vol. 12, No. 1 - March 2013
Harrup R.	2013	Results of a 7-day Aprepitant schedule for the prevention of nausea and vomiting in 5-day cisplatin-based germ cell tumor chemotherapy.	Supportive Care in Cancer
Harrup R.	2012	Invited speaker Grand Rounds and Clinical Examination Seminar.	St Vincent's Hospital, Melbourne, 14 May 2012.
Harrup R.	2012	(Abstract) A randomised dose de-escalation study of oral fludarabine, ±oral cyclophosphamide and intravenous rituximab as first-line therapy of fit patients with Chronic Lymphocytic Leukaemia (CLL) aged ≥65 years – end of recruitment analysis of response and toxicity.	American Society of Hematology Conf. Dec 2012
Dr Benjamin Tharian A Larghi et al	2012	Endoscopic ultrasound fine needle aspiration: Technique and applications in clinical practice.	World Journal Gastrointestinal Endoscopy 2012 December 16; 4(12): -000
Dr Benjamin Tharian G Caddy, T Tham	2013	Enteroscopy in Small bowel Crohn's disease: a review.	World Journal Gastrointestinal Endoscopy
Media and Communications	2012	Student doctor training boost for North West	Media Release
Media and Communications	2012	Important health information for the community	Media Release
Media and Communications	2012	North West forensic medical services boosted	Media Release
Media and Communications	2012	New medical record system to benefit patients	Media Release
Media and Communications	2012	THO-North West providing effective support for its hospital and health care services	Media Release
Media and Communications	2013	Mersey Community Hospital services continue to strengthen in 2013	Media Release
Media and Communications	2013	Innovative THO-North West youth health project gets more Wynyard High School students talking about their health	Media Release
Media and Communications	2013	New McGrath Breast care Nurse set to begin working in North West	Media Release
Media and Communications	2013	A small price to pay for much improved car parking at North West Regional Hospital	Media Release
Media and Communications	2013	Elphinstone Scholarship for Medical Radiation awarded	Media Release
Media and Communications	2013	'Titbits and Tales' event – a celebration of all things feminine	Media Release
Media and Communications	2013	New Director of Nursing/Manager for HealthWest	Media Release
Media and Communications	2013	Tasmanian-based firm to build North West Regional Cancer Centre	Media Release
Media and Communications	2013	North West medical records to have a new improved secure home	Media Release
Media and Communications	2013	Work set to start on brand new Emergency Department for North West community	Media Release
Media and Communications	2013	First priority when you visit and leave hospital – clean your hands	Media Release
Media and Communications	2013	Diverse role of local nurses acknowledged on International Nurses Day	Media Release
Media and Communications	2013	New SMS service to remind Outpatients/Specialist clinic patients about appointments	Media Release

Media and Communications	2013	New heart rate monitoring system to benefit patients at Mersey	Media Release
Cardiac Rehab Unit	2012	Cardiac Rehab	Patient Brochure
EDON Karen Linegar	2012	Strategic Priorities 2011-2013 - Working together for quality Nursing care	Patient Brochure
Day Procedure Unit	2012	Flexible Cystoscopy	Patient Brochure
Palliative Care Service	2012	North West Palliative Care Service	Patient Brochure
Community Nursing	2012	Purchasing a Shower Stool	Patient Brochure
MCH Antenatal Clinic	2012	Postnatal Measles / Mumps / Rubella (MMR) Vaccination	Patient Brochure
Medical Day Unit	2012	Oncology/Medical Day Unit	Patient Brochure
Pharmacy	2013	Pharmaceutical Reform – PBS in Public Hospitals	Patient Brochure
Rehabilitation Service	2013	Rehabilitation Service - Information for patients, carers and families	Patient Brochure
Finance Department	2013	Did you know - It's your choice, Using private medical in our hospitals	Patient Brochure
NWRH	2013	Patient Accommodation	Patient Brochure
NWRH	2013	North West Regional Hospital - Capital Works projects	Patient Brochure
Adult Day Centre	2013	Adult Day Centres - West Coast and King Island	Patient Brochure
Community Continence Service	2013	Community Continence Service	Patient Brochure
Community Health Nursing	2013	Community Health Nursing and Home Care services	Patient Brochure
Community Health Nursing	2013	Community Options Service	Patient Brochure
NWRH	2012	Dr Richard Buttfield Library	Patient Factsheets
NWRH	2012	Meet and greet volunteer service	Patient Factsheets
Clinical Coding	2012	Common iPM Care Types - Capturing Episodes of Care Correctly	Patient Factsheets
Human Resources	2012	Injury Management	Patient Factsheets
Diabetes Service	2012	Diabetes and your feet	Patient Factsheets
Diabetes Service	2012	Low residue diet – what you need to know	Patient Factsheets
E-health	2013	Using telehealth at facilituies within the THO-North West	Patient Factsheets
Orthopaedics Service	2013	External Fixator	Patient Factsheets
Podiatry	2013	Tinea (Athletes Foot)	Patient Factsheets
Podiatry	2013	Toe Nail Fungus	Patient Factsheets
Judith Harris	2012	Living & Dying Well(LDW) Project delivers a best practice model of supportive and palliative care to residents nearing the end of their lives in five NW Tasmanian Residential Aged Care Facilities.(RACF)	Aged Care Accreditation Agency Better Practice Conference
G. Murfet1, P. Allen2, T. Hingston3	2013	ABSTRACT: Nurse Practitioner Led Research and Model of Care Changing Neonatal Health Outcomes for Pregnancies Complicated by Gestational Diabetes	Presentation- Metabolic Syndrome, and Pregnancy; Florence Italy.
G. Murfet and T.Aylen	2013	ARTICLE: The Interim National Standards for Developing and Assessing the Quality of Services: Initiating Insulin Therapy in Ambulatory Settings (Standards): A Quality Use of Medicines Strategy	
G. Murfet1, P. Allen2	2012	ABSTRACT: Nurse Practitioner Research Changing Health Outcomes for Pregnancies Affected by Diabetes	Presented at: 7th annual conference of the Australian College of Nurse Practitioners; Surfers Paradise, Queensland. AWADED: Best Oral Presentation in the Chronic Diseases stream

G. Murfet	2012	ABSTRACT: ADEA Injection Techniques and Clinical Practice Guidelines	Presented at: The Annual Scientific Meeting of the Australian Diabetes Society & the Australian Diabetes Educators Association; Gold Coast,
M. Woods, G. Murfet	2012	ABSTRACT: Nurse Practitioner Role; Initiation, Monitoring and Facilitation of Time Dependant Therapies.	Presented at: The Annual Scientific Meeting of the Australian Diabetes Society & the Australian Diabetes Educators Association; Gold Coast,
Buist M, Stevens S.	2012	Patient bedside observations: what could be simpler?	Epub http://www.ncbi.nlm.nih.gov/pubmed/23728119
Shearer B, Marshall S, Buist MD, Finnigan M, Kitto S, Hore T, Sturgess T, Wilson S, Ramsay W.	2012	What stops hospital clinical staff from following protocols? An analysis of the incidence and factors behind the failure of bedside clinical staff to activate the rapid response system in a multi-campus Australian metropolitan healthcare service	BMJ Quality & Safety [BMJ Qual Saf] 2012 Jul; Vol. 21 (7), pp. 569-75. Date of Electronic Publication: 2012 May 23
Quality and Safety Unit	2013	Patient Rights and Responsibilities	Poster
NWRH Nursing	2013	Protected Mealtimes	Poster
Infection prevention and Control Unit	2013	Do you have any flu symptoms	Poster
Rehabilitation Project Team	2013	New NWRH Rehabilitation Unit	Poster
Media and Communications	2012	NWRH Meet and Greet Service	Poster
Media and Communications	2013	Improving your hospital 1 – Emergency Department redevelopment	Poster
Media and Communications	2013	Improving your hospital – MRI project	Poster
Media and Communications	2013	Improving your hospital – NWRH capital works	Poster
Media and Communications	2013	Regional Cancer Centre development 1	Poster
Media and Communications	2013	Regional Cancer Centre development 2	Poster
Social Work Unit	2013	Parenting PitStop	Poster
Siu LL, Shapiro JD, Jonker DJ, Karapetis CS, Zalcberg JR, Simes J, Couture F, Moore MJ, Price TJ, Siddiqui J, Nott LM, Charpentier D, Liauw W, Sawyer MB, Jefford M, Magoski NM, Haydon A, Walters I, Ringash J, Tu D, O'Callaghan CJ.	2013	Phase III Randomized, Placebo-Controlled Study of Cetuximab Plus Brivanib Alaninate Versus Cetuximab Plus Placebo in Patients With Metastatic, Chemotherapy-Refractory, Wild-Type K-RAS Colorectal Carcinoma	NCIC Clinical Trials Group and AGITG CO.20 Trial. J Clin Oncol. 2013; 31(19):2477-84.
Jagdev S, Hayward K, Sim S.	2013	Sunitinib-associated hypothyroidism in patients with metastatic renal cell carcinoma.	J Clin Oncol 31, 2013 (suppl 6; abstr 443).
Dr James Roberts-Thomson	2012	Introduction of Laparoscopic Colorectal Surgery in North Western Tasmania	paper presented at the State Surgical conference in October 2012
Dr A P Martin, Dr G A Purcell, Dr J Roberts-Thomson, Dr D Brockwell	2013	Colonoscopy Key Performance Indicators in a Rural General Australian Hospital	Internet Journal of Gastroenterology

S.Walker	2012	A retrospective study on the use of heparin for peripheral vascular intervention	http://www.ncbi.nlm.nih.gov/m/pubmed/23099326/?i=35&from=reeves%20m%202013
S Walker	2013	The anaesthetists role in preventing infection	Keynote Speech at ANZCA Annual Scientific Meeting
Bell E, Seidel B.	2012	Understanding and benchmarking health service achievement of policy goals for chronic disease	BMC Health Services Research 2012 Sep 29;12:343
Weber, Heinrich, Gie, R.P, Cotton, M.F.	2013	The challenge of chronic lung disease in HIV-infected children and adolescents	Journal of the International AIDS Society 2013 June 18 vol 16 pp18633
Fletcher S; Liu Y; Li L	2013	Elderly patients with hip fracture are treated promptly in a Tasmanian rural hospital.	The Australian Journal Of Rural Health 2013 Apr;Vol. 21 (2), pp. 130-1
Beattie, Tracey	Jun 2012	Classification of colorectal cancer to aid the stomal therapy nurse in practice	Journal of Stomal Therapy Australia, 2012 Jun; 32 (2): 6-11
Michael Buist, Lynda Jaffray, Helen Bills, Simon Foster	2013	Inappropriate medical admission and bed days in two regional Tasmanian hospitals: a retrospective study of incidence and cost	Abstracts for the RACP Future Directions in Health Congress 2013, Perth WA – Poster abstracts Internal Medicine Journal 2013; 43 (Suppl. 3): 38–52
Michael Buist, Bill Shearer, Stuart Marshall, Monica Finnigan, Simmon Kitto, Tonina Hore, Tamica Sturgess, Stuart Wilson, Wayne Ramsay	2013	Getting clinical staff to comply with the medical emergency team (met) protocol: a multi method study to determine the incidence, reasons and interventions to improved performance	Abstracts for the RACP Future Directions in Health Congress 2013, Perth WA – Poster abstracts Internal Medicine Journal 2013; 43 (Suppl. 3): 38–52
Mark Reeves, MBBS, FANZCA Stuart Walker, MBBS, DM, FRCS, Charles Beasley, MBChB, FRACR	2012	A Retrospective Study on the Use of Heparin for Peripheral Vascular Intervention	PERSPECT VASC SURG ENDOVASC THER June 2012 vol. 24 no. 2 63-69 Published online before print October 24, 2012,
A/prof. Peter Arvier	2012	Invited Speaker - Annual Scientific Meeting – The Art and Science of Emergency Medicine	Australasian College for Emergency Medicine, Hobart, 22 November 2012
Weber HC, Robinson P, Micallef N, Beggs S, Els I and Ehrlich R.	2013	Do children with cystic fibrosis receiving various forms of outreach care have poorer outcomes than those treated at a specialist cystic fibrosis centre?	10th Australasian Cystic Fibrosis Conference, 17-20 August 2013, Auckland New Zealand.
Weber HC, Robinson P, , Allen P and Ehrlich R.	2013	Clinical predictors for lung function outcomes in a cohort of paediatric and adolescent patients with cystic fibrosis.	10th Australasian Cystic Fibrosis Conference, 17-20 August 2013, Auckland New Zealand.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PART 3 - FINANCIAL STATEMENTS

Tasmanian Audit Office

Independent Auditor's Report

To Members of the Parliament of Tasmania

Tasmanian Health Organisation – North West

Financial Statements for the Year Ended 30 June 2013

Report on the Financial Statements

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

Auditor's Opinion

In my opinion the Organisation's financial statements:

(a) present fairly, in all material respects, its financial position as at 30 June 2013 and its financial performance, cash flows and changes in equity for the year then ended; and

(b) are in accordance with the Tasmanian Health Organisations Act 2011, the Financial Management and Audit Act 1990 and Australian Accounting Standards.

Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Tasmanian Audit Office

H M Blake
Auditor-General

Hobart
30 September 2013

Statement of Comprehensive Income for the Year Ended 30 June 2013

	Notes	2013 Budget $'000	2013 Actual $'000
Continuing operations			
Revenue and other income from transactions			
Grants	1.7(b), 7.1	201 342	204 764
Sales of goods and services	1.7(c), 7.2	11 558	16 005
Interest	1.7(d)	113	32
Other revenue	1.7(f), 7.3	3 864	6 153
Total revenue and other income from transactions		**216 877**	**226 954**
Expenses from transactions			
Employee benefits	1.8(a), 8.1	137 721	145 076
Depreciation and amortisation	1.8(b), 8.2	4 147	3 203
Supplies and consumables	8.3	65 357	74 547
Grants and subsidies	1.8(c)	85	0
Other expenses	1.8(e), 8.4	9 601	4 996
Total expenses from transactions		**216 911**	**227 822**
Net result from transactions (net operating balance)		**(34)**	**(868)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	1.9(a), 9.1	0	(1 314)
Net gain/(loss) on financial instruments and statutory receivables/payables	1.10(b), 9.2	0	(1 083)
Total other economic flows included in net result		**0**	**(2 397)**
Net result from continuing operations		**(34)**	**(3 265)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in property, plant and equipment revaluation surplus	13.2	5 077	1 054
Total other comprehensive income		**5 077**	**1 054**
Comprehensive result		**5 043**	**(2 211)**

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

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

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

Statement of Financial Position as at 30 June 2013

	Notes	2013 Budget $'000	2013 Actual $'000
Assets			
Financial assets			
Cash and deposits	1.10(a), 14.1	5 308	5 042
Receivables	1.10(b), 10.1	934	1 972
Other financial assets	1.10(c), 10.2	185	1 491
Non-financial assets			
Inventories	1.10(d), 10.3	0	1 485
Property, plant and equipment	1.10(e), 10.4	80 279	83 074
Intangibles	1.10(f), 10.5	380	2 671
Other assets	1.10(g), 10.6	0	188
Total assets		**87 086**	**95 923**
Liabilities			
Payables	1.11(a), 11.1	1 186	8 250
Employee benefits	1.11(c), 11.2	20 477	27 044
Other liabilities	1.11(e), 11.3	5 900	573
Total liabilities		**27 563**	**35 867**
Net assets		**59 523**	**60 056**
Equity			
Contributed capital	1.1, 13.1	54 480	62 267
Reserves	13.2	5 077	1 054
Accumulated funds		(34)	(3 265)
Total equity		**59 523**	**60 056**

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

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

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

Statement of Cash Flows for the Year Ended 30 June 2013

	Notes	2013 Budget $'000	2013 Actual $'000
Cash flows from operating activities			
Cash inflows		Inflows (Outflows)	Inflows (Outflows)
Grants		201 342	204 433
Sales of goods and services		11 536	11 763
GST receipts		0	11 454
Interest received		113	32
Other cash receipts		3 864	6 153
Total cash inflows		**216 855**	**233 835**
Cash outflows			
Employee benefits		(138 094)	(141 582)
GST payments		0	(11 445)
Grants and transfer payments		(85)	0
Supplies and consumables		(65 367)	(72 393)
Other cash payments		(9 552)	(5 175)
Total cash outflows		**(213 098)**	**(230 595)**
Net cash from (used by) operating activities	14.2	**3 757**	**3 240**
Cash flows from investing activities			
Cash inflows			
Proceeds from the disposal of non-financial assets		0	2
Receipts from Investments		5 522	0
Total cash inflows		**5 522**	**2**
Cash outflows			
Payment for acquisition of non-financial assets		(3 971)	(1 482)
Total cash outflows		**(3 971)**	**(1 482)**
Net cash from (used by) investing activities		**1 551**	**(1 480)**
Net increase (decrease) in cash and cash equivalents held		**5 308**	**1 760**
Cash transferred in on establishment	1.1	0	3 282
Cash and deposits at the end of the reporting period	14.1	**5 308**	**5 042**

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

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

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

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

	Notes	Contrib Capital $'000	Reserves $'000	Accum Funds $'000	Total Equity $'000
Balance as at 1 July 2012		**0**	**0**	**0**	**0**
Net Result		0	0	(3 265)	(3 265)
Other Comprehensive Income		0	1 054	0	1 054
Total comprehensive result		**0**	**1 054**	**(3 265)**	**(2 211)**
Transactions with owners in their capacity as owners:					
Administrative restructure - net assets received	1.1	62 267	0	0	**62 267**
Balance as at 30 June 2013		**62 267**	**1 054**	**(3 265)**	**60 056**

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

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2013

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2013

Note 1 - Significant Accounting Policies

1.1 Objectives and Funding

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

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

	Notes	Transfer on 1 July 2012 $'000
Assets		
Financial assets		
Cash and deposits		3 282
Receivables		1 755
Other financial assets		319
Non-financial assets		
Inventories		1 452
Property, plant and equipment		84 815
Intangibles		2 576
Other assets		120
Total assets		**94 320**
Liabilities		
Payables		5 630
Employee benefits		23 550
Other liabilities		2 871
Total liabilities		**32 051**
Net assets transferred	13.1	**62 269**

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

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

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

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

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

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

1.2 Basis of Accounting

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

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

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

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

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

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

1.3 Functional and Presentation Currency

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

1.4 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

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

These include:

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

• AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASBs 1, 5, 101, 107,108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]* – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standards to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

• AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

• AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]* – This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. There is no financial impact.

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

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

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

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

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the THO, the amount of information to be disclosed will be relatively greater.

• AASB 119 *Employee Benefits* – This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2012. The THO has not yet determined the potential financial impact of the standard.

• AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASBs 1, 3, 4, 5, 7, 101, 102, 108,112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]* – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 6 in December 2010. It is not anticipated that there will be any financial impact.

• AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 116, 117, 118, 119, 120, 121, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]* – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is anticipated that there will not be any financial impact.

• AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB1, 8, 101, 124, 134, 1049, & 2011-8 and Interpretation 14]* – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. It is anticipated that there will be limited financial impact.

• AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]* – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. It is anticipated that there will not be any financial impact.

• AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]* – This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. It is anticipated that there will not be any financial impact.

• AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]* – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. It is anticipated that there will not be any financial impact.

• AASB 2013-1 Amendments to AASB 1049 – *Relocation of Budgetary Reporting Requirements* – This Standard removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in a single, topic based, Standard AASB 1055 *Budgetary Reporting*. There is no financial impact.

(c) Voluntary changes in accounting policy

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

1.5 Activities Undertaken Under a Trustee or Agency Relationship

Transactions relating to activities undertaken by the THO in a trust or fiduciary (agency) capacity do not form part of the THO's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

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

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

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

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

1.7 Income from Transactions

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

(a) Revenue from Government

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

(b) Grants

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

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

The construction and redevelopment of buildings is undertaken by the Department of Health and Human Services. When the buildings are commissioned they are transferred, together with the land, to the THO. This transfer is treated as a Capital Grant.

(c) Sales of goods and services

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

(d) Interest

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

(e) Contributions received

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

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

(f) Other revenue

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

1.8 Expenses from Transactions

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

(a) Employee benefits

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

(b)Depreciation and amortisation

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

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

Item	Period (years)
Vehicles	5
Plant and equipment	2-20
Medical equipment	4-20
Buildings	40-50

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

Item	Period (years)
Software	3-5

(c) Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

A liability is recorded when the THO has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

(d) Contributions provided

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

(e) Other expenses

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

1.9 Other Economic Flows Included in Net Result

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

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

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

(b) Impairment – Financial assets

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

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

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

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

(c) Impairment – Non-financial assets

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

Impairment losses are recognised in the Statement of Comprehensive Income.

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

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

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

1.10 Assets

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

(a) Cash and deposits

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

(b) Receivables

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

(c) Other financial assets

Other financial assets are recorded at fair value.

(d) Inventories

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

(e) Property, plant, equipment and infrastructure

(i) Valuation basis

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the THO and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold for tangible assets is $10,000. Assets valued at less than $10,000 (or $50,000 for intangible assets) are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

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

(f) Intangibles

An intangible asset is recognised where:

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

Intangible assets held by the THO are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, Intangible assets held by the THO are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The asset capitalisation threshold for intangible assets is $50,000.

(g) Other assets

Other assets are recorded at fair value and include prepayments.

1.11 Liabilities

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

(a) Payables

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

(b) Provisions

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

(c) Employee benefits

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

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

(d) Superannuation

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

(e) Other liabilities

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

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

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

1.12 Leases

The THO has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

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

1.13 Judgements and Assumptions

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

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

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

- 1.8(b) & 8.2 Depreciation and amortisation;
- 1.10(e) & 10.4 Property, plant and equipment
- 1.9(b) & 9.2 Impairment
- 1.10(b) & 10.1 Provision for impairment
- 1.11(c) & 11.2 Employee benefits
- 12.2 Contingencies; and
- 1.10(a) & 14 Key assumptions used in cash flow projections

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

1.14 Foreign Currency

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

1.15 Budget Information

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

1.16 Rounding

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

1.17 Taxation

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

1.18 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 2 THO-North West Output Schedules

2.1 Output Group Information

	Notes	2013 Budget $'000	2013 Actual $'000
Expense by Output			
1.1 Admitted Services	(a)	161 827	135 538
1.2 Non-admitted Services	(b)	9 099	27 648
1.3 Emergency Department Services	(c)	12 241	27 790
1.4 Community and Aged Care Services	(d)	33 744	36 846
Total		**216 911**	**227 822**

Notes

(a) This Output provides admitted acute, sub-acute and non-acute inpatient services (elective and non-elective) provided by the THO's public hospitals either admitted to a ward or in an out-of-hospital setting. It excludes designated mental health wards in major public hospitals.

(b) This Output provides non-admitted services, including ambulatory acute and sub-acute services provided by the THO either on site or in an out-of-hospital setting.

(c) This Output provides services relating to emergency presentations at the THO's emergency departments.

(d) This Output comprises rural hospitals, residential aged care, and community health based services including: rehabilitation, allied health assessments and case management; and community nursing, continence, orthotics and prosthetics services, and equipment schemes.
In addition, community palliative care services provide interdisciplinary care, support and counselling to people living with life limiting illnesses and their families. These services are provided in a community health centre of home based environment.

Note 3 Expenditure under Australian Government Funding Arrangements

	State Funds 2013 $'000	Australian Govt Funds 2013 $'000
Specific Purpose Payments		
National Partnership Agreements payments		
Mersey		200
Health Services		6 421
Community Services		510
Commonwealth Own Purpose Expenditures		
Mersey		65 791
Other		12 230
National Health Reform Funding Arrangements		
Activity Based Funding	33 273	29 860
Block Funding	46 552	5 300
Total	**79 825**	**120 312**

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

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

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

Note 4 Explanations of Material Variances between Budget and Actual Outcomes

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

4.1 Statement of Comprehensive Income

	Notes	Budget $'000	Actual $'000	Variance $'000	Variance %
Sales of goods and services	(a)	11 558	16 005	4 447	38%
Other revenue	(b)	3 864	6 153	2 289	59%
Supplies and consumables	(c)	65 357	74 547	(9 190)	(14%)
Other expenses	(d)	9 601	4 996	4 605	48%
Net gain/(loss) on non-financial assets	(e)	0	(1 314)	(1 314)	n/a
Net gain/(loss) on financial instruments and statutory receivables/payables	(f)	0	(1 083)	(1 083)	n/a

Notes to Statement of Comprehensive Income Variances

(a) Own source revenue above budget predominantly across the following areas: Inpatient & Outpatient fees; Medicare payments under the PBS; Other user charges.

(b) Recoveries from a variety of sources above budget, including: Salaries & Wages; Workers Compensation.

(c) Increase in Supplies and Consumables relates mainly to embedded costs in major external supply contracts including Pathology, Maternity and Radiology. A part of the budget for these items was originally categorised under other expenses, and was recoded to a more appropriate category after original budgets were set.

(d) Variance in Other expenses relates to the external contracts discussed in note (c), which were reclassified after the original budget was set.

(e) Loss recognised on revaluation of Land and Building.

(f) Net Gain/(loss) on financial services relates to the provision for doubtful debts set aside in connection with a specific external supplier. This debt is still being pursued, but has been provisioned for due to the uncertainty of collection.

4.2 Statement of Financial Position

	Notes	Budget $'000	Actual $'000	Variance $'000	Variance %
Receivables	(a)	934	1 972	1 038	111%
Other financial assets	(b)	185	1 491	1 306	n/a
Inventories	(c)	0	1 485	1 485	n/a
Intangibles	(d)	380	2 671	2 291	n/a
Payables	(e)	1 186	8 250	(7 064)	n/a
Employee benefits	(f)	20 477	27 044	(6 567)	(32%)
Other liabilities	(g)	5 900	573	5 327	90%

Notes to Statement of Financial Position Variances

(a) Net GST receivable at end of year. This is not reflected in the budget.

(b) Other financial assets is mainly accrued revenue at the end of June 2013.

(c) The budget for Inventories was split out from other budgets within current assets after the initial budget papers were completed. The actual value of inventories have not varied materially since the formation of the THO.

(d) Intangibles include all non-building WIP. There are a couple of major projects in this account which were anticipated to be completed as at 30 June 2013, but are not yet finalised.

(e) Payables include accrued expenditure, creditors on desk, and trade creditors. This includes a couple of large creditors which were anticipated would be paid before the 30 June 2013, but were still outstanding as at that day; Settlement of a portion of the THOs Interstate charges debts was outstanding at the end of the financial year.

(f) Employee Benefits represent unpaid Annual Leave, Long Service Leave, and similar provisions. Both the cost and volume of outstanding leave have increased during the financial year. A portion of the liability associated with employee benefits was originally budgeted in other liabilities and has since been reclassified as a part of the employee benefits total.

(g) A portion of the liability associated with employee benefits was originally budgeted in other liabilities and has since been reclassified as a part of the employee benefits total.

4.3 Statement of Cash Flows

	Notes	Budget $'000	Actual $'000	Variance $'000	Variance %
GST receipts	(a)	0	11 454	11 454	n/a
Other cash receipts	(b)	3 864	6 153	2 289	59%
GST payments	(a)	0	(11 445)	11 445	n/a
Supplies and consumables	(c)	(65 367)	(72 393)	7 026	(11%)
Other cash payments	(d)	(9 552)	(5 175)	(4 377)	46%
Receipts from Investments	(e)	5 522	0	(5 522)	(100%)
Payment for acquisition of non-financial assets	(f)	(3 971)	(1 482)	(2 489)	63%

Notes to Statement of Cash Flows Variances

(a) GST receipts and payments reflects collections and payments of GST under the normal operations of the THO. These amounts are acquitted back to the ATO.

(b) Other cash receipts relate to income received from sale of goods and services and other revenue above levels anticipated in the budget.

(c) Increase in amount paid for embedded costs in major external supply contracts including Pathology, Maternity and Radiology. A part of the budget for these items was originally categorised under other cash payments and was recoded to a more appropriate category after original budgets were set.

(d) The budget for other cash payments included items that were subsequently reclassified under supplies and consumables.

(e) The Receipts from investments in the budget represent the cash to be transferred to the THO.

(f) Delays in major capital expenditure projects, including Car Park and associated works.

Note 5 Events Occurring After Balance Date

Mental Health Services transition

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

Income Statement

As a result of this transition, the THO gained in the order of 100 Full Time Equivalent employees, and $13.4 million in budget for the provision of mental health services via Mental Health Services North West.

Balance Sheet

	Transfer from DHHS $'000
Assets	
Financial assets	
Cash and deposits	194
Receivables	10
Non-financial assets	
Property, plant and equipment	681
Total assets	**885**
Liabilities	
Payables	213
Employee benefits	1 907
Other liabilities	62
Total liabilities	**2 182**
Net liabilities transferred	**(1 297)**

Note 6 Underlying Net Operating Balance

Non-operational capital funding is the income from transactions relating to funding for capital projects. This funding is classified as income from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance. Accordingly, the net operating balance will portray a position that is better than the true underlying financial result.

For this reason, the net operating result is adjusted to remove the effects of funding for capital projects.

	2013 Budget $'000	2013 Actual $'000
Net result from transactions (net operating balance)	**(34)**	**(868)**
Less impact of Non-operational capital funding		
Assets Transferred	0	331
Total	0	331
Underlying Net operating balance	**(34)**	**(1 199)**

Note 7 Income from Transactions

7.1 Grants

	2013 $'000
Continuing Operations	
Grants from the Australian Government	
Commonwealth Recurrent Grants - Block Funding	5 767
Commonwealth Recurrent Grants - Activity Based Funding	32 492
COPES Receipts	12 114
Specific Grant - Mersey Community Hospital	65 830
Other Commonwealth Grants	7 832
Total	**124 035**
Grants from the State Government	
State Grants - Block Funding	54 565
State Grants - Activity Based Funding	25 833
Total	**80 398**
Capital grants	
Capital grants	331
Total	**331**
Total revenue from Grants	**204 764**

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

Block Funding refers to funding provided to support:

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

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

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

Grants received from the Australian Government for the Mersey Community Hospital are provided on the condition that the Hospital operates as a public hospital in terms of an agreement between The Crown and the Commonwealth of Australia commencing 1 July 2011 and ending 30 June 2014.

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

7.2 Sales of Goods and Services

	2013 $'000
Residential Rent Income	349
Commercial Rent Income	306
Pharmacy Non-PBS	724
Prostheses	312
Inpatient, Outpatient Nursing Home Fees	6 530
PBS Co-payments	210
PBS Revenue from Medicare	1 292
Private Patient Scheme	3 800
Other Client Revenue	78
Other user charges	2 404
Total	**16 005**

7.3 Other Revenue

	2013 $'000
Salaries and Wages Recoveries	2 907
Food recoveries	841
Multipurpose Centre Recoveries	103
Workers Compensation Recoveries	824
Operating Recoveries	936
Donations	100
Industry Funds	442
Total	**6 153**

Note 8 Expenses from Transactions

8.1 Employee Benefits

	2013 $'000
Wages and salaries including FBT	117 523
Annual leave	6 331
Long service leave	1 138
Sick leave	3 338
Other post-employment benefits	2 049
Other employee expenses - other staff allowances	169
Superannuation expenses - defined contribution and benefits schemes	14 528
Total	**145 076**

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

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

8.2 Depreciation and Amortisation

(a) Depreciation

	2013 $'000
Plant, equipment and vehicles	918
Buildings	2 285
Total	**3 203**

(b) Amortisation

There was no amortisation on any THO assets during 2012-13

Total depreciation and amortisation	**3 203**

8.3 Supplies and Consumables

	2013 $'000
Consultants	368
Property Services	6 534
Maintenance	967
Communications	863
Information Technology	572
Travel and Transport	2 812
Medical, Surgical and Pharmacy Supplies	41 781
Advertising and Promotion	9
Patient and Client Services	9 491
Leasing Costs	329
Equipment and Furniture	605
Administration	3 080
Food Production Costs	1 443
Other Supplies and Consumables	5 095
Service Fees	598
Total	**74 547**

Other Supplies and Consumables includes expenditure related to the audit of these financial statements. The total audit fee for this financial year is $85,000.

8.4 Other Expenses

	2013 $'000
Salary on-costs	3 767
Tasmanian Risk Management Fund premium	1 122
Other	107
Total	**4 996**

Note 9 Other Economic Flows Included in Net Result

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

	2013 $'000
Impairment of non-financial assets	(1 316)
Net gain/(loss) on disposal of physical Assets	2
Total net gain/(loss) on non-financial assets	**(1 314)**

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

	2013 $'000
Impairment of loans and receivables	(1 083)
Total	**(1 083)**

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

Note 10 Assets

10.1 Receivables

	2013 $'000
Receivables	3 236
Less: Provision for impairment	(1 264)
Total	**1 972**
Sales of goods and services (inclusive of GST)	1 102
Tax assets	870
Total	**1 972**
Settled within 12 months	1 972
Total	**1 972**

Reconciliation of movement in provision for impairment of receivables	2013 $'000
Carrying amount at 1 July	**0**
Amounts transferred in on establishment	205
Amounts written off during the year	(24)
Increase/(decrease) in provision recognised in profit or loss	1 083
Carrying amount at 30 June	**1 264**

10.2 Other Financial Assets

	2013 $'000
Accrued Revenue	791
Inter Entity Loans	700
Total	**1 491**
Settled within 12 Months	1 491
Total	**1 491**

10.3 Inventories

	2013 $'000
Pharmacy	1 078
Catering	7
Linen	140
General Supplies	260
Total	**1 485**
Consumed within 12 Months	1 485
Total	**1 485**

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

10.4 Property, Plant and Equipment

(a) Carrying amount

	2013 $'000
Land	
Land at fair value	4 235
Total land	**4 235**
Buildings	
Buildings at fair value	68 112
Total	**68 112**
Leasehold Improvements at cost	896
Less: Accumulated depreciation	(597)
Total	**299**
Total buildings	**68 411**
Plant, equipment and vehicles	
At cost	4 577
Less: Accumulated depreciation	(918)
Total plant, equipment and vehicles	**3 659**
Work in progress	
Leasehold buildings	6 420
Plant, equipment and vehicles	349
Total work in progress	**6 769**
Total property, plant and equipment	**83 074**

All the THO's land and building assets were revalued independently by Australian Valuation Office as at 30 June 2013. Land was valued at fair value and buildings were revalued on a depreciated replacement cost and on a net basis. Under the net basis the accumulated depreciation is transferred to the cost of the building at 30 June 2013, which results in the accumulated depreciation being zero.

Plant, equipment and vehicles transferred from NWAHS on 1 July 2012 were transferred at their carrying cost as at that date. Subsequent additions are shown at cost.

(b) Reconciliation of movements

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

2013	Notes	Land $'000	Buildings $'000	Plant, equipment & vehicles $'000	Works in progress $'000	Total $'000
Carrying value at 1 July		**0**	**0**	**0**	**0**	**0**
Additions - THO Acquisition		38	0	355	1 001	1 394
Additions - DHHS Capital grant		0	0	331	0	331
Net additions through restructuring		3 143	72 013	3 754	5 905	84 815
Revaluation increments (decrements)	9.1, 13.2	1 054	(1 316)	0	0	(262)
Net transfers		0	0	137	(137)	0
Depreciation	8.2	0	(2 285)	(918)	0	(3 203)
Carrying value at 30 June	10.4	**4 235**	**68 411**	**3 659**	**6 769**	**83 074**

10.5 Intangibles

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

(a) Carrying amount

	2013 $'000
Capital Work in progress	2 671
Total Intangibles	**2 671**

(b) Reconciliation of movements

	2013 $'000
Carrying amount at 1 July	**0**
Work in progress at cost	95
Net additions through restructuring	2 576
Carrying Amount at 30 June	**2 671**

10.6 Other Assets

(a) Carrying amount

	2013 $'000
Prepayments	188
Total	**188**
Recovered within 12 months	188
Total	**188**

(b) Reconciliation of movements

	2013 $'000
Carrying amount at 1 July	**0**
Additions	188
Carrying Amount at 30 June	**188**

Note 11 Liabilities

11.1 Payables

	2013 $'000
Creditors	4 366
Accrued Expenses	3 884
Total	**8 250**
Settled within 12 months	8 250
Total	**8 250**

11.2 Employee Benefits

	2013 $'000
Accrued salaries	3 925
Annual leave	8 696
Long service leave	13 359
Sabbatical leave	378
Development leave, time off in lieu and state service accumulated leave scheme	686
Total	**27 044**
Settled within 12 months	12 647
Settled in more than 12 months	14 397
Total	**27 044**

11.3 Other Liabilities

	2013 $'000
Other Liabilities	
Employee benefits - on-costs	303
Other liabilities	270
Total	**573**
Settled within 12 months	412
Settled in more than 12 months	161
Total	**573**

Note 12 Commitments and Contingencies

12.1 Schedule of Commitments

	2013 $'000
By type	
Operating Lease Commitments	
Medical Equipment	180
Rent on Buildings	202
Vehicle Leases	2 866
Total Lease commitments	**3 248**
Other Commitments	
Miscellaneous Grants	1 081
Miscellaneous Goods and Services contracts	18 840
Total Other commitments	**19 921**
Total	**23 169**
By Maturity	
Operating Lease Commitments	
One year or less	1 690
From one to five years	1 558
Total Operating Lease Commitments	**3 248**
Other Commitments	
One year or less	16 953
From one to five years	2 968
Total Other Commitments	**19 921**
Total	**23 169**

Medical Equipment (Operating lease)

The THO is party to a Master Facility Agreement. No restrictions, provisions for price adjustments or purchase options are contained in the lease agreement. Terms of leases are set for specific periods. The average period of a lease is six years with an option to renew for a period of twelve months or the initial term, whichever is the lesser.

Rent on Buildings (Operating lease)

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

Vehicle Leases

The THO leases a number of vehicles. The terms of the leases are for 36 months or 60,000km whichever comes first. The average age of leased vehicles is 18 months.

Miscellaneous Goods and Services Contracts

The THO has contracts for the supply of Pathology Services, Radiology Services and for the delivery of Maternity services. The contracts for Pathology and Radiology come up for renewal in the next 18 months. The Maternity contract is an ever green contract.

Miscellaneous Grants

The THO has commitments for Palliative care and Respite care services.

12.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the equity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2013 $'000
Quantifiable contingent liabilities	
Contingent claims	
Medical and other legal claims	1 300
Total quantifiable contingent liabilities	**1300**

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

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

Note 13 Contributed Capital and Reserves

13.1 Contributed Capital

	2013 $'000
Contributed capital	
Balance at the beginning of financial year	0
Administrative restructure - net assets received	62 267
Balance at the end of financial year	**62 267**

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

13.2 Reserves

2013	Land $'000	Buildings $'000	Total $'000
Asset revaluation reserve			
Balance at the beginning of financial year	0	0	0
Revaluation increments/(decrements)	1 054	0	1 054
Balance at the end of financial year	**1 054**	**0**	**1 054**

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

Note 14 Cash Flow Reconciliation

14.1 Cash and Deposits

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

		2013 $'000
	Special Deposits and Trust Fund Balance	
T476	THO-North West Patient Trust and Hospital Bequest Account	693
T532	THO-North West Operating Account	4 343
	Total	**5 036**
	Other cash held	
	Other Cash equivalents not included above	6
	Total	**6**
	Total cash and deposits	**5 042**

14.2 Reconciliation of Net Result to Net Cash from Operating Activities

	Total $'000
Net result from transactions (net operating balance)	(868)
Depreciation and amortisation	3 203
Non-Operational Capital Funding	(331)
Decrease (increase) in Receivables	(1 671)
Decrease (increase) in Other assets	(877)
Decrease (increase) in Inventories	(33)
Increase (decrease) in Employee entitlements	3 494
Increase (decrease) in Payables	2 620
Increase (decrease) in Other liabilities	(2 297)
Net cash from (used by) operating activities	**3 240**

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

Note 15 Financial Instruments

15.1 Risk Exposures

(a) Risk management policies

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

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

The Chairperson of the Governing Council has overall responsibility for the establishment and oversight of the THO's risk management framework. Risk management policies are established to identify and analyse risks faced by the THO, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the THO if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

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

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

	2013 $'000
Guarantee provided	0
Total	**0**

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

Analysis of financial assets that are past due at 30 June 2013 but not impaired	Past due < 30 days $'000	Past due 30 - 120 days $'000	> 120 days $'000	Total $'000
Receivables	148	114	22	**284**

(c) Liquidity risk

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

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

The following tables detail the undiscounted cash flows payable by the THO by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position.

2013	Maturity analysis for financial liabilities							
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undis-counted Total	Carrying Amount
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
Financial liabilities								
Payables	8 250	0	0	0	0	0	0	8 250
Other financial liabilities	573	0	0	0	0	0	0	573
Total	**8 823**	**0**	**0**	**0**	**0**	**0**	**0**	**8 823**

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the THO is exposed to is interest rate risk.
The THO currently has no financial liabilities at fixed interest rates.

15.2 Categories of Financial Assets and Liabilities

	2013 $'000
Financial assets	
Cash and cash equivalents	5 042
Loans and receivables	3 463
Total	**8 505**
Financial Liabilities	
Financial liabilities measured at amortised cost	8 823
Total	**8 823**

The THO's maximum exposure to credit risk for its financial assets is $8.5 million. It does not hold nor is a party to any credit derivatives and no changes have occurred to the fair value of its assets as a result of market risk or credit risk. While interest rates have changed during the financial year, the value of security held is significantly more than the value of the underlying asset and no loan advances are impaired. The value of receivables is not affected by changes in interest rates. The THO actively manages its credit risk exposure for the collectability of its receivables and outstanding loans.

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

	Carrying Amount 2013 $'000	Net Fair Value 2013 $'000
Financial assets		
Other financial assets	8 505	8 505
Total financial assets	**8 505**	**8 505**
Financial liabilities (Recognised)		
Other financial liabilities	8 823	8 823
Total Financial liabilities (Recognised)	**8 823**	**8 823**
Unrecognised financial instruments	0	0
Total unrecognised financial instruments	**0**	**0**

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

Account/Activity	Opening balance $'000	Net transactions during 2012-13 $'000	Closing balance $'000
T476 THO-North West - Patient Trust and Bequest Account – Legal Trusts	**0**	**660**	**660**

Statement of Certification

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

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

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Graeme Houghton

Chair, Tasmania Health Oraginsation - Governing Councils
30 September 2013

Karen Linegar

Acting Chief Executive Officer - Tasmania Health Organisation - North West
30 September 2013

List of Abbreviations and Acronyms

A&RSC	Audit and Risk Sub-Committee
ABF	Activity Based Funding
ATS	Australasian Triage Scale
CERG	Consumer Engagement Reference Group
CHC	Community Health Centre
COPE	Commonwealth Own Purpose Expenditure
DCHSC	Devonport Community and Health Services Centre
DHHS	Department of Health and Human Services
ECO	Employee Contact Officer
ED	Emergency Department
FTE	Full-Time Equivalent
HOA	Heads of Agreement
HSO	Health Service Officer
IHPA	Independent Hospital Pricing Authority
KIHHSC	King Island Hospital and Health Services Centre
LGH	Launceston General Hospital
MCH	Mersey Community Hospital
NHRA	National Health Reform Agreement
NPA - IHST	National Partnership Agreement on Improving Health Services in Tasmania
NWRH	North West Regional Hospital
RHH	Royal Hobart Hospital
RJRP	Right Job Right Person
SDH	Smithton District Hospital
TML	Tasmania Medicare Local
WCDH	West Coast District Hospital
WHS	Workplace Health and Safety

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