TASMANIAN HEALTH ORGANISATION – NORTH WEST

ANNUAL REPORT

2013-14

TASMANIAN HEALTH ORGANISATION NORTH WEST

Tasmanian Government

FACTS AND FIGURES

Supported by **300** volunteers.

18.4% of our population identify themselves as drinking alcohol at potentially harmful levels compared with **20.4%** across Tasmania.

Finished 2013-14 with an underlying net operating deficit of **$2.12m** which was **$0.56m** less than the budgeted net operating deficit.

176 acute hospital beds, **105** at NWRH and **71** at MCH.

We represent **22%** of Tasmania's population.

9 351 surgical procedures **136** more than last year.

3 858 elective surgery procedures **30** more than last year.

25 212 hospital separations **2 826** more than last year.

The average Mental Health Services acute inpatient length of stay was **13.3** days.

98 601 outpatient attendances.

49 377 emergency department attendances **2 148** less than last year.

The average occupancy rate at King Island aged care for an aged care bed was **86%**. An increase of **14%** from last year.

Services are delivered from **13** sites **2** acute hospitals, **3** rural hospitals and **8** community health and multipurpose centres.

Receiving feedback through **377** compliments and **282** complaints.

Published by the Tasmanian Health Organisation – North West, Tasmania.

Published on www.dhhs.tas.gov.au

September 2014.

ISBN 978-0-9924617-2-0

8 995
outpatient and unplanned occasions of service to rural hospitals
291
more than last year.

Employing **1 781** people, **1 398.56** full-time equivalent staff **44%** nurses, **10%** medical practitioners and **9%** allied health providers.

24 054
weighted hospital separations.

The average occupancy rate at West Coast District Hospital for an aged care bed was **92%**.
An increase of **13%** from last year.

Our average age is **41** years compared with **40** across Tasmania and **37** across Australia.

412
Mental Health Services inpatient separations.

1 046
admissions to rural hospitals
10
more than last year.

30
aged care beds
14 at King Island and
16 at Queenstown.

17%
of us are aged 65 years and over compared with **16%** across Tasmania and **14%** across Australia.

We deliver health services to **113 000** Tasmanians **22%** of Tasmania's total population.

32%
of us are concession card holders compared with **30%** across Tasmania and **23%** across Australia.

14.7% of our population identify themselves as daily smokers compared with **11.9%** across Tasmania.

We have a life expectancy (from birth) of **80** years compared with 80 years across Tasmania and 82 years across Australia.

Spending **$251.6m** in 2013-14.

TABLE OF CONTENTS

INTRODUCTION

CHAIR'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 the Governing Council the second annual report of the Tasmanian Health Organisation – North West for 2013-14.

The Governing Council of THO-North West met 11 times throughout the year and the Audit, Risk, Safety and Quality Sub-Committee (which also advises the Governing Council on clinical governance) met eight times. The Audit, Risk, Safety and Quality Sub-Committee, which is chaired by Sarah Jordan, has increased its meeting frequency from quarterly to monthly to deal with its workload. The Governing Council and its Chief Executive Officer also participated in three joint meetings of THO Governing Councils and one joint meeting devoted to a shared approach to management of quality of clinical services.

There were no changes to the membership of the Governing Council and the Governing Council is pleased again to have had the assistance of Mr Peter Mancell on the Audit, Risk, Safety and Quality Sub-Committee.

The three Tasmanian Health Organisations assumed responsibility for provision of state mental health services from the start of the year under review. The THO welcomes the opportunity to contribute to this extremely important area of service to the community as it adds significantly to the complexity of the THO's work.

The arrangements for monitoring and evaluating the performance of Australia's, and Tasmania's, health services were further developed during the year. The THOs have worked to achieve national targets for provision of emergency services, for management of elective surgery and other quality processes and outcomes. There were also several reports released during the year on performance of hospitals and health systems throughout Australia. Some of our performance is as good as, or better than, in other states and territories but, in general, the comparisons show that we need to do better.

The April 2014 report of the Commission on Delivery of Health Services in Tasmania reported that "The proportion of overdue patients on Tasmanian waiting lists far exceeds that of any other state, and is over 30 percentage points higher than the national average".

In the four years to 2012-13, attendances at Tasmanian emergency departments increased by an average 3.1% per annum, while the population grew at an average of 0.7% per annum. Our limited success in meeting this growth in demand is illustrated by the Commission's observation that "In 2012-13, 35.9 per cent of emergency department presentations in Tasmania had a length of stay of eight hours or greater, compared with 26.6 per cent nationally. Tasmania had the highest proportion of all states and territories, with the exception of the Northern Territory".

Tasmania has particular challenges to deal with in providing its public health services. A relatively high proportion of its citizens live outside large, metropolitan areas where there are more health services, and a greater concentration of both patients and the clinicians who treat them. We also have an older demographic profile with consequently more acute and chronic disease and comorbidities.

Our services are also more expensive than in other states and territories and the reasons for this need to be more thoroughly analysed. The key issues are the amount of service that we provide and the efficiency with which we provide it.

If efficiency is the issue, we have to ask whether we are allocating our resources (people, goods, services and other assets) to the kinds of services which will maximise benefits to the Tasmanian community and whether, once allocated, we are maximising the output of those resources.

Funding from the Commonwealth Government's Tasmanian Health Assistance Package has continued to flow during the year and the THOs are involved in: re-design of clinical processes; "Health Pathways" in which evidence about best clinical practice is applied in caring for patients in the general practice setting who may need hospital care; the development of a "virtual academic health sciences precinct" to help ensure that scientific evidence informs the design of clinical services; medical workforce planning; and equipping senior clinicians with management skills. Some funds have also been allocated from the Package for provision of elective surgery, mental health and palliative care services.

Late in the year, the Integrity Commission reported on some processes and personnel in THO-North West and THO-South. The Commission made findings that were critical of the Chief Executive Officer of THO-North West and he was suspended in May, pending an investigation into whether the State Service Code of Conduct has been breached. On the recommendation of the Governing Council Karen Linegar was subsequently appointed Acting Chief Executive Officer.

The report of the Integrity Commission has far reaching implications for the THOs and the wider State Service and actions have been urgently initiated to consider, and if necessary, rectify deficiencies in procedures within the THOs.

The Government of Tasmania changed during the year and the Governing Council thanks the former Minister and Treasurer for their accessibility and support. We also thank the incoming Minister and Treasurer for their constructive engagement with the THO and its staff. We are grateful also for the continuing partnership with the Department of Health and Human Services and with other state departments, Tasmania Medicare Local, University of Tasmania and other organisations with which we have worked on particular issues.

Graeme Houghton
Chair, Tasmanian Health Organisation – North West
Governing Council

EXECUTIVE SUMMARY

In 2011, the Tasmanian public health service underwent a structural transformation which saw the development and introduction of the *Tasmanian Health Organisation Act 2011* and the establishment of Tasmanian Health Organisations on 1 July 2012.

The transition of health services from the Department of Human and Health Services (DHHS) to Tasmanian Health Organisation – North West (THO-North West) continued this year following the addition of Mental Health Services to THO-North West's stable of operations on 1 July 2013. The transfer appears to have been successful with admissions increasing to its Child and Adolescent mental health service and Spencer Clinic inpatient unit at Burnie this year.

THO-North West continues to work hard to progress its mission to provide safe, quality, appropriate and sustainable health services relevant to the needs of those people living in Tasmania's North West.

PERFORMANCE

In 2013-14, THO-North West recorded an underlying net operating deficit of $2.12m, which was $0.56m less than the budgeted net operating deficit (see note 6 to the financial statements for further details). The deficit was the result of salaries and related expenditures exceeding budget by $8.17m and other operating expenditures exceeding budget by $7.4m, offset by revenues exceeding budget by $16.1m.

The North West Regional Hospital (NWRH) in 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 its Emergency Department (ED) continues to lead the state in achievement of the Australasian Triage Categories which requires care in our ED to be timely against how urgently care is needed.

Mersey Community Hospital (MCH) delivers a suite of non-complex surgical services for the North West region. During the course of the current Heads of Agreement (HoA) between the Australian Government and the State, the hospital has continued to upgrade and improve facilities and equipment. This has included capital works associated with the redevelopment of the Medical Day Procedures and Oncology Unit that will greatly enhance the physical environment for patients and staff.

The results of an audit by the Australian National Audit Office (ANAO) into MCH performance were released on 14 August 2013. This audit found that MCH was meeting its obligations under the 2008 and 2011 HoA. The audit also found that MCH was meeting or exceeding established national targets in the majority of clinical service areas.

King Island Hospital and Health Centre (KIHHC) stands to save thousands of dollars in energy costs following the installation of solar panels and solar hot water at the facility. Some 144 solar panels have been installed and it is estimated the system will generate 43,691KW hours per annum – translating to an estimated 15 per cent reduction on current energy bills each year

The provision of general practice (GP) services for the West Coast and King Island have gone through significant change this year with Independent Practitioners Network (IPN) Medical Centres Pty Ltd announcing its intention to withdraw its GP services from both King Island and the West Coast in August 2013. Interim providers have been sourced with both contracts for GP services expected to go to tender in 2014-15.

Our Allied Health Services implemented a new statistics recording system as part of a statewide tender process with THO-North and THO-South. The recording system called Activity Bar Coding (also known as ABC), utilises a small hand held bar code scanner to record patient details, length of intervention, types of intervention and a variety of other information. It has the ability to produce 40 different reports that are relevant to individual staff members, discipline managers and to the executive level. It will provide Allied Health the capacity to enable benchmarking opportunities with other State and Interstate users of the ABC system.

THO-NORTH WEST CAPITAL IMPROVEMENTS

Investment in THO-North West facilities and services remains ongoing with key milestones achieved this year.

A new $5.5 million multi-storey 180-space car park was officially opened at NWRH on 13 August 2013. The new car park takes the total number of car parks at NWRH to 550 and has improved access to services for all people accessing the hospital.

A state-of-the-art Magnetic Resonance Imaging (MRI) machine was installed and began operating in October 2013. The MRI machine was funded by the Commonwealth and a private donation and is a key cancer diagnostic tool to support the North West Regional Cancer Centre.

Construction of the new $31.85 million North West Regional Cancer Centre at NWRH continues with an expected completion date next year. It is the last of three regional cancer centres being constructed under the Tasmania Cancer Care Project and will provide a number of cancer related services including medical oncology, radiation therapy and a base for palliative care.

A new ten bed sub-acute rehabilitation ward was opened at NWRH in May 2014. Co-located with a further eight rehabilitation beds on the surgical ward, it is the first time patients in the north west have had access to a dedicated rehabilitation unit. About $3.3 million was spent on the construction of the unit and $4.98 million allocated for the cost of equipment and additional staffing for the unit during the next two years.

The $343 000 relocation and redevelopment of the MCH Medical Day Procedures and Oncology Unit continues and is expected to improve a patient's journey through the hospital including improved access to Stromal Therapy and Outpatient services.

SERVICES

THO-North West remains committed to providing safe and high quality care and this year participated in several accreditation processes. Our Acute, Mental Health, and Primary Health Services participated in accreditation through the Australian Council on Healthcare Standards (ACHS). Home and Community Care (HACC) funded services are reviewed against the Community Common Care Standards.

All three rural health facilities in Smithton, Queenstown and King Island successfully achieved accreditation, with King Island Hospital and Health Centre and West Coast District Hospital also achieving accreditation for their Aged Care beds. These are the first rural facilities to be accredited with ACHS in Tasmania and are witness to the high level of commitment to safety and quality by the Directors of Nursing and their staff.

The challenge ahead for THO-North West is to continue to pursue and promote its organisational values:

- **Person-centred care** – People are central to all that we do.
- **Respect** – We treat others as we would like to be treated.
- **Integrity** – Doing the right thing at all times and in all circumstances.
- **Dedication** – We nurture those around us and treat all with dignity and compassion.
- **Excellence** – Our attitude of excellence implies competence and innovation.

GOVERNING COUNCIL

The *Tasmanian Health Organisations Act 2011* (THO Act) 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 Tasmanian Minister for Health and the Treasurer are the responsible Ministers under the THO Act. Together they perform the role of Systems Manager as described in Section 8 (a) of the National Health Reform Agreement. As the Departments for the respective Ministers, the Department of Treasury and Finance and Department of Health and Human Services (DHHS) perform many of the roles and functions of the responsible Ministers.

THO-North West Governing Council, sets the THO's strategic direction. The Governing Council consists of Mr Graeme Houghton, who is the common chair of all three THOs appointed by the Premier and four (4) other members appointed by the Minister for Health. The Governing Council is required under its Ministerial Charter to establish an Audit and Risk Sub-Committee.

The functions of the Governing Council are to:

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

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.

The Chief Executive Officer (CEO) of THO-North West leads a management team responsible for the administration and management of THO operations. The CEO is appointed by the Premier as the Minister administering the *State Service Act 2000* on the recommendation of the Governing Council and is accountable to the Governing Council.

GOVERNING COUNCIL MEMBERS

MR GRAEME HOUGHTON GAICD

Mr Graeme Houghton is the Chair of the THO-North West Governing Council. He was appointed by the Minister in January 2012, for a period of three years.

Graeme holds a BSc and Master of Health Administration, is a Fellow of the Australasian College of Health Service Management and a Graduate of the Australian Institute of Company Directors. 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, Risk, Safety and Quality Sub-Committee. She was 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 Master's 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. She was appointed by the Minister in July 2012, for a period of two years. This appointment was recently extended by the minister until July 2015.

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

MR DALE ELPHINSTONE

Mr Dale Elphinstone is the Executive Chairman of the Elphinstone Group which he founded in 1975. Dale has considerable experience in the engineering, manufacturing and heavy machinery industries and among other things is one of the longest serving Caterpillar dealer principals in Australia having acquired the Caterpillar dealership in Victoria and Tasmania in 1987.

Dale Elphinstone is the Co-Chair of the Joint Commonwealth and Tasmanian Economic Council. He was a director of Caterpillar subsidiary, Caterpillar Underground Mining Pty Ltd until December 2008 and of the formally publicly listed Queensland Gas Company Limited from October 2002 to November 2008. He was also a director of ASX listed National Hire Group Limited until December 2011.

DR EMIL DJAKIC

Dr Emil Djakic is a Tasmanian born General Practitioner (GP) who has been based in Ulverstone in the North West for 19 years. He was 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

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

Governing Council Member	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Graeme Houghton (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emil Djakic	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Deborah Wilson	✓	✓	✓	✓	✓	✓	✓	✓	Absent or apology	✓	✓
Dale Elphinstone	✓	✓	✓	Absent or apology	✓	Absent or apology	✓	✓	✓	✓	✓
Sarah Jordan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

THO-NORTH WEST GOVERNING COUNCIL REMUNERATION

Governing Council Member	Annual Remuneration 2013-14
Graeme Houghton (Chair)	$50 881
Emil Djakic	$28 832
Deborah Wilson	$28 832
Dale Elphinstone	$28 832
Sarah Jordan	$28 832

AUDIT, RISK, SAFETY AND QUALITY SUB-COMMITTEE

The role of Audit, Risk, Safety and Quality Sub-Committee (ARSQSC) is to monitor and provide advice to the THO-North West Governing Council in relation to the organisations:

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

AUDIT, RISK, SAFETY AND QUALITY SUB-COMMITTEE MEMBERS

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

CURRENT AUDIT, RISK, SAFETY AND QUALITY SUB-COMMITTEE ADDITIONAL PARTICIPANTS (NOT FORMAL MEMBERS OF THE COMMITTEE)

- David Basire, THO-North West Finance Director
- Karen Linegar, THO-North West Acting Chief Executive Officer (participant commenced 29 May 2014)
- Mark Reeves, THO-North West Associate Director of Medical Services (participant commenced 18 March 2014)
- Anne Cabalzar, THO-North West Director of Accreditation and Service Improvement (participant commenced 17 June 2014)

FORMER AUDIT, RISK, SAFETY AND QUALITY SUB-COMMITTEE ADDITIONAL PARTICIPANTS (NOT FORMAL MEMBERS OF THE COMMITTEE)

- Gavin Austin (participant until 28 May 2014)
- Don Coid (participant until 21 February 2014)

AUDIT, RISK, SAFETY AND QUALITY SUB-COMMITTEE MEETING

Audit, Risk, Safety and Quality Sub-Committee Member	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
Sarah Jordan (Chair)	No meeting held	✓	No meeting held	✓	No meeting held	✓	✓	✓	✓	✓	✓
Deborah Wilson	No meeting held	✓	No meeting held	✓	No meeting held	✓	✓	✓	✓	✓	✓
Peter Mancell	No meeting held	✓	No meeting held	✓	No meeting held	✓	✓	✓	✓	✓	✓
Graeme Houghton	No meeting held	✓	No meeting held	✓	No meeting held	✓	✓	✓	✓	✓	✓

THO-NORTH WEST GOVERNING COUNCIL SUB-COMMITTEE REMUNERATION

Audit, Risk, Safety and Quality Sub-Committee Member	Annual Remuneration 2013-14
Sarah Jordan (Chair)	$10 000
Deborah Wilson	$5 000
Peter Mancell	$5 000
Graeme Houghton	$0

AUDIT, RISK, SAFETY AND QUALITY SUB-COMMITTEE REPORT

The Governing Council of THO-North West has delegated the close monitoring of the THO's risk exposure and control framework together with service quality and safety monitoring to a single sub-committee known as the Audit, Risk, Safety and Quality Sub-Committee. This is the second year of operation of this Committee.

Membership of the Committee includes:

- Mrs Sarah Jordan, Chair and THO-North West Governing Council member
- Associate Professor Deb Wilson, THO-North West Governing Council member
- Mr Graeme Houghton, Chair, Tasmanian Health Organisations
- Mr Peter Mancell, independent adviser appointed by the THO-North West Governing Council

The Committee meets on a monthly basis, one week prior to each Governing Council meeting, with a Standing Agenda aimed at identifying and addressing policy and procedural gaps and deficiencies and making recommendations for further action by the Governing Council the following week as appropriate.

The Committee's Standing Agenda includes:

- Reports from DHHS Internal Audit either as part of the THO's Continuous Audit Program for testing compliance and continuous improvement or for specific audits requested directly by the Committee or the Governing Council
- Review of the organisation's risk register with particular emphasis on risks with a high severity rating and monitoring the adequacy of internal controls
- Monitoring compliance with applicable Laws and Regulations
- Monitoring the organisation's financial management and budget performance
- External accountability including preparations for end of financial year reporting and external audit
- Monitoring Workplace Health and Safety including Lost Time due to Injury and reported workplace incidents
- Monitoring the Safety and Quality of our services
- Monitoring performance against the Service Agreement for both the NWRH and the MCH.

The Committee's program of work in relation to Audit, Risk, Finance and Budget monitoring is structured around the organisation's risk management and control framework together with financial management policies and procedures. The Committee has also been extensively involved in the development and monitoring of the organisations financial savings strategies during 2013-14 and planning for future savings in 2014-15 and 2015-16.

The Committee's program of work in relation to Quality and Safety is structured around the organisation's Quality Framework that is based upon the first two of the National Safety and Quality Health Service Standards. The Committee regularly reviews a suite of Quality and Safety reports as well as reports from the State Coroner, status reports on medico-legal cases, complaints and incident reports derived from the new safety reporting and learning system (SRLS). The Director of Medical Services who is the Chair of the organisation's Morbidity and Mortality Committee also attends Committee meetings on a quarterly basis to ensure that links between Governance for Quality and Safety and operational management of Quality and Safety are maintained.

Among the matters that were escalated to the Governing Council for monitoring during 2013-14 were:

- specific recommendations relating to clinical credentialing
- recommendations to initiate reviews by internal audit of the organisations recruitment processes and external contract management
- recommended savings strategies for inclusion in the organisation's financial recovery plan
- changes to the structure and format of the Financial Statements requested by the Tasmanian Audit Office.

The Sub-Committee is committed to improving the transparency and accountability of THO-North West and has been working collaboratively with the Chairs of comparable Committees in the other two THOs and I would like to thank the members for their support and imput over the past year.

Sarah Jordan
Chair, Audit, Risk, Safety and Quality Sub-Committee

PART 1 – OVERVIEW

OUR ORGANISATION

Tasmanian Health Organisation – North West (THO-North West) is a statutory authority, created and governed by the *Tasmanian Health Organisations Act 2011* (THO Act). It commenced operations on 1 July 2012, superseding the previous Area Health Service.

The primary function of the THO is to improve, promote, protect and maintain the health of persons to whom the organisation is required to provide health services to. It does this by conducting and managing public hospitals, health institutions, health services and health support services that are under its control.

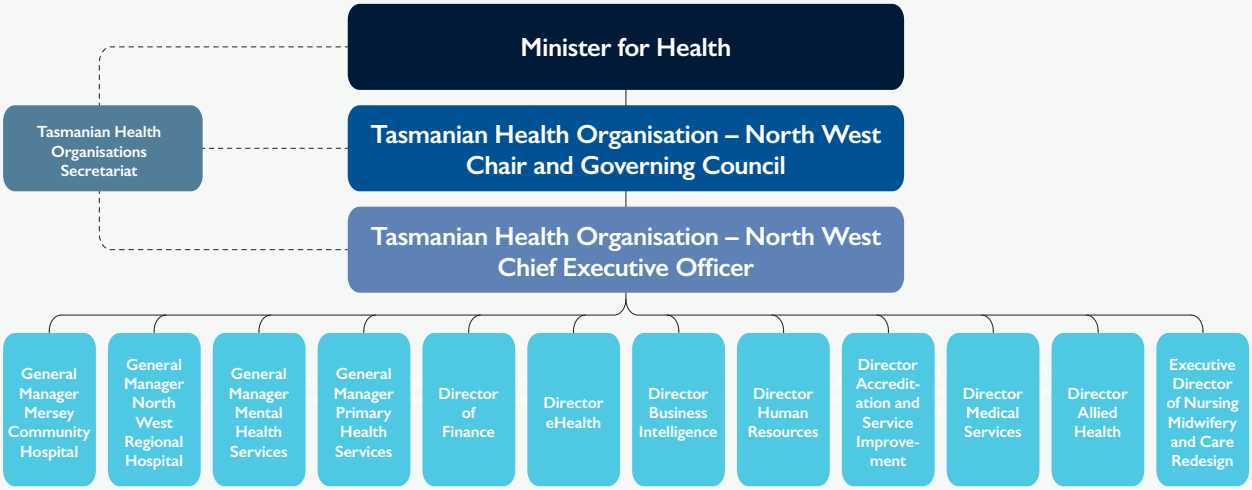
Under the THO Act, the Tasmanian Minister for Health annually enters into a Service Agreement with the THO Governing Council. The key purpose of these documents is to agree on the schedule of services to be provided by the THO and the funding to be provided in relation to the provision of those services.

The Tasmanian Minister for Health and the Treasurer also issued the Ministerial Charter for THO-North West effective 1 October 2012. The Ministerial Charter outlines the responsible Ministers' broad policy expectations, including strategic priorities, performance expectations and objectives for THO-North West. THO-North West demonstrates compliance with the Ministerial Charter through its Corporate Plan.

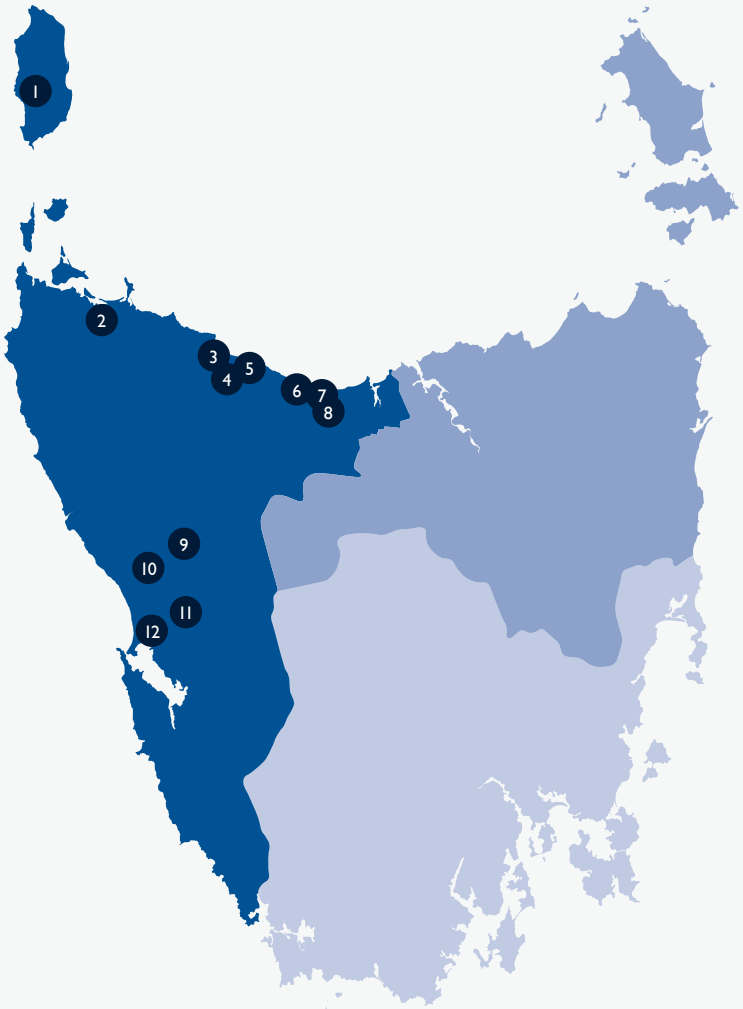
Performance of the THO-North West is monitored and reported to the Tasmanian Minister for Health by the Department of Health and Human Services (DHHS) Secretary through its System Purchasing and Performance Unit. The THO also utilises shared services provided by the DHHS for asset management, business 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 DHHS, under the operational direction of the THO-North West CEO.

ORGANISATIONAL CHART



OUR LOCATIONS



1. King Island Hospital & Health Centre
2. Smithton District Hospital
3. James Muir CHC (Wynyard)
4. North West Regional Hospital
5. Parkside & Burnie CHC
6. Central Coast CHC (Ulverstone)
7. Devonport CHC
8. Mersey Community Hospital
9. Rosebery CHC
10. Zeehan CNRHSCS
11. West Coast District Hospital (Queenstown)
12. Strahan CNC

THO-NORTH WEST FACILITIES AND SERVICES

THO-North West provides health services to approximately 113 000 Tasmanians (22 per cent 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 ageing population and rise in lifestyle health risk factors is seeing a significant increase in resource intensive treatments for diseases such as diabetes and kidney disease. Hospitalisations for age and lifestyle 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 aboriginal population. It 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 per cent of the total population in the north-west region are concession card holders (health care card, pensioner concession card) – more than 81 per cent of these are aged pensioners.

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 13 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 to 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 centre services are located 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 Community Hospital (MCH) and North West Regional Hospital (NWRH). 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: King Island Hospital and Health Centre (KIHHC), Smithton District Hospital (SDH) and West Coast District Hospital (WCDH); residential aged care facilities are available at WCDH and KIHHC.

OUR 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.
- Dedicated inpatient 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.

OUR MENTAL HEALTH SERVICE

Mental Health Services provide both inpatient services (based at North West Regional Hospital), and a range of specialist community services.

General adult mental health services and child and adolescent mental health services are provided from bases at Devonport and Burnie, whereas the older person's mental health service provides outreach from Burnie.

There is a dedicated crisis assessment and treatment team operating seven (7) days a week that manages referrals from the mental health line, and provides emergency response to urgent referrals.

THO-North West delivers a range of specialist mental health treatment services as follows:

Acute inpatient and hospital based services located at the NWRH providing 24 hour care and treatment, seven (7) days a week. These services include:

- Spencer Clinic – a 19 bed hospital unit
- Clozapine clinic
- Electroconvulsive therapy (ECT)
- Consultation liaison services

Community based mental health care and treatment services across three service streams:

- Child and Adolescent Mental Health Services for children and young people between the ages of 0 and 18 years;
- Adult Community Mental Health Services for people aged 18 to 65 years, including a mental health crisis response through Crisis Assessment Triage and Treatment (CATT) services; and
- Older Persons Mental Health Services for people over 65 years.

THO-South continues to deliver some statewide mental health services that are accessible to THO-North West clients pending their clinical needs such as psychiatric intensive care and dementia behaviour management and the Mental Health Services Helpline.

WORKFORCE

AWARDS AND AGREEMENTS

There are a number of 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) Industrial Agreement 2014

- **Medical Practitioners**

  Medical Practitioners (Public Sector) Award

  Rural Medical Practitioners (Public Sector) Agreement 2011-14

  Salaried Medical Practitioners (Australian Medical Association Tasmania/DHHS) Agreement 2009

- **Nurses**

  Caseload Midwifery Industrial Agreement 2012

  Nurses and Midwives (Tasmanian State Service) Award 2013

  Nurses and Midwives Tasmanian State Service Interim Agreement 2013

  Nurses and Midwives Heads of Agreement 2010

- **Visiting Medical Practitioners**

  Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2013

- **Other Awards and Agreements Not Covered Above**

  Health and Human Services (Tasmanian State Service) Award

- **Senior Executive Service**

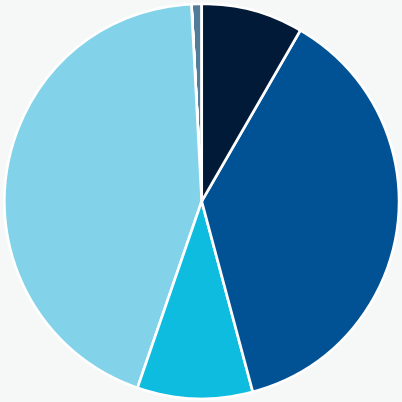
  Tasmanian State Service Award

- **Workforce Statistics**

  Due to the inclusion of Mental Health Services, following their transfer from the DHHS to THO-North West) on 1 July 2013, a comparison to the previous year workforce statistics is unable to be made.

TOTAL NUMBER OF FTE PAID EMPLOYEES BY AWARDS

Award	Number	%
Allied Health Professional	120.32	8.6%
Health and Human Services Award	521.30	37.3%
Salaried Medical Practitioners	131.44	9.4%
Nursing	613.94	43.9%
Rural Medical Practitioners	0.70	0.1%
Senior Executive Service (SES)	1.00	0.1%
Visiting Medical Officers	8.86	0.6%
Total	**1 398.56**	**100%**

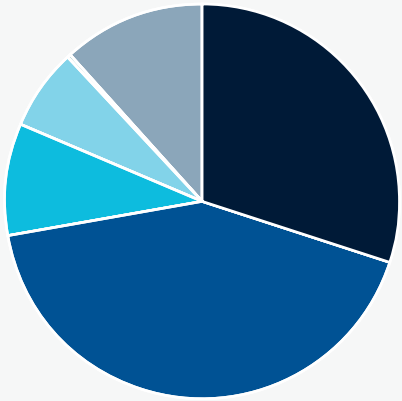


- Allied Health Professional – 8.6%
- Health and Human Services Award – 37.3%
- Salaried Medical Practitioners – 9.4%
- Nursing – 43.9%
- Rural Medical Practitioners – 0.1%
- Senior Executive Service (SES) – 0.1%
- Visiting Medical Officers – 0.6%

PAID EMPLOYEES BY CATEGORY AS AT 30 JUNE 2014

Category	Number	%
Permanent full-time	538	30.2%
Permanent part-time	749	42.1%
Fixed-term full-time	166	9.3%
Fixed-term part-time	119	6.7%
Part 6*	3	0.2%
Casual	206	11.6%
Total	**1 781**	**100%**

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



- Permanent full-time – 30.2%
- Permanent part-time – 42.1%
- Fixed-term full-time – 9.3%
- Fixed-term part-time – 6.7%
- Part 6* – 0.2%
- Casual – 11.6%

PAID EMPLOYEES BY GENDER AS AT 30 JUNE 2014

Gender	Number	%
Female	1 402	78.7%
Male	379	21.3%
Total	**1 781**	**100%**

PAID EMPLOYEES BY SALARY BANDS (TOTAL EARNINGS) AS AT 30 JUNE 2014

Salary Band	Number	%
0-19 000	0.0	0.0%
19 001-23 000	0.0	0.0%
23 001-27 000	0.0	0.0%
27 001-31 000	0.0	0.0%
31 001-35 000	0.0	0.0%
35 001-40 000	0.0	0.0%
40 000-45 000	180	10.1%
45 001-50 000	125	7.0%
50 001-55 000	217	12.2%
55 001-60 000	295	16.6%
60 001-65 000	89	5.0%
65 001-70 000	47	2.6%
70 001-75 000	238	13.4%
75 001-80 000	199	11.2%
80 001-85 000	57	3.2%
85 001-90 000	126	7.1%
90 001-95 000	47	2.6%
95 001-100 000	39	2.2%
100 000 plus	122	6.9%
Total	**1 781**	**100%**

PAID EMPLOYEES BY AGE RANGE AS AT 30 JUNE 2014

Age Range	Number	%
15-19 years	2	0.1%
20-24 years	78	4.4%
25-29 years	156	8.8%
30-34 years	145	8.1%
35-39 years	135	7.6%
40-44 years	188	10.6%
45-49 years	266	14.9%
50-54 years	314	17.6%
55-59 years	278	15.6%
60+ years	219	12.3%
Total	**1 781**	**100%**

INDICATORS OF ORGANISATION HEALTH

Indicator	2013-14
Average personal leave days per average paid FTE*	11.5 days
Paid overtime/call back hours per average paid FTE**	44.4 hours
Turnover rates – total number of separations (FTEs) divided by the average paid FTE***	9.4 per cent

*Includes sick,carers leave and family leave.

** Includes callback and overtime hours.

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

LEAVE

Type of Leave	2013-14
Long Service Leave – Average number of days used per paid FTE*	3.1 days
Annual Leave – Average number of days used per paid FTE	19.9 hours
Number of FTEs with Annual Leave entitlements ≥ the two (2) year limit	29 FTEs

*Includes maternity long service leave.

RECRUITMENT POLICIES AND PROGRAMS

THO-North West filled 259 advertised vacancies during 2013-14.

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 Tasmanian 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 2013-14 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 2013-14

Component	Participants
Academic	5
Management and Leadership	48
Essential Management Skills	5*
Total	**58**

*Only one course was offered in the north-west this year.

WORKPLACE DIVERSITY PROGRAMS

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

The ECO program has recruited a team of ten 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.
- 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), teaching, training and research, blood products, interstate charges and maternity services that are outsourced to the private sector. Other block funding is provided for non-ABF hospitals (KIHHC, 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 2013-14 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 2013-14 the budgeted expenditure for THO-North West was $236.0 million distributed across the sources of funds. This is an increase of 8.1 per cent from last year's budgeted expenditure of $216.9 million.

THO-NORTH WEST SOURCES OF FUNDS 2013-14

Source of Funds	% 2013-14
Commonwealth – MCH	26%
Commonwealth – Activity Based Funding	14%
Commonwealth – Block Funding	3%
COPEs	3%
State – Activity Based Funding	17%
State – Block Funding	23%
NPA-IHST	3%
Other Revenue	11%
Total	**100%**

During 2013-14 the actual total expenditure for THO-North West was $251.6 million resulting in an underlying net operating deficit of $2.12 million.

FINANCIAL HIGHLIGHTS 2013-14

2013-14 is the second year of operation for the THO-North West. A breakdown of expenditure for 2013-14, together with comparative figures from 2012-13, is as follows.

Employee Benefits (salaries and employee related expenses), at $161.9 million ($145.1 million 2012-13), accounted for 64.3 per cent of total operating expenses and Supplies and Consumables, at $81.2 million ($74.5 million 2012-13), accounted for a further 32.2 per cent made up of the following:

THO-NORTH WEST EXPENDITURE BY CATEGORY 2013-14

Expenditure by Category	% 2012-13	% 2013-14
Employee benefits	64%	64%
Supplies and consumables	33%	32%
Depreciation and amortisation	1%	2%
Other expenses	2%	2%
Total	**100%**	**100%**

Components of Supplies and Consumables	2012-13 ($'000)	% of Total	2013-14 ($'000)	% of Total
Consultants	368	0%	422	1%
Service Fees	598	1%	524	1%
Property Services	6 534	9%	6 257	8%
Maintenance	967	1%	1 979	2%
Communications	863	1%	971	1%
Information Technology	572	1%	1 443	2%
Travel and Transport	2 812	4%	3 355	4%
Medical and Surgical	41 781	56%	47 478	58%
Advertising and Promotion	9	0%	18	0%
Administration*	847	1%	923	1%
Corporate Charges*	6 568	9%	5 322	7%
Patient and Client Services	9 491	13%	8 648	11%
Leasing Costs	329	0%	381	0%
Equipment and Furniture	605	1%	968	1%
Food Production Costs	1 443	2%	1 416	2%
Other Supplies and Consumables*	761	1%	1 098	1%
Total	**74 548**	**100%**	**81 203**	**100%**

*Corporate Charges were separated out from Administration and Other Supplies and Consumables during 2013-14. 2012-13 figures have been restated.

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 ten members who represent communities within the North West region. Membership changes during this financial year included the appointment of a new consumer representative and the resignation of two members due to personal commitments.

CURRENT 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 help 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** – resident of Ulverstone, board member of Cradle Coast Authority and Choose Life Services and previously the Deputy Mayor of the Central Coast. Cheryl commenced employment during 2014 as Electorate Officer for a Federal Senator. A mother of two teenage daughters she is 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.
- **Marianne Horvat** – Widow, mother of two children, enjoys reading, connecting with friends and interested in health issues, privately and within the local community. Member commenced 30 July 2013.
- **Norma Jamieson** – consumer representative from Devonport, retired nurse, politician, widow and part-time Granny. Norma works for Glee Club Services 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.
- **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.

- **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 heavily involved in a 'First Aid in Schools' program. Jo has been a member of St John Ambulance for 50 years and is Superintendent/Manager for Event Health Services in Central Coast. This is the volunteer arm of St John Ambulance. She is married with two children and seven grandchildren and has a strong interest in health issues and the community.

FORMER CONSUMER ENGAGEMENT REFERENCE GROUP MEMBERS

- **Alison Jarman** – Previously a real estate agent who now works for a recruitment company, 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 wanted to learn more about it so she can educate the general public to assist with their understanding. Member until 25 March 2014.
- **Jeanie Murrell** – Chair, Circular Head Health Advisory Group, 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 on the boards of Rural Health Tasmania and Emmerton Park Aged Care Facility, Wyndarra. Member until 11 June 2014.

Attendance at the monthly CERG meetings is excellent, and members regularly provide positive feedback about involvement in the group. Members 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 2013-14, CERG reviewed 67 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 intended to measure the experience people have when they use our services.

CERG heard from thirteen guest speakers from THO-North West in 2013-14, including the General Manager, THO-North West Mental Health Services and the Clinical Director, Surgery. A private consultant outlined her project which was to inform the Commission on the Delivery of Health Services in Tasmania. The CERG group took questions from speakers to discuss with their community and gain feedback. This feedback was then given to the guest speakers to guide quality improvement in their particular area.

CERG has regular discussions about a range of issues affecting patient care within THO-North West including the newly introduced national accreditation standards and the new work health and safety laws. Representatives from CERG participated in the accreditation for THO-North West Acute (NWRH and MCH) and Primary Care services.

During the year CERG members created documents relating to their governance; ie "Our Strategic Direction – where to from here?" and the "Consumer & Community Engagement Strategy". Members workshopped these documents over several meetings to develop their principles, goals and key actions relevant to the group.

THO-North West also convenes consumer engagement groups in HealthWest, and King Island, with Smithton District Hospital creating the Circular Head Health Advisory Group early in the year.

The Community Advisory Committee/Group in HealthWest, King Island and Smithton act 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;

HEALTHWEST COMMUNITY ADVISORY COMMITTEE

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)

Ken French (Hydro employee based in Tullah)

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)

Caroline Stansfield (KIGP Office Manager)

Linda Payne (Netherby Home Representative)

CIRCULAR HEAD HEALTH ADVISORY GROUP

Jeanie Murrell (Chair – Community representative)

Patricia Joyce (Community representative)

Julie Oates (Community representative)

Cindy Stokes (Community representative)

Jenny Wallis (Community representative)

Robert Waterman (CH Rural Health Manager)

Yvonne Stone (CH Council Rep)

Denese Ferguson (Wyndarra Centre Rep.)

Consumer Engagement Reference Group members.

THO-NORTH WEST NETWORK ADVISORY GROUP

The THO-North West Network Advisory Group 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.

Network Advisory Group meetings are generally held quarterly at the UTAS Rural Clinical School (NWRH or MCH campus). The meetings are facilitated by the CEO, 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.

Network Advisory Group meetings also feature a thirty 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.

The Network Advisory Group has proved a highly valuable forum, allowing the CEO and THO-North West staff to strengthen their relationship with local community stakeholders and to provide transparent information to the community about the organisation. Network Advisory Group 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 relating to rumours or scaremongering about health services.

VOLUNTEERS

Volunteers are special people who provide support to our organisation. We are thankful for, and indebted to, our volunteers for their unwavering support, commitment and passion.

Volunteers give their time freely to deliver and support a range of services including chaplaincy, refreshment rounds on the wards, meet and greet and driving. Hospital Auxiliary volunteers run our kiosks at our acute hospitals and fundraise for the West Coast, Smithton, and King Island services. They have raised extraordinary amounts of money this year that go towards the purchase of equipment for our services. We are very thankful for their valuable contribution and we appreciate their commitment of their time and support, which for some volunteers has been over many years.

March 2014 marked the second year anniversary of the Volunteer in Partnership (VIP) program. The VIP program was established to provide a framework for volunteers in our services. The VIPs are very important people working with and supporting staff and 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 activities and tasks. In collaboration with our volunteers, we recently updated our volunteer documentation to cover all of our services and make it easier to understand the responsibilities of volunteering at THO-North West.

Left to right: NWRH volunteer team leaders Janet Pickering and Marion Brockbank.

Our volunteers are seen as part of our team and each year they undertake mandatory training that provides education for new volunteers and a refresher for our established volunteer group. We also annually celebrate volunteer week and hold various activities that acknowledge the contributions our volunteers make to our organisation. This year, a few of our VIPs attended the official launch of Volunteer Week and were given an opportunity to speak about volunteering.

There are very active hospital auxiliaries at both MCH and NWRH. The auxiliaries have 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 kiosks that have, for many years, provided funds to purchase equipment and facilities that assist our staff to meet the health care needs of the community. The MCH Auxiliary has approximately eighty members plus ten social members who have retired but attend social functions. The NWRH Auxiliary has over sixty members. Our auxiliary members have access to education and training to ensure that they are oriented to our sites and meet Work Health and Safety requirements.

Smithton District Hospital Auxiliary mainly focuses on external fundraising for the hospital and over the last twelve months purchased some much needed equipment for the hospital.

Smithton volunteers also assist with the delivery of Meals on Wheels, and the area has a Circular Head Health Advisory Group.

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 twenty-two volunteers who make a significant contribution to the hospital and the care that it provides to the community. They run the hospital kiosk and fundraise by catering, community raffles, baby knitting, all of which provides funds to purchase equipment and materials. Next year will be the 60th Anniversary of the Queenstown Hospital Auxiliary.

THO-North West's Volunteer Services also have volunteer drivers that are based in regional areas and provide transport services to our acute facilities. Volunteers provide services for the adult day centres in Ulverstone, Wynyard and Latrobe, arranging activities and outings for clients. A volunteer hospice service in Burnie supports palliative care services.

DONATIONS

DONATIONS AND SPONSORSHIP FOR COMMUNITY NURSING 2013-14

Donation from	Donation made
Melvie Steven	$203
Mr Colliver	$395
C and S MacCauley	$1 000
Tuck Family	$91
UTAS North West Rural Clinical School	$1 023
Mrs M Steven	$203
C Hosie	$100
Vijay Sangham	$100
R I and D M Jack	$20
Rick Mcpherson	$944
Caterpillar Underground Mining Staff	$19 000
Ms L Beaven	$50
R Richards	$106
Karla Williams	$399
Mrs R Brix	$160
S MacCaulay	$20
Mr Colin Bay	$300
Mrs Betty Girdlestone	$152
Mr David Lowe	$80
Anonymous	$246

DONATIONS AND SPONSORSHIP FOR SMITHTON DISTRICT HOSPITAL 2013-14

Donation from	Donation made
Funeral of Byda Ziggel	$98
SDH Auxiliary	$256 $4 355 for a wheel chair

DONATIONS AND SPONSORSHIP FOR WEST COAST DISTRICT HOSPITAL 2013-14

Donation from	Donation made
UTAS North West Rural Clinical School	$1 545
MMG Rosebery	$1 000
Rotary Club of Queenstown	$100
West Regional Arts	$100
GBE Maintenance Services Ltd	$100
Unity Mining Ltd (Henty Gold)	$350
Vedanta	$1 000
Harcourts Real Estate West Coast	$300
Ruth Forrest	$100
Barminco Ltd	$200
Unity Mining Ltd (Henty Gold)	$200
Worksafe Tasmania	$1 000
Guesdon Bequest	$109
Anonymous	$500

DONATIONS AND SPONSORSHIP FOR ALLIED HEALTH 2013-14

Donation from	Donation made
The Motor Neurone Disease Association	$679

DONATIONS AND SPONSORSHIP FOR RURAL PRIMARY HEALTH SERVICE 2013-14

Donation from	Donation made
T H and M N Norton	$50

DONATIONS AND SPONSORSHIP FOR NWRH 2013-14

Donation from	Donation made
Penguin Auxiliary	$1 400 for a stainless steel bench
Elphinstone Group	$803 750 towards the MRI machine*
Vinodini Selvadurai	$2 000
Heartbeat Tasmania Inc Ulverstone Branch	$3 500
Dennis Saunders	$15 000
Fairfax Media Group	$5 000
Mrs Joyce Westerway	$9 000
Cancer Council of Tasmania Inc	$1 691
Burnie Sports & Events – B&E Burnie Ten	$2 000
Hislop Family Foundation	$10 000
Alistair Brook	$500
Funeral of Trevor Poke	$1 390
CWA Sassafrass-Wesley Branch	$500
Latrobe Flower Show	$1 000
Mad Hatters Fundraisers	$250
Leonie Mancell	$15 000
Hologic Australia Pty Ltd	$500
North West Private Hospital	$500
Searson Buck	$100
7BU Burnie	$4 681
NWRH Hospital Auxiliary	$100
Estate of the late Mr Matthew House	$51
Tracy M Lee, Gourmet Vending	$9
Woolworths	$4 605
NW Real Estate Institute	$2 000
Estate of the late Mrs Hilary Healy	$390
Estate of the late Mr Roy Spinks	$298
Marist Regional College	$1 000
Funeral of the late Mr Brian Docking	$200
Funeral of the late Mr Edward Kingshott	$363
Devonport Aero Club – Funeral of the Late Mr Edward Kingshott	$500
T J Mathews – Funeral of the Late Mr Edward Kingshott	$50
Barry Saunders	$840
Coastal Senior	$100
Estate of the late Mrs Dulcie Johnston	$359
Estate of the late Mr Arthur Bellinger	$414
Breast Cancer Trials Group	$360
Anonymous	$60

*This donation has previously been reported in the 2012-13 Annual Report and was received in October 2013.

DONATIONS AND SPONSORSHIP FOR ADULT DAY CENTRE 2013-14

Donation from	Donation made
Anonymous	$250

DONATIONS AND SPONSORSHIP FOR MCH 2013-14

Donation from	Donation made
Woolworths	$2 997
Northern Tas Broadcasters	$7 332
Heather Craigie	$30
Allan and Sylvia Cuttler	$250
Resonance Choir	$500
Donation in memory of Brett Thorogood	$720
Gudeson Charities Bequest	$55
MCH Auxiliary	$2 373 for three neonatal mannequin dolls and a neopuff device $118 150 for a bladder scanner $3 401 for a recumbent exercise bike $248 for 2 DVD players and headphones $376 for medical books for the library
Heartbeat Tasmania	$1 389

DONATIONS AND SPONSORSHIP FOR MHS 2013-14

Donation from	Donation made
Rural Clinical School, Faculty of Health Science	$3 000
North West Regional Hospital Auxiliary	$132

GOOD NEWS STORIES FROM THE NORTH WEST

QUEENSTOWN HOSTS EMERGENCY TRAINING EXERCISE

North West student doctors gained hands-on experience in emergency / disaster response in March when a mock exercise was held on the West Coast.

Local ambulance, fire, police and SES managed the 'mock disaster' which involved a crash between a train and two cars at Queenstown.

The student doctors and ambulance staff assessed and managed the 'patients' who were then transported to West Coast District Hospital in order of those most seriously injured. Eleven victims were successfully rescued, transferred, treated and discharged – either home or to a higher-level facility. Hospital staff also gained valuable experience during the exercise.

Student doctors attend to a 'patient'.

Planning for the exercise occurred over several months and involved local ambulance, fire, police, SES, West Coast Council, West Coast District Hospital, Tas Wilderness Railways, Copper Mines of Tasmania and the local senior citizens club.

About 50 people from UTAS were accommodated, fed and transported across the three days which also provided a welcome economic boost to our community.

Feedback from both staff and students at UTAS was universally positive. Many of the students were amazed by the efficiency and cooperation of the largely volunteer-based local emergency services.

Associate Professor Peter Arvier said the UTAS team were looking forward to returning in 2015.

The Rural Clinical School students complete regular rotations on the West Coast – within local health services and at the local GP surgeries. The rotation helps to prepare students for a career working in rural and remote communities.

Congratulations Queenstown! Once again you have exceeded expectations and the impression created with the students means this community is now more likely to attract young health care professionals.

Local emergency services workers attend the 'crash'.

THO-NORTH WEST ANAESTHETICS REGISTRAR WINS ONE OF THE TOP STUDY HONOURS IN AUSTRALIA

A THO-North West anaesthetics registrar has won one of the top study honours in Australia, New Zealand and Asia.

Anaesthetic registrar Adam Mahoney.

NWRH-based specialist medical trainee in anaesthesia Adam Mahoney has received the Renton Prize – awarded to the anaesthetics trainee who receives the highest mark in the primary exam for fellowship of the Australian and New Zealand College of Anaesthetics (ANZCA).

Adam said the prize came as a huge surprise.

"After devoting so much time to study, it was a great relief to have passed the exam… receiving the prize was the icing on the cake," Adam said.

Adam said his mark was in large part due to the support of his study partner Rob Easther and his wife Brita who, "pretty much needed to do everything around the house for 12 months."

"I'm also very grateful to my mentors at the hospital, including all of the anaesthetic consultants, but particularly the supervisors of training (Dr Deb Wilson and Dr Alison Wright) and Dr Margo Peart who spent a great deal of time providing practice oral examinations for Rob and me."

The ANZCA primary exam is no mean feat. It consisted of:

- A multiple-choice question paper (150 questions)
- A short-answer question paper (15 questions)
- An oral exam (x3 24-minute interviews) – conducted in Melbourne.

For his efforts, Adam received a medal and is focusing his attention on his final fellowship exam, which he needs to sit before he completes his formal training in three years time.

UTAS PROJECT PROVIDES OPPORTUNITY FOR CLINICAL REDESIGN

Members of the UTAS-led Health Services Innovation Tasmania (HSI Tas) project are working with THO-North West staff redesigning some THO services in order to improve health services provided to the local community.

Earlier in the year, Associate Professor Peter Hunter, Director of Aged Care and Clinical Director of Rehabilitation, Aged and Community Care at Alfred Health in Melbourne talked to THO staff about the benefits of a similar redesign project implemented at Alfred Health's sub-acute (rehabilitation) care and discussed the high percentage of sub-acute type patients who currently occupy our hospital beds.

The HSI Tas unit has been established by UTAS following funding under the Tasmanian Health Assistance package to introduce clinical redesign practice in Tasmanian hospitals.

HSI Tas Co-Director Craig Quarmby said the initial focus of the project was to assist the three Tasmanian THOs to identify clinical redesign priorities. Following this, the HSI Tas team will work with THOs to implement projects.

THO-North West staff learn the benefits of clinical redesign at a recent UTAS-led information session.

KIHHC EMBRACES ENERGY EFFICIENCY

The new solar panels on King Island Hospital and Health Centre.

King Island Hospital and Health Centre (KIHHC) stands to save thousands of dollars in energy costs following the installation of solar panels and solar hot water at the facility.

Some 144 solar panels have been installed at the site – comprising 250W individual capacity and a total capacity of 36KW.

It is estimated the system will generate 43,691KW hours per annum – translating to an estimated 15 per cent reduction on current energy bills each year (up to $10,900).

The installation has been undertaken under the Rural Inter-Professional Clinical Education and Training Centres (RICETCS) – which is a partnership between DHHS and the Commonwealth Government.

In addition, DHHS has also worked with the Department of Infrastructure, Energy and Resources (DIER) to install solar hot water systems at the hospital.

The new hot water systems will offset the hot water costs of the hospital, and will essentially provide almost 1000 l/per day of free hot water.

The key aim of the RICETCS project is to provide improved facilities to encourage medical students to undertake training in remote / rural locations.

NEW WIRELESS HEART RATE MONITORING SYSTEM AT MERSEY COMMUNITY HOSPITAL

The introduction of a new wireless heart rate monitoring system at Mersey Community Hospital (MCH) allows at-risk patients to continue moving around their hospital ward, rather than being confined to a bed in the hospital's High Dependency Unit (HDU).

The system is called 'Telemetry.' Telemetry is a tool that monitors a person's heart rate and can help to diagnose a condition early before a major health event – such as a heart attack – occurs.

MCH General Manager Eric Daniels said prior to the introduction of the telemetry system, patients had to be admitted to the hospital's HDU to undergo heart rate monitoring.

"Being admitted to an acute ward such as an HDU can cause a high level of anxiety in patients which is never ideal.

"Through telemetry, the patient can undergo this testing from a general hospital ward, and they are free to move around while still being monitored, through the use of wireless technology.

"We are always looking for ways to improve a patient's experience when they come into the hospital and the new telemetry service allows us to monitor patients in the most comfortable environment possible."

Mr Daniels said nursing staff had undergone specialist training to operate the new equipment.

Monitoring through the telemetry system usually takes at least 24 hours, depending on the patient's health.

Mr Daniels said approximately three patients were now undergoing telemetry each week.

"Generally the feedback from patients who have used the mobile telemetry service is that it is a lot more comfortable and they can move around freely for the period of the monitoring," he said.

YOUTH HEALTH NURSE SECONDED TO ROLL OUT STATEWIDE SCHOOL NURSE PROJECT

Youth health has always been a passion for THO-North West Clinical Nurse Specialist Julia Taylor, and now that passion has landed her a fantastic opportunity to roll out a brand new youth health project across Tasmania.

Julia has been seconded by the Education Department to manage an innovative project that will see the reintroduction of nurses into Tasmanian state schools.

This statewide project stems from a successful pilot program undertaken at Wynyard High School – Julia's brainchild.

When she started in her role in Youth Health two and a half years ago, Julia looked at what was already happening in youth health across the North West and identified gaps where she felt her time could be best spent.

"Wynyard High School… had a project in mind that would be aimed at increasing the health of their students, however they needed a nurse to develop and roll out the project and it was a case of right place, right time," Julia said.

It is hoped the new service model will give students more access to an on-campus health professional and make them feel more comfortable about accessing health professionals.

"What we found was that the project exceeded expectations. We have seen that when young people are given the opportunity to engage in health services without stigma or fear of the unknown, they can increase their confidence in accessing services when they have an issue," Julia said.

Following on from this success, Julia will now work with the Education Department to roll out the School Nurses Project statewide. Julia says the program has huge potential.

Youth Health Nurse Julia Taylor.

"It is hoped that this service will create a real health focus in schools, providing specialist knowledge and advice which is easily accessible and on hand when needed," she said.

"We want to develop a really good foundation where nurses will feel supported in their work and the best health care can be provided for our children and young people to ensure really positive outcomes."

In high schools the focus will be on risk behaviour, mental health and sexual health, whereas primary schools will concentrate on medication management, hearing and vision checks, and nutrition.

Whilst excited about her new role, THO-North West will always be close to Julia's heart.

"Every aspect of this diverse role has been challenging and rewarding… honestly I have loved it all!" she said.

PSYCHOLOGIST'S PROJECT POTENTIAL TO CHANGE DEPRESSION SCREENING TOOL

Psychologist Adam Micallef.

A research project by a THO-North West Psychologist has the potential to change the tools used to screen for anxiety and depression in older adults.

Older Persons Mental Health Psychologist Adam Micallef has spent the past three years testing the validity of the Depression Anxiety Stress Scale 21 (DASS-21) when administered to older adults. The DASS-21 is a standard screening tool used for people aged 18-64 years for depression and anxiety. A screening tool is a test that indicates the presence or absence of a disease or illness and the need for further follow up for clarification. The DASS-21 is currently not recommended as a screening tool for people aged over 64 years. Instead, health professionals are recommended to use a number of scales tailored specifically for this group and often to use multiple scales, one for anxiety and another for depression.

Adam's research is the first of its kind in Tasmania. The purpose was to compare the DASS-21 usefulness with that of the GDS and GAI screeners – while factoring in a broad range of health, medical and cognitive factors.

As the DASS-21 is not designed specifically for the older adults, the overall view in the field of psychology was that DASS-21 scores would be falsely elevated due to the person's senior age (i.e. influenced by other age-related medical issues).

Adam recruited 97 North West-based senior citizens to take part in his research. Participants completed either a survey questionnaire or took part in a clinical interview.

Contrary to the widely held beliefs, Adam's project found that the DASS-21 in fact did not produce falsely elevated results due to the other medical issues experienced by older adults – as had been predicted by other authors, for either the Depression Scale (DASS-D) or the Worry/Anxiety (DASS-S) scale. As expected the DASS-Anxiety Scale was highly correlated with health and medical related issues suggesting this scale provides a useful measure of somatization.

There is the potential for this measure to provide screening for general worry/anxiety (DASS-S) scale and depression (DASS-D) scale while also providing some measure of somatic symptoms (DASS-Anxiety Scale) which is believed to represent health related/somatic symptoms. A scale assessing all three issues, anxiety, depression and somatic allows for the simultaneous assessment of all three conditions with a single 21 item screening test – DASS-21. The other implication of this research is that one screening measure may be applicable without the need for clinicians to apply different scales throughout the lifespan.

Adam's research was submitted as part of a Doctoral Degree in Clinical Geropsychology, and has since been presented at the Psychology and Ageing Interest Group Conference, held at RMIT University in Melbourne late last year.

The DASS-21 is being trialled at Older Persons Mental Health.

ACCESS TO DEDICATED MCGRATH BREAST CARE NURSE

North West women experiencing breast cancer now have access to a dedicated McGrath Breast Care Nurse following a successful THO-North West application to the McGrath Foundation.

The McGrath Breast Care Nurse position provides services from both North West Regional Hospital (NWRH) in Burnie and Mersey Community Hospital (MCH) in Latrobe, as well as offering an additional outreach service to Smithton, the West Coast and King Island. The position is fully funded by the McGrath Foundation.

THO-North West Executive Director of Nursing Associate Professor Karen Linegar said the McGrath Breast Care Nurse provides a significant boost to the amount of support and care provided to women and their families in the region.

Co-founded by Jane and Glenn McGrath after Jane's initial recovery from breast cancer, the McGrath Foundation aims to raise much-needed funds to place McGrath Breast Care Nurses in communities right across Australia and to increase breast awareness in young women.

McGrath Foundation Ambassador and Director, Tracy Bevan, said she was thrilled about the funding of the latest McGrath Breast Care Nurse position in Burnie.

Throughout the year, the incredible work carried out by NWRH-based McGrath Foundation SKI Breast Care Nurse Tracey Beattie has been acknowledged with her role being profiled within The Advocate Newspaper.

Prior to taking up her position, Tracey provided breast care services off the side of her desk – also working as a stomal therapy nurse. During this time she was able to connect with around 60 people per year.

During the first three months of her full-time breast care role, Tracey spoke to 52 newly diagnosed women – a huge increase!

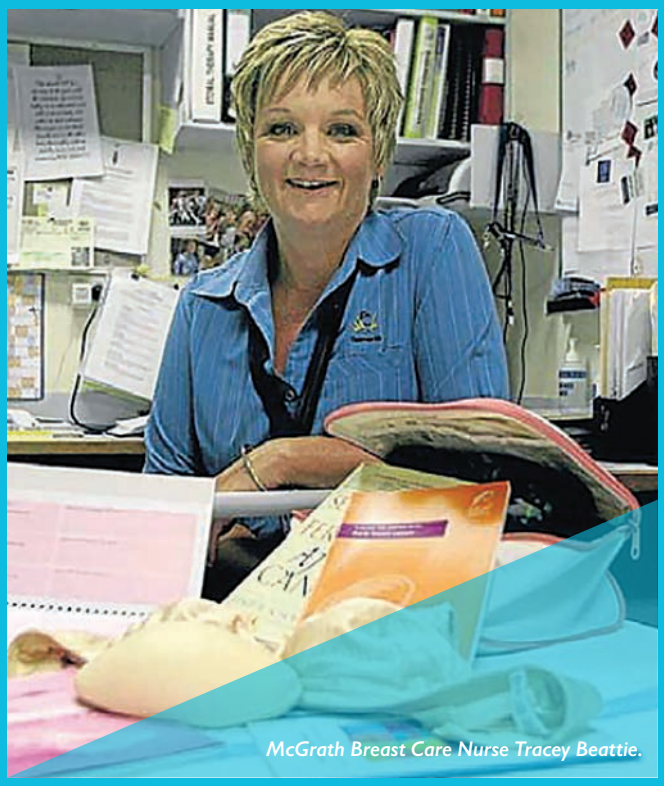
Tracey provides her clients with information, advice and a shoulder to lean on. She is able to attend appointments with them, assist them to understand their diagnosis, interpret information or advice provided by doctors, and put clients in contact with other services. While based at NWRH, Tracey also makes home visits.

NWRH Co-Director of Nursing Hayley Elmer said Tracey was an absolute asset to the North West.

"Tracey is so passionate about her role – this passion is already making a huge difference to the lives of North West Coasters who receive a breast cancer diagnosis," Hayley said.

"Her bubbly personality and caring, compassionate nature puts her clients at immediate ease – this greatly reduces their anxiety as they embark upon their treatment.

The North West is truly lucky to have such a dedicated nurse working to provide the best support possible to people living with breast cancer.



McGrath Breast Care Nurse Tracey Beattie.

OPERATING ENVIRONMENT

THO-North West provides health services to approximately 113,000 Tasmanians (22 per cent 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 the aboriginal 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 per cent of the total population in the North West region are concession card holders (health care card, pensioner concession card) – more than 81 per cent 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
% Aboriginal population	5.9	4.0	2.5
Median Weekly Household Income	$567	$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.

Resource intensive treatments for diseases, such as diabetes, kidney disease and cancers, are becoming more prevalent in Tasmania's north-west and hospitalisations for age and life-style related conditions, such as cancers and heart disease are also increasing.

As illustrated in the following tables, 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

	North West Region	Tasmania	Australia
Life Expectancy (Years) at Birth, 2011	80	80.3	81.9

STANDARDISED MORTALITY RATE (PER 1 000 POPULATION), 2011

	North West Region	Tasmania	Australia
Standardised Mortality Rate (per 100 population), 2011	6.8	6.6	5.6

AVOIDABLE MORTALITY AVERAGE ANNUAL RATE PER 100 000 2003-07

Avoidable Mortality Average Annual rate per 100 000 2003-07	North West Region	Tasmania	Australia
Cancer	70.5	70.8	62.0
Cardiovascular disease	54.8	50.7	45.0
Ischaemic heart disease	42.7	37.4	32.0
Chronic Obstructive Pulmonary Disease (COPD)	30.4	36.2	23.8
Lung Cancer	27.1	26.7	21.4
Colorectal cancer	12.2	13.0	10.9
Suicide	16.4	16.5	11.1
Respiratory system disease	11.1	13.8	9.4
Cerebrovascular disease	8.7	9.8	10.1
Traffic Injuries	12.3	9.6	6.8

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:

THO Region	Daily smoker %	Risk of short term harm from alcohol %	Insufficient physical activity %	Inadequate fruit consumption <2 serves daily %	Inadequate vegetable consumption <5 serves daily %
North	11.9	21.5	30.7	58.2	89.9
North West	14.7	18.4	32.6	56.5	90.2
South	10.7	20.6	30.4	54.0	90.4
Tasmania	11.9	20.4	31.0	55.8	90.2

Source: Department of Health and Human Services, Population Health Services, Report on the Tasmanian Population Health Survey April 2014.

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 a Critical Care Unit and a 24/7 operating theatre. As NWRH is a secondary level service, transfer of patients to tertiary hospitals for some injuries and illnesses is necessary. NWRH also has a close working relationship with Mersey Community Hospital.

Over the past year there have been service delivery achievements at NWRH to enhance patient care through medicine, nursing and allied health. The estimated date of discharge has continued to decrease the overall length of stay for many patients and involves a multidisciplinary approach. A surgical orthopaedic pathway has been developed to improve care by providing clear guidelines.

NWRH ED continues to lead the state in achievement of the Australasian Triage Categories which requires care in our ED to be timely against how urgently care is needed. The sexual assault medical service continues to provide a local response for the North West with two dedicated General Practitioners serving as Forensic Medical Officers. Our Volunteer in Partnership (VIP) "Meet and Greet" program continues to make a significant contribution to patient care by being available to assist people at our front door, whilst our refreshment round volunteers provide an extra drink round Monday to Friday.

The new $5.5 million multi-storey, 180-space car park was officially opened at NWRH on 13 August 2013. The new car park takes the total number of car parks at NWRH to 550. This has improved access to services greatly and made it much easier for all people accessing the hospital. The new car park includes under-cover parking, increased security and safety with closed circuit television, improved lighting, pedestrian carriageways and reduced accident risk. A consultation process on the introduction of car parking fees is currently underway.

In preparation for the North West Regional Cancer Centre, a state-of-the-art Magnetic Resonance Imaging (MRI) machine was installed and began operating in October 2013 with funding from the Commonwealth and a private donation. This means people not having to travel to Launceston for the test, along with being a great asset to the Cancer Centre.

To improve the comfort of people who want to spend time with their loved ones, a new palliative care area was developed and formally opened on 3 October 2013. The new ward comprises three private rooms, all of which have en-suites. Two of the rooms are large enough to allow a family member to sleep alongside the patient in either a recliner chair or bed. The communal kitchen and lounge also provide an area for families to proactively interact with their family member and others.

A new 10 bed sub-acute rehabilitation ward opened in May 2014. This is the first time North West patients have had access to a dedicated rehabilitation unit. It is co-located with a further eight rehabilitation beds on the surgical ward. $3.3 million has been spent on the construction of the unit and $4.98 million for the cost of equipment and additional staffing for the unit during the next two years. The unit is person-centred and features generous-sized single rooms with adjoining en-suites and a large communal patient lounge / dining area. The larger sized rooms will allow space for patients to undergo much of their therapy in the privacy of their own room. A secure courtyard has also been incorporated into the unit design to allow patients to spend time outside during their stay. The unit also features an 'Activities of Daily Living' centre which is set up to emulate a home-like environment to help patients with the transition from hospital care to independence when they return home.

In June 2014, the Diabetes Centre was temporarily relocated from the NWRH campus to Cooee, a location close to the hospital. This move was necessary due to the developments of the Regional Cancer Centre and new Emergency Department, as space was needed to decant the current Emergency Department whilst it is refurbished.

The construction of the new North West Regional Cancer Centre on the site continues with an expected completion date next year. The North West Regional Cancer Centre is the last of three regional cancer centres being constructed under the Tasmania Cancer Care Project. A total of $31.85 million has been committed by the Australian and State Governments. The Cancer Centre will be built over three levels to accommodate medical oncology, radiation therapy and related services and also includes chemotherapy chairs, consulting rooms, teaching facilities, equipment and facilities to provide radiation therapy and a base for palliative care.

The NWRH ED is being 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 eight 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. A big thank you is extended to staff, patients and visitors for their patience and understanding in supporting the staging and decanting required during these capitol works. Staff have worked hard at ensuring that the quality and safety of care has been paramount.

Master planning of the site's capacity to meet current and expected future demand and health facility guidelines, in consultation with key stakeholders, has resulted in a number of redevelopment priorities being identified and presented to the State formally for future consideration in planning and allocation of capital funds.

Community engagement has consisted of the establishment of a Refurbishment Working Group for the Paediatric Ward to make it more aesthetically child and adolescent friendly, a consumer representative on our Project Reference Group and the establishment of a Gifting Program. The Gifting Program has linked our community with the Cancer Centre and has raised a considerable amount of money for the sponsorship of rooms where the donor will be acknowledged on the room sponsored. This is testimony to the communities' engagement with their health services and we sincerely thank them for their advice and support.

MERSEY COMMUNITY HOSPITAL

Mersey Community Hospital (MCH) continues to deliver a suite of non-complex surgical services for the North West region, which is consistent with the requirements of the Heads of Agreement (HoA) for the continued management, operation and funding of the MCH with the Australian Government. This includes a range 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.

MCH also provides Obstetric and Midwifery services for low complexity pregnant women in the region and is expanding the provision of ante-natal care.

The MCH Emergency Department (ED) remains a busy unit managing a large volume of presentations and retains the capacity to provide care for suitable low complexity paediatric patients in the ED Short Stay Unit. Fast track models and streaming for suitable patients in the ED has improved the timeliness of care provision. Nurse Practitioner services were also introduced to the MCH ED early in 2014.

The MCH continues to experience growing demand for ambulatory paediatric services, with this demand being met through outpatient paediatric clinics. These clinics are staffed by THO-North West Paediatricians who also participate in the regional on-call paediatric roster. Extended outpatient clinics are also provided for a range of medical specialties including gynaecology, cardiology and general medicine.

Inpatient General Medicine is a significant component of the care the MCH provides to the community, with a busy High Dependency Unit and Medical Ward that includes telemetry capacity for cardiac monitoring.

During the course of the current HoA between the Australian Government and the State, the MCH has continued to upgrade and improve facilities and equipment. This has included capital works associated with the redevelopment of the Medical Day Procedures and Oncology Unit that will greatly enhance the physical environment for patients and staff. This $343 000 project was funded by the Australian Government, and has involved the relocation of the unit to vacant space on the MCH surgical ward. The relocated unit is positioned closer to complementary hospital services including Stomal Therapy and the Outpatients Clinic, which will make the treatment journey a little smoother for patients.

The Australian Government has also committed to fund major works associated with fire systems management and the expansion and redevelopment of the MCH Pharmacy to comply with current standards. This will make the MCH safer for both patients and staff.

The results of an audit by the Australian National Audit Office (ANAO) into MCH performance were released on 14 August 2013. This audit found that MCH was meeting its obligations under the 2008 and 2011 HoA. The audit also found that MCH was meeting or exceeding established national targets in the majority of clinical service areas. As part of the audit, the ANAO tested expenditure transactions over a four year period, and found no evidence to indicate that MCH was using Australian Government funds outside the HoA requirements in the areas of employee, supplies and pharmaceutical expenditure. The ANAO's analysis of the MCH's clinical services also indicated a number of high-performing areas, including inpatient management, the High Dependency Unit, elective surgery waiting times and Emergency Department performance.

KING ISLAND HOSPITAL AND HEALTH CENTRE

Independent Practitioners Network (IPN) Medical Centres Pty Ltd previously held a contract for the provision of general practice (GP) services for the West Coast and King Island. In August 2013, IPN announced its intention to withdraw its GP services from both King Island and the West Coast. An alternative provider, Health Recruitment PLUS was recruited to manage the service for King Island from 1 November 2013. The contract for services is expected to go to tender shortly.

King Island Hospital and Health Centre (KIHHC) stands to save thousands of dollars in energy costs following the installation of solar panels and solar hot water at the facility. Some 144 solar panels have been installed at the site – comprising 250W individual capacity and a total capacity of 36KW. It is estimated the system will generate 43,691KW hours per annum – translating to an estimated 15 per cent reduction on current energy bills each year (up to $10,900). The installation has been undertaken under the Rural Inter-Professional Clinical Education and Training Centres (RICETCS) – which is a partnership between DHHS and the Commonwealth Government. The key aim of the RICETCS project is to provide improved facilities to encourage medical students to undertake training in remote / rural locations.

In addition, DHHS has also worked with the Department of Infrastructure, Energy and Resources (DIER) to install solar hot water systems at the hospital. The new hot water systems will offset the hot water costs of the hospital, and will essentially provide almost 1000 l/per day of free hot water.

SMITHTON DISTRICT HOSPITAL

This year has seen further community engagement with the development of a local Advisory Group which works under the auspices of the broader THO-North West Consumer Engagement Reference Group (CERG). The Obstetric and Midwifery outreach service has continued to grow with four local midwives providing support to the service. A pilot trial of telemedicine has been commenced as part of the ante-natal assessment for some mothers and is showing to be a promising modality to enhance the service. RICETS have also been instrumental in providing support to upgrade the staff accommodation and the development of the video conferencing /study room on site.

WEST COAST DISTRICT HOSPITAL

The withdrawal of Independent Practitioners Network (IPN) Medical Centres Pty Ltd for the provision of general practice (GP) services for the West Coast saw an interim solution with the THO-North West accepting an expression of interest from private health care provider Ochre Health, to provide GP services for a 12 month period, from 1 February 2014 to 1 February 2015.

Ochre Health is an experienced operator of rural and remote health services and encompasses 15 medical centres in rural locations across Australia. Since this service has commenced a full time General Practitioner has commenced in Strahan to augment the community health nursing service.

The West Coast has faced several significant challenges this past year with the death of several mine workers and the closure of a major mine. This has had a profound effect on the community however the health service has remained strong and supportive of both the community and their staff.

PRIMARY HEALTH SERVICE

All three rural health facilities in Smithton, Queenstown and King Island successfully achieved accreditation, with KIHHC and WCDH also achieving accreditation for their Aged Care beds. These are the first rural facilities to be accredited with ACHS in Tasmania and are witness to the high level of commitment to safety and quality by the Directors of Nursing and their staff.

All facilities have participated in emergency response exercises with King Island benefitting from a multidisciplinary team including medical students from the Rural Clinical School and staff from the Emergency department of the NWRH.

The Rural Health Outreach program for Obstetrics and Gynaecology services has continued to mature with high level engagement of local midwives. In particular Smithton has four midwives on staff which offers good sustainability and peer support.

A new initiative using telemedicine has been successful on King Island for Paediatric asthma and allergy patients. This modality is also being trialled for Obstetrics clinics at Smithton.

Community nursing services covers a range of areas including Palliative Care which is provided by our specialist staff at Burnie and supported by the community nurses at Devonport, Ulverstone and Burnie/Wynyard.

Palliative care services are participating in the Commonwealth funded Better Access to Palliative Care (BAPC) initiative which has seen several new positions added to the team. Community nurses also provide assessment and support for wound care and medication management and enable many of our older community clients to remain independent in their own home.

Community nurses work closely with both MCH and NWRH to support patients on discharge and prevent readmissions. The Hospital in the Home service continues at Burnie and is working well to use the skills of the community nurses to support patients who remain under the care of the Medical Specialist but are in their own home.

Clinical Nurse Specialists in Dementia, Spinal, Continence and Neuromuscular Degenerative care provide additional expert care in these disease specific areas.

ALLIED HEALTH SERVICES

Allied Health services include those provided by the following disciplines:

- Nutrition and Dietetics
- Occupational Therapy
- Orthotics and Prosthetics
- Physiotherapy
- Podiatry
- Social Work
- Speech Pathology

Allied Health also oversees the Elder Care Team, the NWRH Chaplains and Pastoral Care Volunteers, the Transitional Care Program and the Rehabilitation Service.

Allied Health services are provided across the THO-North West from three main sites: NWRH, MCH, and Devonport Community and Health Services Centre. Outreach services are provided to the three rural hospitals in Smithton, Queenstown and King Island and a number of community health centres in Wynyard, Ulverstone and Burnie.

The Paediatric Multidisciplinary Continence Clinic commenced this year for children across the region based out of the Devonport Community and Health Services Centre.These children previously had to see two or more therapists individually but can now be seen in a team approach and go home with an action plan.

Planning commenced for the multidisciplinary Pulmonary Rehabilitation Program. This will be a group program for adults with respiratory diseases to assist in their recovery post-acute admission with the aim to try and prevent further admissions. It will commence in August 2014.

The Paediatric Interdisciplinary Feeding Clinic entered its third year and provided a summary report on completion of its first pilot year (2012). In the pilot period they predicted that 20 children would be referred but within 12 months, 56 children were referred and this has increased year on year. 85 per cent of children who attended the clinic either met or exceeded their goals as measured on the Goal Attainment Scale (GAS) and 94 per cent of children maintained or increased their weight. This project identified an unmet need within the North West community and has been approved to continue.

In March 2014, Allied Health implemented a new statistics recording system as part of a statewide tender process with THO-North and THO-South. Activity Bar Coding or ABC utilises a small hand held bar code scanner to record patient details, length of intervention, types of intervention and a variety of other information. It has the ability to produce 40 different reports that are relevant to individual staff members, discipline managers and to the executive level. It will provide Allied Health the capacity to benchmark with THO-North and THO-South and with other interstate users of the ABC system. Statistics gathered from March 2014 to June 2014 show Allied Health Services has contributed to the activity of the organisation with a total of 37 954 occasions of service.

In April 2014, Allied Health successfully recruited to the position of Falls Prevention and Management – Project Manager. This six month project position was created to assist the THO-North West and the Falls Working Party to complete their requirements for National Standard 10 – Falls Preventing Falls and Harm from Falls. New forms, policies and procedures as well as implementation plans will be developed by the project position and supported by the Falls Working Party. Falls are a serious problem within the organisation and for our community and require focussed resources for this period of time to assist our mitigation strategies.
As part of our focus on falls prevention the Physiotherapy department commenced a regional falls and balance clinic run at NWRH and MCH. Patients attend for a 6-8 week program to help improve their knowledge of falls prevention and to improve their physical skills in balance and strength.

In May 2014, Allied Health completed a review of the service provision provided to our rural sites in King Island, Smithton and Queenstown. This involved sites visits, and meetings with the Directors of Nursing and other key staff. A number of recommendations were made and completed including the development of a Quick Reference Contact List and development of publishable waiting times for Allied Health outpatient services.

MENTAL HEALTH SERVICES

Mental Health Services transferred from the Department of Health and Human Services (DHHS) to Tasmanian Health Organisation – North West (THO-North West) on 1 July 2013, with the delivery of specialist mental health treatment services included in the 2013-14 Service Agreement. Specific services to be provided include:

- Acute inpatient and hospital based services
- Community based services
- Relationship with community sector and the primary health care.

This year, 1 704 people were treated by THO-North West specialist mental health services – 30 074 contacts.

Jaisen Mahne was appointed by Flourish to work as a consumer representative for THO-North West's mental health service. He has become an integral part of the management team and attends meetings such as Seclusion and Restraint where consumer input is invaluable. Jaisen will be working with the service to look at opportunities to enhance consumer input into service delivery.

The new *Tasmanian Mental Health Act 2013* came into effect on 17 February 2014. It contained a number of changes in terms of the roles and legal responsibilities of many Mental Health staff. Under the new Act, authorised officers have increased powers and are known as Mental Health Officers; patients on Mental Health Act orders are to be escorted (legal requirement) by Mental Health Officers; and Mental Health Officers are the only staff authorised to place a person under protective custody.

In 2013, Dr Len Lambeth was appointed to the role Chief Psychiatrist with the Department of Health and Human Services. A newly created position, the role's purpose is to work on a statewide basis with THOs, helping to shape mental health policy and clinical practice across the state, and support the delivery of safe, effective and high quality integrated mental health care and treatment in Tasmania.

The Chief Psychiatrist also plays a key part in the implementation of the new Mental Health Act and ongoing monitoring of clinical practice and mental health care and treatment. Performing the statutory roles of Chief Civil Psychiatrist and Chief Forensic Psychiatrist under the new legislation, the Chief Psychiatrist has the power to intervene directly in the assessment, treatment and care of patients, issue standing orders and clinical guidelines and to conduct internal reviews and will provide reports to the Minister for Health and the Tasmanian Parliament.

The Mental Health Services has also been advised its Structured Infrastructure Investment Review Process (SIIRP) submission to redevelop the Mental Health Service inpatient facility in Burnie has been successful in reaching the first stage of the process.

The SIIRP involves a staged review and assessment process for General Government Sector infrastructure investment proposals. Infrastructure investment proposals are subject to a series of decision points prior to being considered for funding and are required to meet reporting requirements during development and following the completion of the project. At each of the points an assessment is made as to whether the project should proceed to the next stage or be required to undertake further work for assessment, or be abandoned.

There are six decision/reporting points:

- Investment Concept Outline
- Strategic Assessment and Options Analysis
- Business Case
- Budget Committee Consideration
- Interim Project Review. and
- Post Implementation Review.

NEW TECHNOLOGY TO BENEFIT PATIENTS AND STAFF

A number of new electronic information systems have been implemented to allow for increased sharing of clinical information. Further to the new systems, there have also been a number of key improvements made to existing systems.

In March 2014 a new meal ordering system called Chefmax was introduced at MCH and NWRH. The new system enables hospital staff (menu monitors) to complete patient meal orders via an electronic device. The system cuts down the paper trail associated with ordering meals, making the process much simpler for patients. The biggest benefit of the system is the reduction in wasted meals.

In April 2014 a large number of changes were made to the Obstetrics system. These were statewide changes requested by clinical staff that now allow for easier data entry throughout pregnancy and birth.

In mid-2013 the new ARIA Medical Oncology system was launched. The system is an Electronic Medical Record (EMR) for Oncology and is used in place of medication charts to prescribe and record the administration of chemotherapy drugs and supportive treatments. It is also used for scheduling, building and maintaining protocols, ordering diagnostic tests, recording clinical information and documentation, and storing correspondence. Prior to the introduction of the system, oncology ward staff were required to maintain a paper-based diary, refer to a paper-based protocol and communicate with other oncology wards across the state via phone and fax.

In March 2014 a new Safety Reporting and Learning System was deployed to replace the previous system. The new system is more user-friendly than the previous system. It streamlines data entry and generates reports quickly to allow staff to track incidents in real time.

In June 2014, THO-North West started transmitting electronic discharge summaries to the Personally Controlled Electronic Health Record (PCEHR). Now a summary of the patient's hospital stay is available to not only the GP, but to the patient and other health providers also (when accessed via the PCEHR). NWRH and MCH are providing timely communication with the patient's GP through the electronic transmission of the discharge summary; for both campuses 75 per cent of discharge summaries are sent within two days of discharge.

In June 2014 the THO-North West started sending discharge medication dispensing information to the National Prescription and Dispensing Repository (NPDR). It is planned that later in 2014 outpatient prescription and dispensing information will also be sent to the repository, which can be accessed by consumers and their healthcare providers.

Whilst electronic Prescribing (ePrescribing) had been introduced to some clinics in the THO-North West earlier, the Medication Management System (HCS Clinical Suite) has been enhanced to better facilitate prescribing in the outpatient setting in June 2014. Senior medical officers and Emergency Department medical staff have been trained on this new functionality and can now prescribe electronically, which improves the quality of precsriptions with the availability of inbuilt decision support.

In August 2013 Tasmania was the second state in Australia to provide access to the Child eHealth Record on the PCEHR via the Consumer Portal as well as a Mobile App. This allows parents and alternative authorised representatives to access the child's eHealth record, add and view information about the child's development.

Early March 2014 Allied Health staff in the THO-North West started using a new system called Activity Bar Coding (ABC) to capture activity data across the various allied health services within the THO. The system allows quick capture of patient and client encounters and other activity with the aid of barcode scanners and hence reduces clinician time used for administrative tasks.

THO-NORTH WEST BUILDING PROGRAM

THO-North West is funded to undertake a number of capital works projects which include:

Development of MCH Medical Day Procedure Unit

The unit provides a mixture of oncology, haematology and other minor medical procedures. The $343,000 Commonwealth funded project will see the unit relocated from the Northern end of MCHs Level 1 corridor to the Southern end of the Level 1 corridor. As well as the additional space, the relocated unit will be positioned closer to complementary hospital services including Stomal Therapy and the Outpatients Clinic. By relocating the Medical Day Procedure Unit, space is freed up for potential future redevelopment works to expand the existing MCH Day Surgery Unit.

Development of NWRH Car Park

In 2012, $5.5 million in capital works funding was provided for the relocation of the NWRH access road and development of a multi-storey car park. Funded by the State Government, the new car park was opened on 13 August 2013 and comprises 180 additional parking spaces, providing a contemporary facility which includes under cover parking and increased security with improved lighting and 24-hour CCTV monitoring.

Development of NWRH Rehabilitation Unit

The $3.3m rehabilitation unit was completed in 2014 and marked the first time North West patients had access to a dedicated rehabilitation unit. The existing NWRH rehabilitation beds are co-located in the hospital's surgical ward. Funded by the Commonwealth Government under the National Partnership Agreement, the new unit features generous-sized single rooms with adjoining ensuites and a large communal patient lounge / dining area. The larger sized rooms allow space for patients to undergo much of their therapy within their own room and a secure courtyard has also been incorporated into the design to allow patients to spend time outside during their stay.

New North West Regional Cancer Centre

Funded by Commonwealth Health and Hospitals Funds (HHF) and State Government, construction of the North West Regional Cancer Centre continues and consists of a new state-of-the-art Magnetic Resonance Imaging (MRI) facility, a larger and completely refurbished ED, a multistorey building to house the Regional Cancer Centre including two new linear accelerator bunkers, a new main entrance to the hospital as well as general site works to complete the upgrade to the NWRH precinct.

In October 2013, the MRI facility was opened and the installation of the MRI means the majority of North West patients can undergo these diagnostic tests in Burnie, rather than having to travel to Launceston or Hobart. The $3.1 million project was jointly funded by the Tasmanian and Commonwealth Governments under the Tasmanian Cancer Care Project, as well as with a significant donation from local company Elphinstone Group/Trust.

DEVELOPMENT OF NWRH CAR PARK

NEW NORTH WEST REGIONAL CANCER CENTRE

ACCREDITATION

Tasmanian Health Organisation – North West (THO-North West) is committed to providing safe and high quality care for our community and visitors to Tasmania's north-west. THO-North West participates in several accreditation processes.

Our Acute, Mental Health, and Primary Health Services participate in accreditation through the Australian Council on Healthcare Standards (ACHS). Home and Community Care (HACC) funded services are reviewed against the Community Common Care Standards. Our aged care facilities at King Island and Lyell House (Queenstown) are assessed against the Aged Care Standards. 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 health services.

The Commonwealth passed legislation to introduce ten National Safety and Quality Health Service (NSQHS) Standards in January 2013 for all public hospitals and day procedure services across Australia. This meant that the next scheduled recertification audit or organisation-wide accreditation visit involved assessment using all ten NSQHS Standards.

The acute services which included North West Regional and Mersey Community Hospitals were to have their Periodic Review (PR) in December 2013. As an ACHS member organisation it was decided that this review would also include the mandatory actions within an additional five standards – EQuIPNational. As this was a Periodic Review Standards 1, 2 and 3 plus five EQuIP mandatory standards were assessed. The results achieved were outstanding with a 100 per cent pass awarded by the surveyors and included an increase in 28 ratings to 'Met with Merit', and only allocating four minor recommendations.

As a part of the four year accreditation cycle a PR was conducted for Primary Care Services in May 2014. This accreditation cycle was split into two surveys to accommodate the implementation of the National Standards for inpatient areas. The Primary Care Services had a very successful survey with very minimal recommendations awarded. The three district hospitals are to be reviewed against the National Standards in July 2014.

Community Health Services are continuing to review and develop quality improvement activities, that introduce new and standardised processes, documentation and patient information to all community based services. The Primary Care Services accreditation review in May 2014 verified the excellent results of the work towards ensuring consistency of practice for staff across THO-North West through the standardisation of HACC services.

THO-North West is now working to ensure the successful integration of the Mental Health Services, including the inpatient service located in Burnie, into THO-North West's quality framework and accreditation cycle.

The residential aged care facilities at King Island (Netherby Home) and at Queenstown (Lyell House) are reviewed by the Aged Care Standards and Accreditation Agency every three years. Preparations are underway for the major survey for Netherby Home to be conducted in December 2014, with the Lyell House survey scheduled for August 2015.

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. EQuIPNational Periodic Review completed December 2013.
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. EQuIPNational Periodic Review completed December 2013.
Primary Care Services	Fully accredited by ACHS in October 2012 for four years. Periodic Review completed May 2014.
District Hospitals	Fully accredited by ACHS in Oct 2012 for four years. Periodic Review to be conducted July 2014.
Aged Care – King Island (Netherby Home) and Queenstown (Lyell House)	Aged care accreditation completed in 2012, valid for three years. Netherby Home accreditation to be conducted December 2014. Lyell House accreditation to be conducted August 2015.
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.
Mental Health Services	Work is continuing towards a Gap Analysis to be conducted November 2014.

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.

NWRH RAW SEPARATIONS

Year	Actual
2011-12	7 743
2012-13	10 463
2013-14	11 743

The NWRH delivered 11 743 raw separations during 2013-14 which was 12 per cent above the activity level for the previous year.

NWRH ALL WEIGHTED SEPARATIONS

Year	Actual
2011-12	10 848
2012-13	12 275
2013-14	14 014

The NWRH delivered 14 014 weighted separations during 2013-14 which was 14 per cent above the activity level for the previous year.

NWRH SERVICE LEVEL AGREEMENT WEIGHTED SEPARATIONS

Year	Actual
2011-12	10 724
2012-13	11 782
2013-14	13 157

The NWRH delivered 13 157 weighted separations during 2013-14 which was 12 per cent above the target set for the year and 12 per cent above the activity level for the previous year.

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).

NWRH EMERGENCY DEPARTMENT ATTENDANCES

Year	Actual
2011-12	24 413
2012-13	24 204
2013-14	22 820

Total ED attendances for the NWRH during 2013-14 were 22 820 which was 6 per cent below the number for the previous year.

NWRH EMERGENCY DEPARTMENT PRESENTATIONS BY TRIAGE CATEGORIES

Year	Triage Category 1	Triage Category 2	Triage Category 3	Triage Category 4	Triage Category 5
2011-12	94	1 555	7 862	12 602	2 300
2012-13	91	1 726	8 230	12 343	1 814
2013-14	105	1 716	8 049	11 620	1 330

In 2013-14, as compared with the previous year, Emergency Department attendances at the NWRH by triage category increased for category 1 and decreased for categories 2, 3, 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 PATIENTS SEEN WITHIN RECOMMENDED TIMEFRAMES 2013-14

Year	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
	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	
2012-13	100%	100%	80%	87%	75%	87%	70%	85%	86%	96%	86%
2013-14	100%	100%	80%	82%	75%	89%	70%	90%	86%	98%	90%

90 per cent of all ED attendances at NWRH during 2013-14 were seen within the recommended time frames and ACEM Targets were met or exceeded for all triage categories.

NWRH SURGICAL PROCEDURES

NWRH TOTAL OPERATING THEATRE ACTIVITY

Year	Actual
2011-12	4 340
2012-13	4 236
2013-14	4 319

Total operating theatre activity at the NWRH during 2013-14 was 4 319 procedures which was 83 or 2 per cent above the number of procedures for the previous year. This includes elective surgery and emergency procedures.

NWRH ELECTIVE SURGERY PROCEDURES

Year	Actual
2011-12	1 935
2012-13	1 817
2013-14	1 814

The NWRH delivered 1 814 elective surgery procedures during 2013-14 which was less than 1 per cent below the number of procedures for the previous year.

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 2014 was 1 536 compared with 1 231 at 30 June 2013 which represents a 25 per cent increase 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.

THO-NORTH WEST ELECTIVE SURGERY WAITING LIST BY PRIORITY

Year	Urgent	Semi-urgent	Non-Urgent
2011-12	88	392	786
2012-13	48	367	816
2013-14	62	435	1 039

Category 1 (Urgent) patients on the elective surgery waiting list as at 30 June increased by 29 per cent from 48 to 62.

THO-NORTH WEST ELECTIVE SURGERY WAITING LIST BY PRIORITY

Year	Over Boundary	Under Boundary
2011-12	229	1 037
2012-13	282	952
2013-14	310	1 226

The number of patients "over boundary" has increased by 10 per cent from 282 at 30 June 2013 to 310 at 30 June 2014. 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.

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.

Year	Actual
2011-12	63 587
2012-13	57 611
2013-14	59 248

59 248 outpatient occasions of service were delivered at the NWRH during the year. This level of activity was 3 per cent higher than the activity level of the previous year.

MCH 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.

MCH RAW SEPARATIONS

Year	Actual
2011-12	9 243
2012-13	11 923
2013-14	13 469

The MCH delivered 13 469 raw separations during 2013-14 which was 13 per cent above the activity level for the previous year.

MCH ALL WEIGHTED SEPARATIONS

Year	Actual
2011-12	7 295
2012-13	8 845
2013-14	10 040

The MCH delivered 10 040 weighted separations during 2013-14 which was 14 per cent above the activity level for the previous year.

MCH SERVICE LEVEL AGREEMENT WEIGHTED SEPARATIONS

Year	Actual
2011-12	7 126
2012-13	8 650
2013-14	9 504

The MCH delivered 9 504 weighted separations during 2013-14 which was 10 per cent above the activity level for the previous year.

MCH 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).

MCH EMERGENCY DEPARTMENT ATTENDANCES

Year	Actual
2011-12	25 929
2012-13	27 321
2013-14	26 557

Total ED attendances for the MCH during 2013-14 were 26 557 which were 3 per cent below the number for the previous year.

MCH EMERGENCY DEPARTMENT PRESENTATIONS BY TRIAGE CATEGORIES

Year	Triage Category 1	Triage Category 2	Triage Category 3	Triage Category 4	Triage Category 5
2011-12	44	1 274	6 853	13 974	3 784
2012-13	76	1 593	7 856	14 680	3 116
2013-14	73	2 217	8 339	13 393	2 535

In 2013-14, as compared with the previous year, Emergency Department attendances at the MCH by triage category increased for categories 2 and 3 but 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 MCH Emergency Department among the less urgent triage categories.

MCH EMERGENCY DEPARTMENT PATIENTS SEEN WITHIN RECOMMENDED TIMEFRAMES 2013-14

Year	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
	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	ACDEM Target	Actual	
2012-13	100%	100%	80%	80%	75%	71%	70%	75%	70%	95%	77%
2013-14	100%	100%	80%	80%	75%	75%	80%	80%	80%	95%	80%

80 per cent of all ED attendances at MCH during 2013-14 were seen within the recommended time frames and ACEM Targets were met or exceeded for all triage categories.

MCH SURGICAL PROCEDURES

MCH TOTAL OPERATING THEATRE ACTIVITY

Year	Actual
2011-12	5 072
2012-13	4 979
2013-14	5 032

Total operating theatre activity at the MCH during 2013-14 was 5 032 procedures which was 53 or 1 per cent above the number of procedures for the previous year. This includes elective surgery and emergency procedures.

MCH ELECTIVE SURGERY PROCEDURES

Year	Actual
2011-12	1 904
2012-13	2 011
2013-14	2 044

2 044 Elective Surgery procedures were undertaken at the MCH during 2013-14, 2 per cent or 33 more than the previous year.

MCH OUTPATIENT SERVICES

Year	Actual
2011-12	47 929
2012-13	45 793
2013-14	39 353

39 353 outpatient occasions of service were delivered at the MCH during the year. This level of activity was 14 per cent lower than the activity level of the previous year.

DISTRICT HOSPITALS

ADMISSIONS

Total admissions to the region's three district hospitals during 2013-14 were 1 046:

- 536 to SDH (1 per cent higher than the previous year);
- 278 to KIHHC (16 per cent higher than the previous year); and
- 232 to WCDH (12 per cent lower than the previous year).

Year	Smithton District Hospital	King Island Hospital and Health Centre	West Coast District Hospital
2011-12	589	301	250
2012-13	533	239	264
2013-14	536	278	232

ACUTE OCCUPANCY RATES

Total acute occupancy rates across the region's three district hospitals during 2013-14 were:

- 38 per cent to SDH (3 per cent higher than the previous year);
- 32 per cent to KIHHC (9 per cent lower than the previous year); and
- 34 per cent to WCDH (6 per cent lower than the previous year).

Year	Smithton District Hospital	King Island Hospital and Health Centre	West Coast District Hospital
2011-12	34%	31%	36%
2012-13	37%	35%	36%
2013-14	38%	32%	34%

AGED CARE

KIHHC has 14 aged care beds. The average occupancy rate for these beds increased from 72 per cent in 2012-13 to 86 per cent in 2013-14.

WCDH has 16 aged care beds. The average occupancy rate for these beds increased from 79 per cent in 2012-13 to 92 per cent in 2013-14.

Year	King Island Aged Care	West Coast Aged Care
2011-12	86%	94%
2012-13	72%	79%
2013-14	86%	92%

DISTRICT HOSPITAL OUTPATIENT AND UNPLANNED OCCASIONS OF SERVICE

Year	Smithton District Hospital*	King Island Hospital and Health Centre*	West Coast District Hospital*
2011-12	2 684	1 223	3 955
2012-13	3 676	1 195	3 833
2013-14	4 357	1 279	3 359

*Unplanned Occasions of Service occur when a patient presents to a facility without prior notice and the facility does not operate an Emergency Departments as defined by the Commonwealth.

MENTAL HEALTH SERVICES

Description	Unit of Measure	2012-13	2013-14
Inpatient Separations	Number	375	412
Average length of acute inpatient stay	Days	13.8	13.3
28-Day Unplanned Readmission Rate	%	29.4	15.25
Total number of clients treated by service		1 702	1 704
Seclusion rates	Per 1 000 bed days	8.74	8.43
Post-discharge community care	%	*	74.9

*Due to change in reporting systems cannot give accurate data for 2012-13.

STRATEGIC DIRECTIONS

In delivering services to meet the needs of the North West Tasmanian 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	
1. NEEDS BASED SERVICE PROVISION **Provide safe, quality, sustainable and appropriate health services relevant to the needs of the North West population.**	
2. COMMUNITY ENGAGEMENT **Engage, involve and integrate consumers in the planning and provision of health services.**	
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.**	
4. WORKFORCE **Recruit, retain and support a skilled workforce which meets the needs of the organisation.**	

Strategic Approach

- 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 accommodate unplanned admissions.
- Integrate North West Mental Health Service 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 Health Care 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).

- Develop and implement a comprehensive community and consumer engagement strategy, building on existing mechanisms such as the Community Engagement Reference Group (CERG).
- Investigate opportunities for greater "visibility" of THO-North West to the community.
- Increase the awareness and profile of the THO-North West Governing Council.
- 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.

- 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 DHHS 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.

- Develop a 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.

Installation of new meal ordering system CHEFMAX.

Objective

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.

6. PERFORMANCE

Achieve activity levels and priorities set out in service agreements within our allocated budget.

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.

Strategic Approach

- 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 Emergency Department (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).

- 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 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 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.

- Work with our partners in contributing to a statewide plan to improve health literacy among health care consumers.
- Work with the DHHS and TML in supporting initiatives aimed at reducing smoking rates and unsafe alcohol consumption, increasing physical activity and healthy eating.

PART 2 – REGULATORY INFORMATION

PERFORMANCE AGAINST 2013-14 SERVICE AGREEMENT

In accordance with Section 44 of the *Tasmanian Health Organisations Act 2011* a Service Agreement between the Minister for Health and the THO-North West Governing Council clearly sets out the service delivery and performance expectations for the funding provided to THO-North West for the 2013-14 financial year. As such, the Service Agreement is the key accountability agreement between the Minister for Health and the THO.

The 2013-14 Service Agreement for THO-North West consisted of six (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 MCH.
- C. An outline of the quality and service standards against which THO performance would be monitored and assessed.
- D. Reconciliation between the THO-North West 2013-14 accrual budget allocation to funding model, and application of funds to funding model streams.
- 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 2013-14.
- F. Detail on the National Partnership Agreement on Improving Health Services in Tasmania (NPA-IHST) as it relates to the 2013-14 Service Agreement.

The following tables provide an overview of THO-North West's performance against the Quality and Service 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 20 of the total 38 Standards set in the 2013-14 Service Agreement.

Budget Management	Standard	Performance	Standard Achieved
Net Cash from Operating activities	$0 Variation	+ $4.9m[+]	✗
Net Operating Balance		$11.8m[++]	✗
Comprehensive Result		$10.7m*	✗

[+]Additional funding of $6.8m was provided to offset additional activity undertaken by the THO and to ensure that the THO did not overspend its operating account. Before applying additional funding, net cash from operations would have been -$2.7m.

[++]Capital Grant Revenue of $13.9m has been allocated to THO-North West to allow it to purchase completed building projects from DHHS. As the other side of this is Fixed Assets, this has also inflated the operating balance. Excluding this would give a net operating balance of $2.1m deficit, and a comprehensive result of $3.2m deficit.

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

NWRH

Safety and Quality*	Standard	Performance	Standard Achieved
Hand Hygiene Compliance	70%	74.7%	✓
Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate	2.0 per 10 000 bed days	Rate 0.0	✓
Healthcare associated clostridium difficile infection rate	4.0 per 10 000 bed days	Rate 4.8%	✗

*Data for infection rates is for 2012-13 as 2013-14 data is not yet available.

MCH

Safety and Quality*	Standard	Performance	Standard Achieved
Hand Hygiene Compliance	70%	79.8%	✓
Healthcare associated staphylococcus aureus (including MRSA) bacteraemia infection rate	2.0 per 10 000 bed days	Rate 0.0	✓
Healthcare associated clostridium difficile infection rate	4.0 per 10 000 bed days	Rate 5.9%	✗

*Data for infection rates is for 2012-13 as 2013-14 data is not yet available.

Activity	Standard / Volume	Performance	Standard Achieved	Variance
Weighted Hospital Separations				
North West Regional Hospital*	11 575	13 157	Exceeded	1 582
Mersey Community Hospital*	8 155	9 504	Exceeded	1 349
Contracted Patients – Maternity**	N/A	542	N/A	N/A
Emergency Department (Occasions of Service)				
North West Regional Hospital	N/A	22 820		
Mersey Community Hospital	N/A	26 557		
Outpatients (Occasions of Service)				
North West Regional Hospital	N/A	49 012		
Mersey Community Hospital	N/A	39 305		
Activity – Elective Surgery Admissions* **				
Quarter 1 (July – September 2013)				
North West Regional Hospital		464		
Mersey Community Hospital		584		
THO-North West Combined	958	1 048	✓	90
Quarter 2 (October – December 2013)				
North West Regional Hospital		431		
Mersey Community Hospital		508		
THO-North West Combined	858	939	✓	81
Quarter 3 (January – March 2014)				
North West Regional Hospital		420		
Mersey Community Hospital		527		
THO-North West Combined	865	947	✓	82
Quarter 4 (April – June 2014)				
North West Regional Hospital		461		
Mersey Community Hospital		544		
THO-North West Combined	919	1 005	✓	86
Total Elective Surgery Admissions 2013-14				
North West Regional Hospital		1 776		
Mersey Community Hospital		2 163		
THO-North West Combined	3 600	3 939	✓	339

*Volumes have exceeded Service Agreement targets by more than the 3% tolerance.

**Contracted maternity patient activity started to be recorded within the data recording system iPM on 28 February 2014.

***Only regular list.

Emergency Department ACCESS	Standard	Performance	Standard Achieved
Percentage of patients who have physically left the ED within 4 hours			
North West Regional Hospital	78%	77%	✗
Mersey Community Hospital	78%	78%	✓
Percentage of all ED presentations seen within recommended triage time			
North West Regional Hospital	80%	86.5%	✓
Mersey Community Hospital	80%	79%	✗
Percentage of ED "did not wait" presentations			
North West Regional Hospital	5%	1%	✓
Mersey Community Hospital	5%	2%	✓
Incidence of ambulance presentations to ED experiencing offload delay			
North West Regional Hospital	10%	0.1%	✓
Mersey Community Hospital	10%	0.1%	✓
Total time (hours) spent by ambulance presentations in offload delay			
North West Regional Hospital	N/A	0.53	✓
Mersey Community Hospital	N/A	2.42	✓

Elective Surgery ACCESS	Standard	Performance	Standard Achieved
Percentage of patients seen within the clinically recommended time			
Category 1			
North West Regional Hospital	98.6%	80.5%	✗
Mersey Community Hospital	98.6%	92.2%	✗
Category 2			
North West Regional Hospital	76%	63.4%	✗
Mersey Community Hospital	76%	85.8%	✓
Category 3			
North West Regional Hospital	86%	85%	✗
Mersey Community Hospital	86%	81.1%	✗
Elective Surgery Access – Average Overdue Wait Time*			
Category 1			
North West Regional Hospital	30	38.7	✗
Mersey Community Hospital	30	38.3	✗
Category 2			
North West Regional Hospital	90	190.5	✗
Mersey Community Hospital	90	139.4	✗
Category 3			
North West Regional Hospital	365	516.8	✗
Mersey Community Hospital	365	411.8	✗

*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;
- meet the needs of clients 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 2013-14 the DHHS had a budget for the following construction of facilities and equipment acquisitions:

Funding	DHHS $'000
Special Capital Investment Fund*	20 796
Capital Investment Program (CIP)*	45 316
Essential Maintenance Program	2 131
Royal Hobart Hospital Redevelopment (SCIF and CIP funded)	40 601

*Excludes the Royal Hobart Hospital Redevelopment.

ASSET PLANNING

The 2012-17 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 2012-17 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 THO-North West SAMP is a continuing strategic priority during 2014-15. The THO-North West SAMP focuses on facilities that THO-North West operationally manage and have responsibility for.

MAJOR CAPITAL WORKS PROGRAM 2013-14

Completed Major Capital Works during 2013-14 (those for which project funds are fully expended) include the following works for THO-North West.

Funding	Total Cost $'000
King Island Hospital and Health Centre Upgrade*	6 060
North West Regional Hospital – Car Park	5 500
Rural Inter-professional Clinical Education and Training Centres (statewide)*	4 450
North West Regional Hospital Acute Medical Unit	2 954

*Trail invoices may still be outstanding, however works are practically complete.

MAJOR CAPITAL WORKS PROGRAM – ONGOING 2013-14

Ongoing Major Capital Works 2013-14 include the following works relevant to THO-North West.

Ongoing Major Capital Works in 2013-14	2013-14 Expenditure $'000	Estimated Total Cost $'000	Estimated Cost to complete $'000	Estimated Completion Year
Essential Maintenance	181	N/A	N/A	Ongoing
Hospital Equipment Fund (statewide)	1 478	25 000	2 888	2015
Minor Capital Works Refurb Program (Rural Works – statewide)	572	600	28	2015
North West Regional Cancer Centre	5 132	31 675	24 806	2016
Mersey Fire Rectification Works	244	2 669	2 425	2015
Mersey Oncology Redevelopment	96	439	342	2015
National Health and Hospitals Network – Capital – Emergency Department – North West Regional Hospital	1 601	4 110	2 374	2014
North West Regional Hospital – Rehabilitation Unit	2 983	3 000	17	2014

ACQUISITIONS RELEVANT TO THO-NORTH WEST

There were no acquisitions relevant to THO-North West in 2013-14.

DISPOSALS RELEVANT TO THO-NORTH WEST

The WCDH at Queenstown continues to be listed for sale. Proceeds of sale will be reinvested into the DHHS and THO real estate asset portfolio.

ASSET SUSTAINABILITY

LEASED ACCOMMODATION

In 2013-14 THO-North West ceased to lease two office accommodations in Burnie. Another office space is being leased on a month by month basis whilst new accommodation is sourced.

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.

TRANSPORT

At 30 June 2014, THO-North West operated 143 leased light vehicles comprising 42 executive and 101 operational vehicles. This is an increase of six leased (all operational) vehicles from the previous year. The total cost of leased vehicles increased by $157 000 (excluding GST) to $1 428 000 (excluding GST) in 2013-14.

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

THO-North West operates within a comprehensive risk management framework based on Australian Standard 31000 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-North West's Governing Council through the Audit, Risk, Safety and Quality Sub-Committee (ARSQSC) and to Internal Audit.

The ARSQSC of the Governing Council 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 corporate audit cycle has been developed and agreed in consultation with Internal Audit through which a number of priority risks have been identified by the Governing Council for further investigation either on a routine basis or seeking improvement recommendations from Internal Audit.

Any recommendations made by Internal Audit are reviewed by the Governing Council 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:

- Risk Management Plan
  - Risks identified and recorded in risk register
  - Responsible person and committee is allocated and provide oversight
  - Responsible person monitors progress and actions accordingly
  - Periodic review is provided by the allocated committee.
- Risk Register
- Governing Council Audit, Risk, Safety and Quality Sub-Committee
- Safety Reporting and Learning System (SRLS) – Risk register will transfer to SRLS during 2014. Framework will be reviewed/modified to accommodate this change
  - Clinical risk
  - Corporate risk
  - Occupational risk
  - Complaints and compliments
  - 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 be monitored at a government level through the ARSQSC.

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

At the commencement of this planning period, THO-North West's financial and operational risks have been identified and mitigation strategies have been developed and will be implemented over the planning period.

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 2013-14, the THO-North West made the following contributions to the Fund and lodged the following claims:

Risk by Class	Excess Period $ (excl GST)	Contributions $ (excl GST)	Number of Claims	Incurred cost of Claims $ (excl GST)
Personal injury				
Workers' Compensation	26 weeks			
Personal Accident	50	1 170 713	62	1 464 065
Asbestos Levy		46 829		
Property				
General Property	14 000	126 936	0	0
Motor Vehicles – Fleet Vehicles	500/1 000	37 545	23	56 955
Motor Vehicles – Miscellaneous	500			
Liability				
General Liability	10 000	26 565	0	0
Medical Liability	50 000	1 772 952	4	1 181 000
Miscellaneous				
Government Contingency		1 546		
Travel plus stamp duty		1 432		
Total		**3 184 518**		**2 702 020**

CLIMATE CHANGE

THE EMISSIONS REDUCTION STRATEGY

The Agency (DHHS) and THO-North West remain 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.

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.

AUDITING OF GREENHOUSE GAS EMISSIONS

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

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.

Greenhouse gas emissions for THO-North West during 2013-14 amounted to 3 737 tonnes of carbon.

THO-North West	Current Position 2013-14		Previous Position 2012-13	
Activity	Volume	tCO_{2-e}	Volume	tCO_{2-e}
Electricity	12.42 GWh	2 859	12.46 GWh	4 217
Natural Gas	3,064 GJ	157	1,454 GJ	80
Unleaded Petrol	172 kL	409	237 kL	608
Diesel Fuel	60 kL	163	60 kL	175
Air Travel	0.9M km	149	0.7M Km	113
Total		**3 737**		**5 193**

REDUCING GREENHOUSE GAS EMISSIONS

The Agency continues to dedicate its resources toward reducing electricity consumption as a priority emissions reduction action. The Agency continues to require ecologically sustainable design 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.

RIGHT TO INFORMATION

PUBLIC AUTHORITY DETAILS

Section A: Number of Applications	
1. Number of applications for assessed disclosure received.	7
2. Number of applications for assessed disclosure accepted.	7
3. Number of applications for assessed disclosure transferred or part transferred to another public authority.	0
4. Number of applications withdrawn by the applicant.	0
5. Number of applications for assessed disclosure determined.	6

Section B: Outcome of Applications	
1. Number of determinations where the information applied for was provided in full.	5
2. Number of determinations where the information applied for was provided in part with the balance refused or claimed as exempt.	1
3. Number of determinations where all the information applied for was refused or claimed as exempt.	0
4. Number of applications where the information applied for was not in the possession of the public authority or Minister.	0
5. Number of applications where the information was not released as it was subject to an external party review under section 44.	0

Section C: Exemptions		
Number of times where the following sections were invoked as reasons for exempting information from disclosure		
s.25	Executive Council Information	0
s.26	Cabinet Information	0
s.27	Internal briefing information of a Minister	0
s.28	Information not relating to official business	0
s.29	Information affecting national or state security, defence or international relations	0
s.30	Information relating to the enforcement of the law	0
s.31	Legal professional privilege	0
s.32	Information relating to closed meetings of council	0
s.34	Information communicated by other jurisdictions	0
s.35	Internal deliberative information	0
s.36	Personal information of a person other than the applicant	1
s.37	Information relating to the business affairs of a third party	0
s.38	Information relating to the business affairs of a public authority	0
s.39	Information obtained in confidence	0
s.40	Information on procedures and criteria used in certain negotiations of public authority	0
s.41	Information likely to affect the State economy	0
s.42	Information likely to affect cultural, heritage and natural resources of the State	0

Section D: Reasons for Refusal		
Number of times where the following sections were invoked as reasons for refusing or deferring an application for assessed disclosure		
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).	0
s.9, s.12	Refusal where information is otherwise available or will become otherwise available in the next 12 months.	0
s.10, s.19	Refusal where resources of public authority unreasonably diverted.	0
s.20	Refusal where application repeated; or Vexatious; or Lacking in definition after negotiation.	0

Section E: Time to Make Decisions	
1. 1 – 20 working days of the application being accepted.	1
2. More than 20 working days of the application being accepted.	3
3. Number of requests which took more than 20 working days to decide that involved an extension negotiated under s.15(4)(a).	2
4. 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).	0
5. Number of requests which took more than 20 working days to decide that involved consultation with a third party under s.15(5).	0

Section F: Reviews	
Internal Reviews	
Number of internal reviews were requested in this financial year.	0
Number of internal reviews were determined in this financial year.	0
Number where the original decision upheld in full.	0
Number where the original decision upheld in part.	0
Number where the original decision reversed in full.	0
External Reviews (reviews by the Ombudsman)	
Number of external reviews were requested in this financial year.	0
Number of external reviews were determined in this financial year.	0
Number where the original decision upheld in full.	0
Number where the original decision upheld in part.	0
Number where the original decision reversed in full.	0

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 2013-14 THO-North West was cited in an Integrity Commission report tabled in Parliament, entitled 'Report No. 1 of 2014 *An investigation into allegations of nepotism and conflict of interest by senior health managers*'.

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*

SUPERANNUATION DECLARATION

I, Graeme Houghton, Chair, Tasmanian Health Organisation – North West, hereby certify that the Tasmanian Health Organisation has met its obligations under the *Superannuation Guarantee (Administration) Act 1992* in respect of any employee who is a member of a complying superannuation scheme to which the Tasmanian Health Organisation – North West contributes.

Graeme Houghton
Chair, Tasmanian Health Organisations

WORKPLACE HEALTH AND SAFETY

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

The *Work Health and Safety (WHS) Act 2012* came into effect in Tasmania on 1 January 2013. The law contains 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. The THO-North West WHS Unit have provided education and training in regard to the legislative changes. Development of a training plan will ensure the legislative requirements continue to be met.

During 2013-14 WHS responsibilities and liabilities were transferred from DHHS to the individual THOs. The result is WHS responsibilities of THOs and individuals working within the organisations have increased significantly.

THO-North West received a total of 114 workers' compensation claims during 2013-14. The major areas of injury were as a result of aggressive behaviour (seven claims) and body stress through manual handling 46 claims. The cost of all claim payments for THO-North West for 2013-14 was $1 464 065.23.

There has been extensive auditing of safety management systems of all contractors undertaking capital works on any THO-North West site. WHS have been a key player in ensuring the safety of workers, patients and visitors throughout the region with numerous projects undertaken at one time.

THO-NORTH WEST WORKPLACE HEALTH AND SAFETY INCIDENTS 2013-14 BY TOP 10 LOCATIONS

Workplace Health and Safety Incidents by Top 10 Location	Number
NWRH – Emergency Department	64
Primary Health Services – Aged Care	58
NWRH – Medical Ward	43
Primary Health Services – Community Health	43
NWRH – ICU	32
Rural Acute Care (KIDH, WCDH, SDH)	28
MCH – Emergency Department	27
NWRH – Surgery	26
NWRH – Paediatrics	24
NWRH – Support Services	16

Workplace Health and Safety Incidents by Top Incident Types	Number
Behaviour/Aggression	228
Body stress	95
Security/Safety of organisations property, data and buildings	69
Slips/Trips/Falls	61
Workplace Stress	53
Connected with/Being hit by Object	51
Environment	48
Occupational Exposures	36
Heat/Light/Sound/Radiation	19

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. See Table 1 for a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of $50 000 or over (excluding GST). Table 2 provides detailed information on contracts with a value of $50 000 or over (excluding GST).

TABLE 1

Summary of Participation by Local Business (for contracts, tenders and/or quotation processes with a value of $50 000 or over, ex GST)	
Total number of contracts awarded	3
Total number of contracts awarded to Tasmanian suppliers	2
Value of contracts awarded	$758 334
Value of contracts awarded to Tasmanian suppliers	$696 847
Total number of tenders called and/or quotation processes run	3
Total number of bids and/or written quotations received	7
Total number of bids and/or written quotations received from Tasmanian businesses	4

TABLE 2

Contracts with a value of $50 000 or over (ex GST) and excluding consultancy contracts				
Name of Contractor	**Location**	**Description of Contract**	**Period of Contract**	**Total Value of Contract $**
Baptcare Ltd	TAS	Provision of Flexible Community Packages for Transition Care Program	11/04/2014 – 30/06/2015 Option to extend 01/07/2015 – 30/06/2016	$552 079 $414 059
IBIS No.3 Pty Ltd	TAS	Provision of Flexible Residential Packages for Transition Care Program	11/06/2014 – 30/06/2015 Option to extend 01/07/2015 – 30/06/2016	$144 768 $144 768
Philips Healthcare Pty Ltd	NSW	NWRH – Recovery Room Monitors for Operating Theatre	08/11/2013 – *	$61 487

*Indicates a one-off purchase.

^In accordance with Treasurer's Instruction 1111, the period of a contract for reporting purposes includes any option to extend. Where applicable, the principal period of the contract is identified as well as any option to extend; this does not signify that the option will be exercised by THO-North West.

TABLE 3

Contracts awarded as a result of a direct/limited submission sourcing process and approved in accordance with Treasurer's Instruction 1114 or 1217 (ex GST)			
Name of Supplier	**Description of Contract**	**Reasons for Approval**	**Total Value of Contract $**
Regional Imaging Pty Ltd	Provision of radiology and medical imaging services	Evidenced appropriate compliance with the Government's procurement principles in relation to value for money and the enhancement of opportunities for local suppliers	$30.2m
Sonic Healthcare Ltd	Provision of pathology services	Evidenced appropriate compliance with the Government's procurement principles in relation to value for money and the enhancement of opportunities for local suppliers	$6.0m

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 2013-14 there were no new ministerial directions received by THO-North West and no performance escalation applied by THO-North West.

LEGISLATION

Legislation Governing the Operations to THO-North West
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 2013
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 State Service) Industrial Agreement 2014

Medical Practitioners
Medical Practitioners (Public Sector) Award
Rural Medical Practitioners (Public Sector) Agreement 2011-14
Salaried Medical Practitioners (Australian Medical Association Tasmania/DHHS) Agreement 2009

Nurses
Caseload Midwifery Industrial Agreement 2012
Nurses and Midwives (Tasmanian State Service) Award 2013
Nurses and Midwives Tasmanian State Service Interim Agreement 2013
Nurses and Midwives Heads of Agreement 2010

Visiting Medical Practitioners
Tasmanian Visiting Medical Practitioners (Public Sector) Agreement 2013

Other Awards and Agreements Not Covered Above
Health and Human Services (Tasmanian State Service) Award

Senior Executive Service
Tasmanian State Service Award

PUBLICATIONS

Author, Unit or Area	Year	Title	Publication
Beattie, T and Emin M	2013	State reports – Tasmania	Journal of Stomal Therapy Australia December 2013; Vol 33 (4)
Buist M	2013	Patient safety 2012: reporting in from the bedside of a regional Australian hospital	Aust J Rural Health 2013: 21(5): 293-4
Buist M, Easther R	2013	Mill's canons, neuro-muscular blockade (NMB), therapeutic hypothermia (TH), and outcomes from out of hospital cardiac arrest (OHCA)	Resuscitation 2013; 84(12): 1648-9
Buist M, Jaffray L, Bell E, et al	2014	Utilization of beds on the general medical unit by "non-acute medical" patients: A retrospective study of incidence and cost in two Tasmanian regional medical hospital units	Intern Med J 2014; 44 (2); 171-7
Buist M, Middleton S	2013	What went wrong with the quality and safety agenda? An essay by Michael Buist and Sarah Middleton	BMJ 30 Sept 2013; 347: f5800
Buist M, Twigg S	2014	Rural Tasmania MS MSOAP Ante/Post Natal Physiotherapy services	Resuscitation 2014; 85(2): 155-6
Bullock, P and Lee, A	2013	Volunteering at King Island Hospital & Health Centre and Netherby Home	Women and Birth Oct 2013 vol 26 supp 1 p.s23 – Aust College of midwives 18th Biennial Conf. Wrest Point Tasmania 30 Sept – 3 Oct 2013
Dodd, A	2013	Ann Dodd, Winston Churchill Fellowship recipient: working with people living with Parkinson's disease and related disorders	Infusion: The Tasmanian nursing magazine for ANMF Members October 2013 p 8
Doig GS, Simpson F, Sweetman EA, Finfer SR, Cooper DJ, Heighes PT, Davies AR, O'Leary M, Solano T, Peake S; Early PN Investigators of the ANZICS Clinical Trials Group (Buist M).	2013	Early parenteral nutrition in critically ill patients with short-term relative contraindications to early enteral nutrition: a randomized controlled trial	JAMA 2013; 309(20): 2130-8
Grimmer K, Lizarondo, I, Kumar S, Bell E, Buist M, Weinstein P	2014	An evidence-based framework to measure quality of allied health care	Health Res Policy Syst 2014; 12:10
Krishnamurthy Chikkaveerappa, Jonatha Smout, James RH scurr, Susan J Benbow	2014	Critical limb ischaemia: an update for the generalist	Practical Diabetes, Volume 31, Issue 1, pages 32–36a, January/ February 2014
Liu YI, Fletcher S, Li L	2013	Elderly patients with hip fracture are treated promptly in a Tasmanian rural hospital	Australian Journal of Rural Health. 2013 Apr;21(2):130-1
Middleton S, Buist M.	2014	An analysis of the coronial legislation in the Australian jurisdictions	Melbourne Law Review 2014; 37 (3): 699-735
Murfet, Giuliana O.; Allen, Penny; Hingston, Tania J.	2014	Maternal and neonatal health outcomes following the implementation of an innovative model of nurse practitioner-led care for diabetes in pregnancy	Journal of Advanced Nursing, 2014 May; 70 (5): 1150-63
Staff, L	2013	Drawing Birth	Women and Birth Oct 2013 vol 26 supp 1 p.49 – Aust College of midwives 18th Biennial Conf. Wrest Point Tasmania 30 Sept – 3 Oct 2013
Subramaniam, S; Thorns, A; Thirukkumaran, T and Osborne T R.	2013	Accuracy of prognosis prediction by PPI in hospice inpatients with cancer: a multi-centre prospective study	BMJ Supportive & Palliative Carespcare.bmj.com BMJ Supportive & Palliative Care 2013;3:3 324-329 pub online 18 April 2013
Taylor, J	2014	Mentoring in nursing: an invaluable exchange	Australian Nursing & Midwifery Journal April 2014; vol 21 (9)
THO-North West	2013	Annual Report 2012-2013	Required under section 53 of the *Tasmanian Health Organisation Act 2011*

PART 3 – FINANCIAL STATEMENTS

STATEMENT OF CERTIFICATION

The accompanying Financial Statements of Tasmanian Health Organisation-North West 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 *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2014 and the financial position as at 30 June 2014.

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.

Graeme Houghton
Chair, Tasmanian Health Organisations
13 August 2014

Karen Linegar
Acting Chief Executive Officer
13 August 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 Budget $'000	2014 Actual $'000	2013 Actual $'000
Continuing operations				
Revenue and other income from transactions				
Grants – Recurrent	1.6(b), 7.1	204 910	221 854	204 433
Grants – Capital	1.6(b), 7.1	0	13 962	331
Sales of goods and services	1.6(c), 7.2	14 227	21 786	16 005
Interest	1.6(d)	0	14	32
Other revenue	1.6(f), 7.3	14 219	5 809	6 154
Total revenue and other income from transactions		**233 356**	**263 425**	**226 955**
Expenses from transactions				
Employee benefits	1.7(a), 8.1	153 724	161 891	145 076
Depreciation and amortisation	1.7(b), 8.2	4 026	3 890	3 203
Supplies and consumables	8.3	76 184	81 203	74 548
Grants and subsidies	1.7(c), 8.4	60	1 349	0
Other expenses	1.7(e), 8.5	2 040	3 250	4 996
Total expenses from transactions		**236 034**	**251 583**	**227 823**
Net result from transactions (net operating balance)		**(2 678)**	**11 842**	**(868)**
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	1.8(a)(c), 9.1(d)(f)	0	(1 392)	(1 314)
Net gain/(loss) on financial instruments and statutory receivables/payables	1.9(b), 9.2, 4.1(f)	0	207	(1 083)
Total other economic flows included in net result		**0**	**(1 185)**	**(2 397)**
Net result from continuing operations		**(2 678)**	**10 657**	**(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	4 221	(5)	1 054
Total other comprehensive income		**4 221**	**(5)**	**1 054**
Comprehensive result		**1 543**	**10 652**	**(2 211)**

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

Budget information refers to original budget estimates reflected in the 2013-14 Budget Papers and 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 2014

	Notes	2014 Budget $'000	2014 Actual $'000	2013 Actual $'000
Assets				
Financial assets				
Cash and deposits	1.9(a), 14.1	4 297	5 842	5 042
Receivables	1.9(b), 10.1	2 720	3 316	1 972
Other financial assets	1.9(c), 10.2	241	4 455	1 491
Non-financial assets				
Inventories	1.9(d), 10.3	1 363	1 562	1 485
Assets held for sale	1.9(e), 10.4	0	95	0
Property, plant and equipment	1.9(f), 10.5	86 796	96 270	83 074
Intangibles	1.9(g), 10.6	1 883	2 910	2 671
Other assets	1.9(h), 10.7	153	334	188
Total assets		**97 453**	**114 784**	**95 923**
Liabilities				
Payables	1.10(a), 11.1	7 042	14 434	8 250
Employee benefits	1.10(c), 11.2	24 996	30 112	27 044
Other liabilities	1.10(e), 11.3	2 606	949	573
Total liabilities		**34 644**	**45 495**	**35 867**
Net assets		**62 809**	**69 289**	**60 056**
Equity				
Contributed capital	13.1	59 697	60 848	62 267
Reserves	13.2	8 614	1 049	1 054
Accumulated funds		(5 502)	7 392	(3 265)
Total equity		**62 809**	**69 289**	**60 056**

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

Budget information refers to original budget estimates reflected in the 2013-14 Budget Papers and 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 2014

	Notes	2014 Budget $'000	2014 Actual $'000	2013 Actual $'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Grants		204 910	221 854	204 433
Sales of goods and services		14 159	18 731	11 763
GST receipts		0	7 954	11 454
Interest received		0	14	32
Other cash receipts		14 204	5 809	6 153
Total cash inflows		**233 273**	**254 362**	**233 835**
Cash outflows				
Employee benefits		(152 559)	(160 460)	(141 582)
GST payments		0	(7 555)	(11 445)
Grants and transfer payments		(60)	(1 349)	0
Supplies and consumables		(76 037)	(76 792)	(72 393)
Other cash payments		(2 039)	(3 272)	(5 175)
Total cash outflows		**(230 695)**	**(249 428)**	**(230 595)**
Net cash from (used by) operating activities	14.2	**2 578**	**4 934**	**3 240**
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		0	5	2
Total cash inflows		0	5	2
Cash outflows				
Payment for acquisition of non-financial assets		(2 578)	(4 178)	(1 482)
Total cash outflows		**(2 578)**	**(4 178)**	**(1 482)**
Net cash from (used by) investing activities		**(2 578)**	**(4 173)**	**(1 480)**
Net increase (decrease) in cash and cash equivalents held		**0**	**761**	**1 760**
Cash and deposits at the beginning of the reporting period		**4 297**	**5 042**	**0**
Cash transferred in due to restructure	1.5	**0**	**39**	**3 282**
Cash and deposits at the end of the reporting period	14.1	**4 297**	**5 842**	**5 042**

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

Budget information refers to original budget estimates reflected in the 2013-14 Budget Papers and 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 2014

	Notes	Contrib Equity $'000	Reserves $'000	Accum Funds $'000	Total Equity $'000
Balance as at 1 July 2013		**62 267**	**1 054**	**(3 265)**	**60 056**
Net Result		0	0	10 657	10 657
Other Comprehensive Income		0	(5)	0	(5)
Total comprehensive result		**0**	**(5)**	**10 657**	**10 652**
Transactions with owners in their capacity as owners:					
Administrative restructure – net assets received	1.5	(1 419)	0	0	(1 419)
Balance as at 30 June 2014		**60 848**	**1 049**	**7 392**	**69 289**

	Notes	Contrib Equity $'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	1.5	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 2014

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.

Under National Health Reform, the majority of funding previously provided by the Australian Government under the Health Specific Purpose Payment (SPP) is now provided directly to THO-North West via the National Health Funding Pool. In 2011-12, this funding was paid to the Department of Health and Human Services by way of a recurrent appropriation. From 2012-13, this funding flowed as grants to THO-North West. Also, under new administrative arrangements in place for 2012-13, funding due to THO-North West 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 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 THO-North West's Service Agreement and within the budget provided in the Service Agreement.

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, Tasmanian Health Organisations and Acting Chief Executive Officer on 13 August 2014.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Department 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 THO-North West, in its present form, undertaking its current activities, is dependent on Government policy and continuing funding by the Department of Health and Human Services for THO-North West's administration and activities. Refer to note 5 for further details.

1.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

1.4 CHANGES IN ACCOUNTING POLICIES

(a) Impact of new and revised Accounting Standards

In the current year, THO-North West has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 13 *Fair Value Measurement* (AASB 2011 – 8 *Amendments to Australian Accounting Standards arising from AASB 13*) – This standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 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 THO-North West's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value.

  THO-North West has reviewed 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 ensure those methodologies comply with AASB 13. There is no financial impact.

  However AASB 13 requires increased disclosures 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 THO-North West, the disclosures are significantly greater.

  AASB 2011-8 replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as a result of AASB 13.

- AASB 119 *Employee Benefits* (2011-10 *Amendments to Australian Accounting Standards – arising from AASB 119*) – This Standard supersedes AASB 119 *Employee Benefits,* introducing a number of changes to accounting treatments. The Standard was issued in September 2013. There is no financial impact.

- 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]* – This Standard makes amendments to AASB 7 and AASB 132 as a consequence of the issuance of amendments to IFRS 7 by the International Accounting Standards Board in December 2011. It is anticipated that there will not be any financial impact.

- 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 makes amendments to various standards as a consequence of the issuance of International Financial Reporting Standard Mandatory Effective Date and Transaction Disclosures (Amendments to IFRS 9 and IFRS 7) by the International Accounting Standards Board in December 2011. It is anticipated that there will not be any financial impact.

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

The following applicable Standards have been issued by the AASB and are yet to be applied:

- AASB 9 *Financial Instruments* – This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement,* introducing a number of changes to accounting treatments. The Standard was reissued in December 2010, and is available from 1 January 2017 for application by not-for-profit entities. THO-North West has determined that there will be no 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 2013-5 *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.

(c) Voluntary changes in accounting policy

THO-North West has not adopted any new accounting policies during the financial year ended 30 June 2014.

1.5 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.

On 1 July 2013, Statewide and Mental Health Services transferred from the Department of Health and Human Services to the respective THOs. Under the changes, Mental Health Services (North, North West and South) transferred to the respective THOs, while statewide Forensic Health and Alcohol and Drug Services are provided through THO South. A new central Mental Health/Alcohol and Drug Services unit now operates within the Department of Health and Human Services with statewide responsibilities including strategic policy, national reform and the Office of the Chief Psychiatrist.

The transfer of assets, liabilities and staff took place on 1 July 2013. These are detailed in the Statement of Changes in Equity under the heading Administrative restructure, and are detailed in the following Balance Sheet.

	Notes	Reported in 2012-13 Financial Statements $'000	Transfer to THO-North West $'000	Variance $'000
Assets				
Financial assets				
Cash and deposits	(a)	194	39	(155)
Receivables	(b)	10	41	31
Non-financial assets				
Property, plant and equipment	10.5(b)	681	682	(1)
Total assets		**885**	**762**	**(125)**
Liabilities				
Payables		213	212	(1)
Employee benefits		1 907	1 907	0
Other liabilities		**62**	**62**	**0**
Total liabilities		**2 182**	**2 181**	**(1)**
Net assets transferred		**(1 297)**	**(1 419)**	**(124)**

(a) Original estimates were based on consolidated cash balances, and did not take into consideration balances that could not be carried forward.

(b) Relates to GST assets. Mental Health GST receivables had not been included in original estimates.

1.6 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 THO-North West via the National Health Funding Pool. In 2011-12, this funding was paid to the Department of Health and Human Services by way of a recurrent appropriation. From 2012-13, this funding flowed as grants to THO-North West. Also, under new administrative arrangements in place for 2012-13, funding due to THO-North West 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 THO-North West 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 THO-North West.

(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 THO-North West, 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 THO-North West obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to THO-North West 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, 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.

(g) Activity Based Funding and Block Funding

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

Block Funding is provided by the Australian Government through the state pool account, but is provided to THO-North West 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 THO-North West by the Department of Health and Human Services is made via the State Managed Fund.

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 THO-North West through the state pool account by the Department of Health and Human Services, with the associated revenue and expenditure being recognised in THO-North West's accounts.

1.7 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 and Artwork, being assets with an unlimited useful life, are not depreciated.

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

Vehicles	5 years
Plant and equipment	2-20 years
Medical equipment	4-20 years
Buildings	40-50 years

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 THO-North West.

Major amortisation periods are:

Software	3-5 years

(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 THO-North West 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 THO-North West, to another entity, are recognised as an expense when fair value can be reliably determined. No contributions were provided free of charge during 2013-14.

(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.

1.8 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 effect 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.

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. THO-North West'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.

1.9 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to THO-North West 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) Assets held for sale

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with THO-North West's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

(f) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings, artwork assets and other long-lived assets are recorded at fair value less accumulated depreciation (where applicable). All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

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.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or occupied.

(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 Department 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 adopted by THO-North West is:

Vehicles	$10 000.00
Plant and equipment	$10 000.00
Land and buildings	$10 000.00
Intangibles	$50 000.00
Artwork	$10 000.00

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

THO-North West's land and building assets were revalued by an independent valuer as at 30 June 2013. 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 an indice supplied by the valuer. Land acquired and building commissioned in their first year are not revalued. They are revalued in subsequent years.

(g) Intangibles

An intangible asset is recognised where:

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

Intangible assets held by THO-North West 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 THO-North West are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The asset capitalisation threshold for intangible assets adopted by THO-North West is $50 000.

(h) Other assets

Other assets are recorded at fair value and include prepayments.

1.10 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 THO-North West 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, THO-North West 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 2014, 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.

THO-North West 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 2014, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

1.11 LEASES

THO-North West 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.

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

1.12 JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, THO-North West 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 ongoing 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 THO-North West 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:

- 1.7(b) & 8.2 Depreciation and amortisation;
- 1.8(c) & 9.1 Impairment – Non-financial assets;
- 1.9(f) & 10.5 Property, plant and equipment;
- 1.10(c) & 11.1 Employee benefits;
- 12.1 & 12.2 Commitments and Contingencies; and
- 1.9(a) & 14 Key assumptions used in cash flow projections.

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

1.13 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.

1.14 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards at Note 1.4.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

1.15 BUDGET INFORMATION

Budget information refers to original Budget estimates as reflected in the 2013-14 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

THO-North West 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.

1.19 ACTIVITIES UNDERTAKEN UNDER A TRUSTEE OR AGENCY RELATIONSHIP

Transactions relating to activities undertaken by THO-North West in a trust or fiduciary (agency) capacity do not form part of THO-North West'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.

NOTE 2 OUTPUT SCHEDULES

2.1 OUTPUT GROUP INFORMATION

Comparative information has not been restated for external administrative restructures.

Budget information refers to original Budget estimates reflected in the 2013-14 Budget Papers which has not been subject to audit.

	2014 Budget $'000	2014 Actual $'000	2013 Actual $'000
Expense by Output			
1.1 Admitted Services	132 932	135 853	135 539
1.2 Non-admitted Services	27 778	30 261	27 648
1.3 Emergency Department Services	28 133	29 577	27 790
1.4 Community and Aged Care Services	33 478	38 929	36 846
1.5 Statewide and Mental Health Services	13 713	16 963	0
Total	**236 034**	**251 583**	**227 823**

NOTE 3 EXPENDITURE UNDER AUSTRALIAN GOVERNMENT FUNDING ARRANGEMENTS

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2014 $'000	2014 $'000	2013 $'000	2013 $'000
National Partnership Agreements payments				
Health Services		7 094		7 131
Commonwealth Own Purpose Expenditures				
Mersey		69 538		65 791
Other		7 940		12 230
National Health Reform Funding Arrangements				
Activity Based Funding	45 932	35 973	33 273	29 860
Block Funding	47 453	8 019	46 552	5 300
Total	**93 385**	**128 564**	**79 825**	**120 312**

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

National Partnership Agreement (NPA) payments 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 (COPES) 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

	Note	Budget $'000	Actual $'000	Variance $'000	Variance
Grants – Capital	(a)	0	13 962	13 962	n/a
Sales of goods and services	(b)	14 227	21 786	7 559	53.1%
Other revenue	(c)	14 219	5 809	(8 410)	(59.1%)
Grants and subsidies	(d)	60	1 349	(1 289)	n/a
Other expenses	(e)	2 040	3 250	(1 210)	(59.3%)
Net gain/(loss) on non-financial assets	(f)	0	(1 392)	(1 392)	n/a

Notes to Statement of Comprehensive Income variances

(a) Includes $13.9m capital grant funding for purchase of buildings held on the Department of Health and Human Service's balance sheet until such a time where they could be capitalised and put into use.

(b) Reclassification of Interstate Revenue $2.2m; MRI revenue $0.33m; Highly Specialised Drugs was budgeted in COPES $3.4m, actual $5.4m.

(c) COPES funding is included in Grants in Actuals, and Other Revenue in Budget $11.3m. Donations received not budgeted $0.9m; Salaries and other recoveries $1.2m more than budgeted.

(d) Grant provided to DHHS to allow for purchase of MRI, funded out of donations revenue $0.8m; Grant provided to DHHS for system wide support of ABC system $0.2m. Grants for Respite and Hospice care devolved after budget set $0.33m.

(e) Premium increases relating to medical indemnity insurance.

(f) Write down of Old Queenstown Hospital buildings as reclassified as for sale.

4.2 STATEMENT OF FINANCIAL POSITION

	Note	Budget $'000	Actual $'000	Variance $'000	Variance
Cash and deposits	(a)	4 297	5 842	1 545	36.0%
Other financial assets	(b)	241	4 455	4 214	n/a
Property, plant and equipment	(c)	86 796	96 270	9 474	10.9%
Intangibles	(d)	1 883	2 910	1 027	54.5%
Payables	(e)	7 042	14 434	(7 392)	(105.0%)
Employee benefits	(f)	24 996	30 112	(5 116)	(20.5%)
Other liabilities	(g)	2 606	949	1 657	63.6%

Notes to Statement of Financial Position variances

(a) Timing difference in accounts payable and accounts receivable transactions

(b) Accrued Revenue $3.2m (interstate charges owing $1.7m; HSD reimbursement $0.45m; Other accrued revenue $1m); Inter entity loans $1m relating to GST receivables.

(c) Capitalisation of projects previously held on DHHS books – King Island $5.68m; Car Park $5.48m; MRI $1.6m; funded through capital grants.

(d) Reclassification within WIP accounts to allocate all software related projects to intangibles.

(e) Accruals in excess of budgeted levels (Interstate expenditure owing $4.8m; Tas Ambulance accruals $0.48m; accrued backpay $1m)

(f) Value of Annual Leave and LSL in excess of budgeted figures $5m

(g) Inter-entity creditors – net balance, mostly relating to GST balances, now in inter-entity debtors.

4.3 STATEMENT OF CASH FLOWS

	Note	Budget $'000	Actual $'000	Variance $'000	Variance
Sales of goods and services	(a)	14 159	18 731	4 572	32.3%
GST receipts	(b)	0	7 954	7 954	n/a
Other cash receipts	(c)	14 204	5 809	(8 395)	(59.1%)
GST payments	(b)	0	(7 555)	7 555	n/a
Grants and transfer payments	(d)	(60)	(1 349)	1 289	n/a
Other cash payments	(e)	(2 039)	(3 272)	1 233	(60.5%)
Payment for acquisition of non-financial assets	(f)	(2 578)	(4 178)	1 600	(62.1%)

Notes to Statement of Cash Flows variances

(a) MRI revenue $0.33m; Highly Specialised Drugs was budgeted in COPES $3.4m, actual $5.4m.

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

(c) COPES funding is included in Grants in Actuals, and Other Revenue in Budget $11.3m. Donations received not budgeted $0.9m; Salaries and other recoveries $1.2m more than budgeted.

(d) Grant provided to DHHS to allow for purchase of MRI, funded out of donations revenue $0.8m; Grant provided to DHHS for system wide support of ABC system $0.2m. Grants for Respite and Hospice care devolved after budget set $0.33m.

(e) Premium increases relating to Medical indemnity insurance.

(f) Capital expenditure on rehab ward – timing difference from published budget $1.2m.

NOTE 5 EVENTS OCCURRING AFTER BALANCE DATE

On 26 July 2014, the Minister for Health announced reforms to Tasmania's health system which include the creation of one Tasmanian Health Organisation, to be known as the Tasmanian Health Service, which will come into operation on 1 July 2015 and replace the current three THOs. It is anticipated that all assets, rights, liabilities, obligations and employees of THO-North West will be transferred to the Tasmanian Health Service at that date.

Despite this, the financial statements for the year ended 30 June 2014 have been prepared on a going concern basis.

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.

	2014 Budget $'000	2014 Actual $'000	2013 Actual $'000
Net result from transactions (net operating balance)	**(2 678)**	**11 842**	**(868)**
Less impact of Non-operational capital funding			
Assets transferred	0	13 962	331
Total	**0**	**13 962**	**331**
Underlying Net operating balance	**(2 678)**	**(2 120)**	**(1 199)**

NOTE 7 INCOME FOR TRANSACTIONS

7.1 GRANTS

	Note	2014 $'000	2013 $'000
Continuing operations			
Grants from the Australian Government			
Commonwealth Recurrent Grants – Block Funding		8 019	5 767
Commonwealth Recurrent Grants – Activity Based Funding		35 973	32 492
COPES Receipts		8 453	12 114
Specific Grant – Mersey Community Hospital		68 130	65 830
Other Commonwealth Grants		7 829	7 832
Total		**128 404**	**124 035**
Grants from the State Government			
State Grants – Block Funding		47 569	54 565
State Grants – Activity Based Funding		45 802	25 833
Total		**93 371**	**80 398**
Capital grants			
Assets Transferred	10.5(b)	13 962	331
Total		**13 962**	**331**
WIP expensed grants			
Expenses transferred		79	0
Total		**79**	**0**
Total revenue from Grants		**235 816**	**204 764**

7.2 SALES OF GOODS AND SERVICES

	2014 $'000	2013 $'000
Residential Rent Income	434	349
Commercial Rent Income	256	306
Pharmacy Non-PBS (Pharmaceutical Benefits Scheme)	707	724
Prostheses	343	312
Inpatient, Outpatient Nursing Home Fees	8 925	6 530
PBS Co-payments	227	210
PBS Revenue from Medicare	6 004	1 292
Private Patient Scheme	2 502	3 800
Other Client Revenue	120	78
Other user charges	2 268	2 404
Total	**21 786**	**16 005**

7.3 OTHER REVENUE

	2014 $'000	2013 $'000
Wages and Salaries Recoveries	1 691	2 907
Food recoveries	598	841
Multipurpose Centre Recoveries	123	103
Workers Compensation Recoveries	612	824
Operating Recoveries	1 412	936
Donations	935	100
Industry Funds	438	442
Total	**5 809**	**6 154**

NOTE 8 EXPENSES FROM TRANSACTIONS

8.1 EMPLOYEE BENEFITS

	2014 $'000	2013 $'000
Wages and salaries including FBT	129 060	117 523
Annual leave	7 867	6 331
Long service leave	2 056	1 138
Sick leave	4 139	3 338
Other post-employment benefits	3 151	2 049
Other employee expenses – other staff allowances	131	169
Superannuation expenses – defined contribution and benefits schemes	15 487	14 528
Total	**161 891**	**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 12.5 per cent (2013, 12.5 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to nominated superannuation funds at a rate of 9.25 per cent (2013, 9 per cent) of salary. In addition, THO-North West is also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.5 per cent (2013, 3.5 per cent) of salary in respect of employees who are members of contribution schemes.

8.2 DEPRECIATION AND AMORTISATION

(a) Depreciation

	2014 $'000	2013 $'000
Plant, equipment and vehicles	962	918
Buildings	2 928	2 285
Total	**3 890**	**3 203**

8.3 SUPPLIES AND CONSUMABLES

	2014 $'000	2013 $'000
Consultants	422	368
Property Services	6 257	6 534
Maintenance	1 979	967
Communications	971	863
Information Technology	1 443	572
Travel and Transport	3 355	2 812
Medical, Surgical and Pharmacy Supplies	47 478	41 781
Advertising and Promotion	18	9
Patient and Client Services	8 648	9 491
Leasing Costs	381	329
Equipment and Furniture	968	605
Administration	923	847
Food Production Costs	1 416	1 443
Other Supplies and Consumables	1 098	761
Corporate Overhead Charge	5 322	6 568
Service Fees	524	598
Total	**81 203**	**74 548**

Other Supplies and Consumables includes expenditure related to the audit of these financial statements. The total audit fee for this financial year is $85 130 (2013 $85 000).

8.4 GRANTS AND SUBSIDIES

	Note	2014 $'000	2013 $'000
Other Grants			
Grant – Other	(a)	1 349	0
		1 349	0
Total		**1 349**	**0**

(a) Grants relate to services devolved during 2013-14 (Respite and Hospice care) and grants to DHHS to allow for the purchase of the MRI machine.

8.5 OTHER EXPENSES

	Note	2014 $'000	2013 $'000
Salary on-costs	(a)	1 149	3 767
Tasmanian Risk Management Fund premium	(b)	2 014	1 122
Other		87	107
Total		**3 250**	**4 996**

(a) Residual impact of Payroll Tax abolition in 2013; Drop in Workers Compensation premiums with the adoption of a higher excess.

(b) Increase in Medical Indemnity Insurance.

NOTE 9 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

9.1 NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS

	Note	2014 $'000	2013 $'000
Impairment of non-financial assets	4.1(f)	(1 389)	(1 316)
Net gain/(loss) on disposal of physical Assets		(3)	2
Total net gain/(loss) on non-financial assets		**(1 392)**	**(1 314)**

9.2 NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES/PAYABLES

	2014 $'000	2013 $'000
Impairment of loans and receivables	207	(1 083)
Total	**207**	**(1 083)**

NOTE 10 ASSETS

10.1 RECEIVABLES

	2014 $'000	2013 $'000
Receivables	3 377	3 236
Less: Provision for impairment	(61)	(1 264)
Total	**3 316**	**1 972**
Sales of goods and services (inclusive of GST)	2 455	1 102
Tax assets	861	870
Total	**3 316**	**1 972**
Settled within 12 months	3 316	1 972
Total	**3 316**	**1 972**

Reconciliation of movement in provision for impairment of receivables	2014 $'000	2013 $'000
Carrying amount at 1 July	**1 264**	**0**
Amounts written off during the year	(996)	(24)
Net transfers through restructure	0	205
Increase/(decrease) in provision recognised in profit or loss	(207)	1 083
Carrying amount at 30 June	**61**	**1 264**

10.2 OTHER FINANCIAL ASSETS

	2014 $'000	2013 $'000
Accrued Revenue	3 342	791
Inter Entity Loans	1 113	700
Total	**4 455**	**1 491**
Settled within 12 Months	4 455	1 491
Total	**4 455**	**1 491**

10.3 INVENTORIES

	2014 $'000	2013 $'000
Pharmacy	1 146	1 078
Catering	6	7
Linen	140	140
General Supplies	270	260
Total	**1 562**	**1 485**
Consumed within 12 Months	1 562	1 485
Total	**1 562**	**1 485**

10.4 ASSETS HELD FOR SALE

(a) Carrying amount

	2014 $'000	2013 $'000
Land	71	0
Buildings	24	0
Total	**95**	**0**
Settled within 12 months	0	0
Settled in more than 12 months	95	0
Total	**95**	**0**

(a) Fair value measurement of Asset held for sale (including fair value levels)

	Carrying value at 30 June $'000	Fair value measurement at the end of reporting period		
		Level 1 $'000	Level 2 $'000	Level 3 $'000
Land	71	0	71	0
Buildings	24	0	24	0
Total	**95**	**0**	**95**	**0**

10.5 PROPERTY, PLANT AND EQUIPMENT

(a) Carrying amount

	2014 $'000	2013 $'000
Land		
Land at fair value	4 560	4 235
Total land	**4 560**	**4 235**
Buildings		
Buildings at fair value	78 035	68 112
Less: Accumulated depreciation	(2 332)	0
Total	**75 703**	**68 112**
Leasehold Improvements at cost	6 569	896
Less: Accumulated depreciation	(1 194)	(597)
Total	**5 375**	**299**
Total buildings	**81 078**	**68 411**
Plant, equipment and vehicles		
At cost	7 355	4 577
Less: Accumulated depreciation	(1 864)	(918)
Total plant, equipment and vehicles	**5 491**	**3 659**
Work in progress		
Buildings	4 989	6 420
Plant, equipment and vehicles	152	349
Total work in progress	**5 141**	**6 769**
Total property, plant and equipment	**96 270**	**83 074**

THO-North West's land and building assets were revalued independently by the Valuer-General of Tasmania as at 30 June 2014 using adjustment indices based on market movement factors and building cost indices. The index applied for 2014 was 1.0 (no change in value). This revaluation was in accordance with the Treasurer's Instruction 303 Recognition and Measurement of Non-Current Assets and the Australian Accounting Standard (AASB 116).

(b) Reconciliation of movements (including fair value levels)

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.

2014	Note	Land Level 2	Buildings Level 3	Plant, equipment and vehicles	Works in progress	Total
		$'000	$'000	$'000	$'000	$'000
Carrying value at 1 July		**4 235**	**68 411**	**3 659**	**6 769**	**83 074**
Additions – THO acquisition		0	190	273	3 714	4 177
Additions – DHHS capital grant	7.1	0	0	0	13 962	13 962
Disposals		0	0	(8)	0	(8)
Net additions through restructuring	1.5	400	252	21	9	682
Impairment losses		(4)	(1 389)	0	0	(1 393)
Assets held for sale		(71)	(23)	0	0	(94)
Transfers to Intangibles		0	0	0	(240)	0
Net transfers		0	16 566	2 507	(19 073)	0
Depreciation		0	(2 929)	(961)	0	(3 890)
Carrying value at 30 June		**4 560**	**81 078**	**5 491**	**5 141**	**96 510**

2013	Land	Buildings	Plant, equipment and vehicles	Works in progress	Total
	$'000	$'000	$'000	$'000	$'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)	1 054	(1 316)	0	0	(262)
Net transfers	0	0	137	(137)	0
Depreciation	0	(2 285)	(918)	0	(3 203)
Carrying value at 30 June	**4 235**	**68 411**	**3 659**	**6 769**	**83 074**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Valuation techniques used to measure fair value shall maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset of liability. Unobservable inputs shall be used to measure the fair value to the extent that relevant observable inputs are not available.

(c) Level 3 significant valuation inputs and relationship to fair value

Description	Fair Value at 30 June	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Building	75 703	A – Construction costs B – Age and condition of asset C – Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have remained stable over the last 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

(d) Assets where current use is not the highest and best use

It has determined that the highest and best use of THO-North West's land and buildings is the purpose for which they are currently being used.

10.6 INTANGIBLES

Intangible assets with a finite useful life held by THO-North West principally comprise computer software and related capital works in progress.

(a) Carrying amount

	2014 $'000	2013 $'000
Capital Work in progress	2 910	2 671
Total Intangibles	**2 910**	**2 671**

(b) Reconciliation of movements

	2014 $'000	2013 $'000
Carrying amount at 1 July	**2 671**	**0**
Work in progress at cost	0	95
Net transfers through restructuring	0	2 576
Transfers from Property, Plant and Equipment	239	0
Carrying amount at 30 June	**2 910**	**2 671**

10.7 OTHER ASSETS

(a) Carrying amount

	2014 $'000	2013 $'000
Prepayments	334	188
Total	**334**	**188**
Recovered within 12 months	334	188
Recovered in more than 12 months	0	0
	334	**188**

(b) Reconciliation of movements

	2014 $'000	2013 $'000
Carrying amount at 1 July	**188**	**0**
Additions	334	188
Utilised	(188)	0
Carrying amount at 30 June	**334**	**188**

NOTE 11 LIABILITIES

11.1 PAYABLES

	2014 $'000	2013 $'000
Creditors	2 749	4 366
Accrued Expenses	11 685	3 884
Total	**14 434**	**8 250**
Settled within 12 months	14 434	8 250
Total	**14 434**	**8 250**

11.2 EMPLOYEE BENEFITS

	2014 $'000	2013 $'000
Accrued salaries	3 894	3 925
Annual leave	9 875	8 696
Long service leave	15 156	13 359
Sabbatical leave	365	378
Development leave, time off in lieu and state service accumulated leave scheme	822	686
Total	**30 112**	**27 044**
Expected to settle wholly within 12 months	13 811	12 647
Expected to settle wholly after 12 months	16 301	14 397
Total	**30 112**	**27 044**

11.3 OTHER LIABILITIES

	2014 $'000	2013 $'000
Revenue received in advance		
Other revenue received in advance	600	0
Other Liabilities		
Employee benefits – on-costs	343	303
Other liabilities	6	270
Total	**949**	**573**
Settled within 12 months	735	412
Settled in more than 12 months	214	161
Total	**949**	**573**

NOTE 12 COMMITMENTS AND CONTINGENCIES

12.1 SCHEDULE OF COMMITMENTS

	2014 $'000	2013 $'000
Operating Lease Commitments		
Motor Vehicles	2 638	2 866
Medical Equipment	69	180
Rent on Buildings	287	202
Information Technology	322	0
Total Lease Commitments	**3 316**	**3 248**
Other Commitments		
Miscellaneous Grants	924	1 081
Miscellaneous Goods and Services contracts	46 853	18 840
Total Other Commitments	**47 777**	**19 921**
Total	**51 093**	**23 169**
By Maturity		
Operating Lease Commitments		
One year or less	1 680	1 690
From one to five years	1 636	1 558
Total Operating Lease Commitments	**3 316**	**3 248**
Other Commitments		
One year or less	20 444	16 953
From one to five years	27 333	2 968
Total Other Commitments	**47 777**	**19 921**
Total	**51 093**	**23 169**

Vehicle Leases

THO-North West leases a number of vehicles. The terms of the lease are for 36 months or 60 000km, which ever comes first. The average age of leased vehicles in 18 months.

Medical Equipment (Operating lease)

THO-North West 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)

THO-North West leases a range of properties/ tenancies for service delivery purposes.

Information Technology

THO-North West is party to a number of IT related contracts to support clinical and non clinical IT systems.

Miscellaneous Grants

Grants covering service delivery in Palliative Care and Respite Care have been devolved to THO-North West. Contracts have been issued for periods between 2-3 years.

Miscellaneous Goods and Services Contracts

THO-North West has contracts for the supply of Pathology Services, Radiology Services and for the delivery of Maternity services. The contracts for Pathology and Radiology have both been extended for a further term within the 2013-14 financial year. The Maternity contract is an evergreen contract.

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 entity.

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.

	2014 $'000	2013 $'000
Quantifiable contingent liabilities		
Contingent claims		
Other legal claims	1 025	1 300
Total quantifiable contingent liabilities	**1 025**	**1 300**

At 30 June 2014, THO-North West had a number of legal claims against it for medical and other liability claims. These claims are reported at the net cost to THO-North West.

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

NOTE 13 RESERVES

13.1 CONTRIBUTED CAPITAL

	Note	2014 $'000	2013 $'000
Contributed capital reserve			
Balance at the beginning of financial year		62 267	0
Administrative restructure – net assets received	1.5	(1 419)	62 267
Balance at the end of financial year		**60 848**	**62 267**

Capital Contributed Reserve

Net assets (liabilities) received due to administrative restructure relate to assets and liabilities transferred on the 1 July 2013. Refer to Note 1.5.

13.2 RESERVES

2014	Land	Total $'000
Asset revaluation reserve		
Balance at the beginning of financial year	1 054	1 054
Revaluation increments/(decrements)	(5)	(5)
Balance at the end of financial year	**1 049**	**1 049**

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

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of Non-financial assets, as described in Note 1.9(f).

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 THO-North West, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

		2014 $'000	2013 $'000
	Special Deposits and Trust Fund Balance		
T476	THO-North West Patient Trust and Hospital Bequest Account	616	693
T532	THO-North West Operating Account	5 219	4 343
	Total	**5 835**	**5 036**
	Other cash held		
	Other Cash equivalents not included above	7	6
	Total	**7**	**6**
	Total cash and deposits	**5 842**	**5 042**

14.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2014 $'000	2013 $'000
Net result from transactions (net operating balance)	11 842	(868)
Depreciation and amortisation	3 890	3 203
Non-operational capital funding	0	(331)
Capital grants income	(13 962)	0
Doubtful debts	207	0
Transfer of assets due to restructure	(2 140)	0
Decrease (increase) in Receivables	(1 344)	(1 671)
Decrease (increase) in Other assets	(3 110)	(877)
Decrease (increase) in Inventories	(77)	(33)
Increase (decrease) in Employee entitlements	3 068	3 494
Increase (decrease) in Payables	6 184	2 620
Increase (decrease) in Other liabilities	376	(2 297)
Net cash from (used by) operating activities	**4 934**	**3 240**

NOTE 15 FINANCIAL INSTRUMENTS

15.1 RISK EXPOSURES

(a) Risk management policies

THO-North West has exposure to the following risks from its use of financial instruments:

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

The Governing Council and the CEO have responsibility for the establishment and oversight of THO-North West's risk management framework. Risk management policies are established to identify and analyse risks faced by THO-North West, 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 THO-North West 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.

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

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

	2014 $'000	2013 $'000
Guarantee provided	0	0
Total	**0**	**0**

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

Analysis of financial assets at 30 June 2014 but not impaired					
	Not past due $'000	Past due < 30 days $'000	Past due 30 – 120 days $'000	Past due > 120 days $'000	Total $'000
Receivables	2 150	268	175	723	**3 316**

Analysis of financial assets at 30 June 2013 but not impaired					
	Not past due $'000	Past due < 30 days $'000	Past due 30 – 120 days $'000	Past due > 120 days $'000	Total $'000
Receivables	1 688	148	114	22	**1 972**

(c) Liquidity risk

Liquidity risk is the risk that THO-North West will not be able to meet its financial obligations as they fall due. THO-North West'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 Assets		
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 THO-North West 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 THO-North West becomes obliged to make payments as a result of the purchase of assets or services.	Settlement is usually made within 30 days.
	THO-North West regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	

The following tables detail the undiscounted cash flows payable by THO-North West 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.

2014	Maturity analysis for financial liabilities							
	1 Year $'000	2 Years $'000	3 Years $'000	4 Years $'000	5 Years $'000	More than 5 Years $'000	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	14 434	0	0	0	0	0	14 434	14 434
Other financial liabilities	949	0	0	0	0	0	949	949
Total	**15 383**	**0**	**0**	**0**	**0**	**0**	**15 383**	**15 383**

2013	Maturity analysis for financial liabilities							
	1 Year $'000	2 Years $'000	3 Years $'000	4 Years $'000	5 Years $'000	More than 5 Years $'000	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	8 250	0	0	0	0	0	8 250	8 250
Other financial liabilities	573	0	0	0	0	0	573	573
Total	**8 823**	**0**	**0**	**0**	**0**	**0**	**8 823**	**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 THO-North West is exposed to is interest rate risk.

THO-North West currently has no financial liabilities at fixed interest rates.

15.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2014 $'000	2013 $'000
Financial Assets		
Cash and cash equivalents	5 842	5 042
Loans and receivables	7 771	3 463
Total	**13 613**	**8 505**
Financial Liabilities		
Financial liabilities measured at amortised cost	14 434	8 250
Total	**14 434**	**8 250**

THO-North West's maximum exposure to credit risk for its financial assets is $13.6 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. THO-North West actively manages its credit risk exposure for the collectability of its receivables and outstanding loans.

15.3 RECLASSIFICATIONS OF FINANCIAL ASSETS

No reclassification of Financial Assets occurred during 2013-14.

15.4 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Carrying Amount 2014 $'000	Net Fair Value 2014 $'000	Carrying Amount 2013 $'000	Net Fair Value 2013 $'000
Financial assets				
Other financial assets	13 613	13 613	8 505	8 505
Total financial assets	**13 613**	**13 613**	**8 505**	**8 505**
Financial liabilities (Recognised)				
Other financial liabilities	14 434	14 434	8 250	8 250
Total Financial liabilities (Recognised)	**14 434**	**14 434**	**8 250**	**8 250**

NOTE 16 TRANSACTIONS AND BALANCES RELATING TO A TRUSTEE OR AGENCY ARRANGEMENT

Account/Activity	Opening balance $'000	Net transactions during 2013-14 $'000	Closing balance $'000
T476 THO-North West – Patient Trust and Hospital Bequest Account – Legal Trusts	660	8	668

Tasmanian
Audit Office

Independent Auditor's Report

To Members of the Tasmanian Parliament

Tasmanian Health Organisation – North West

Financial Statements for the Year Ended 30 June 2014

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 2014 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, Tasmanian Health Organisations 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 2014 and its financial performance, cash flows and changes in equity for the year then ended

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

The Responsibility for the Financial Statements

The Chair, Tasmanian Health Organisations and the 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 Organisation 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 my judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Chair, Tasmanian Health Organisations 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, Tasmanian Health Organisations 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
- 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

Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

Hobart
19 September 2014

GLOSSARY

ARSQSC	Audit, Risk, Safety and Quality Sub-Committee
Activity Based Funding (ABF)	Activity Based Funding (ABF) is the model of reimbursing a health care service for the cost of patient care. The ABF system provides payment for acute patients treated within hospitals. Hospitals are paid a set amount for each patient treated based on the relative cost of the group (DRG) to which the separation is allocated.
Acute admission	Acute care is care in which the primary clinical purpose or treatment goal is to: manage labour (obstetric), cure illness or provide definitive treatment of injury, perform surgery, relieve symptoms of illness or injury (excluding palliative care), reduce severity of an illness or injury, protect against exacerbation and/or complication of an illness and/or injury which could threaten life or normal function, perform diagnostic or therapeutic procedures.
Admission	An admission is a process whereby a hospital accepts responsibility for a patient's care or treatment. Admission follows a clinical decision based upon specified criteria that a patient requires same-day or overnight (or multi-day) care or treatment. An admission may be formal or statistical. A formal admission is the administrative process by which a hospital records the commencement of treatment/care or accommodation of a patient. A statistical admission is the administrative process by which a hospital records the commencement of a new episode of care, with a new care type, for a patient within the one hospital stay.
ATS	Australasian Triage Scale
Cost weight	A measure of the relative cost of a Diagnosis Related Group (DRG). Usually the average cost across all DRGs is chosen as the reference value, and given a weight of 1.
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
Diagnosis Related Group (DRG)	DRGs are a patient classification system that provide a clinically meaningful way of relating the types of patients treated in a hospital to the resources required by the hospital. DRGs were developed for use in acute inpatient settings. The latest version of the Australian Refined-Diagnosis Related Group (AR-DRG) Classification (Version 6.0x is to be used from 1 July 2012).
ECO	Employee Contact Officer
ED	Emergency Department
Elective admission (Urgency status assigned)	Elective admissions: If an admission meets the definition of elective below, it is categorised as elective, regardless of whether the admission actually occurred after 24 hours or more, or it occurred within 24 hours. The distinguishing characteristic is that the admission could be delayed by at least 24 hours. Scheduled admissions: A patient who expects to have an elective admission will often have that admission scheduled in advance. Whether or not the admission has been scheduled does not affect the categorisation of the admission as emergency or elective, which depends only on whether it meets the definitions above. That is, patients both with and without a scheduled admission can be admitted on either an emergency or elective basis. Admissions from elective surgery waiting lists: Patients on waiting lists for elective surgery are assigned a clinical urgency status which indicates the clinical assessment of the urgency with which a patient requires elective hospital care. On admission, they will also be assigned an urgency of admission category, which may or may not be elective.

Elective admission (Urgency status assigned) (continued)	Patients who are removed from elective surgery waiting lists on admission as an elective patient for the procedure for which they were waiting, are assigned an admission urgency status code N code of 2. In that case, their clinical urgency category could be regarded as further detail on how urgent their admission was. Patients who are removed from elective surgery waiting lists on admission as an emergency patient for the procedure for which they were waiting, are assigned an admission urgency status code N code of 1.
Emergency (Urgency of admission status)	Emergency admission: The following guidelines may be used by health professionals, hospitals and health insurers in determining whether an emergency admission has occurred. These guidelines should not be considered definitive. An emergency admission occurs if one or more of the following clinical conditions are applicable such that the patient required admission within 24 hours. Such a patient would be: At risk of serious morbidity or mortality and requiring urgent assessment and/or resuscitation; or Suffering from suspected acute organ or system failure; or Suffering from an illness or injury where the viability or function of a body part or organ is acutely threatened; or Suffering from a drug overdose, toxic substance or toxin effect; or Experiencing severe psychiatric disturbance whereby the health of the patient or other people is at immediate risk; or Suffering severe pain where the viability or function of a body part or organ is suspected to be acutely threatened; or Suffering acute significant haemorrhage and requiring urgent assessment and treatment; or Suffering gynaecological or obstetric complications; or Suffering an acute condition which represents a significant threat to the patient's physical or psychological wellbeing; or Suffering a condition which represents a significant threat to public health. If an admission meets the definition of emergency above, it is categorised as emergency, regardless of whether the admission occurred within 24 hours of such a categorisation being made, or after 24 hours or more.
FTE	Full-Time Equivalent
HOA	Heads of Agreement
HSO	Health Service Officer
IHPA	Independent Hospital Pricing Authority
KIDH	King Island District Hospital (aka KIHHC)
KIHHC	King Island Hospital and Health Centre (aka KIDH)
Leave days	Leave is a temporary absence from hospital, with medical approval for a period no greater than seven consecutive days. Leave days are calculated as the date returned from leave minus the date went on leave. Total leave days are the sum of the leave days for all leaves within a hospital stay.
Length of Stay / LOS	The Length of Stay (LOS) of a patient is measured in patient days. A same day patient should be allocated a LOS of one patient day. The LOS of an overnight stay patient is calculated by subtracting the date the patient is admitted from the date of separation and deducting total leave days. Total contracted patient days are included in the LOS. The average of these for any particular group of patients is reported as the Average Length of Stay (ALOS).
LGH	Launceston General Hospital
MCH	Mersey Community Hospital

MHS	Mental Health Services
Mortality	Mortality refers to the death of a patient.
National Average Length of Stay	The National Average Length of Stay is provided for each DRG, for each AR-DRG Version and is derived from the information provided from hospitals around Australia that participate in the costing study.
National Partnership Agreement	On 29 November 2008, the Council of Australian Government (COAG) launched the National Partnership Agreement on Preventive Health (NPAPH). On 28 June 2012, the NPAPH was extended by three years to June 2018. The NPAPH provides $932.7 million over nine years from 2009-10. It builds on the COAG Australian Better Health Initiative and the National Reform Agenda's Type II Diabetes Initiative, and supplements the National Health Care Agreement. A key feature of the NPAPH is the establishment of infrastructure required to monitor and evaluate the progress of interventions.
National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit, against which the national efficient price (NEP) is paid. It provides a way of comparing and valuing each public hospital service (whether it is an admission, emergency department presentations or outpatient episode), by weighting it for its clinical complexity.
National Emergency Access Targets (NEAT)	By 2015, 90 per cent of all patients will leave the emergency department (ED) within four hours: either, discharged, admitted to hospital or transferred to another hospital for treatment. The target does not overrule clinical judgement. The target is being staged incrementally. All ED patients are included in the target. NEAT is measured from **first patient contact in the ED,** and should be recorded by the clinician carrying out the initial triage/assessment or ED reception – whichever is earlier. The clock stops when the **patient physically leaves the ED,** whether they are admitted, transferred, or discharged home.
NHRA	National Health Reform Agreement
NPA – IHST	National Partnership Agreement on Improving Health Services in Tasmania
NWRH	North West Regional Hospital
Occupancy	The Occupancy Rate is calculated by dividing total bed days in a period by the product of the available beds and the days in the period – e.g. if in a non-leap year patients accumulated 33 000 bed days in a hospital with 100 overnight-stay beds, the occupancy rate = 33 000/(365*100) = 90.4 per cent. N.B. Occupancy rates calculated for same-day beds could exceed 100 per cent.
Occupied bed days	The number of occupied beds available for admitted care.
Outlier	A patient who is admitted to a bed outside their designated specialty ward.
Outpatient Occasion of Service (OOS)	An interaction between one or more health care professionals with one or more non-admitted patients, for assessment, consultation and/or treatment intended to be unbroken in time. A service event means that a dated entry is made in the patient/client's medical record.
Over boundary	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. Current days waiting is calculated as: the number of days is calculated by subtracting the listing date for care from the removal date, minus any days when the patient was 'not ready for care' and also minus any days the patient was waiting with a less urgent clinical urgency category than their clinical urgency category at removal.
Patient care days/bed days	A day of patient care is a day, or part of a day, that a patient is admitted to hospital to receive treatment or care. Days of patient care are the total number of days spent in hospital by all patients who were discharged from hospital during the reported period. The bed day (or 'patient care day') is the unit of measurement for the length of stay of an episode of care.
PCEHR	Personally Controlled Electronic Health Record

Presentation	When a patient arrives at an ED for treatment. As a person may visit an ED in a hospital more than once in a year, the number of presentations is not the same as the number of people seen by the department.
Raw separation	Raw separations is a count of discharged inpatient episodes whereby no class of patients have been excluded.
RHH	Royal Hobart Hospital
RJRP	Right Job Right Person
SDH	Smithton District Hospital
Separation	Separation is the process by which an episode of care for an admitted patient ceases. A separation may be formal or statistical. Formal separation: the patient leaves the hospital. Statistical separation: the patient is shifted to a different level of care, so a new episode is opened.
SIIRP	The Structured Infrastructure Investment Review Process (SIIRP) is a Department of Treasury and Finance process that ensures infrastructure projects funded by the State Budget appropriately meet the needs of the community, have been appropriately scoped and planned and are based on reliable for realistic cost estimates.
SRLS	Safety Reporting and Learning System
Sub-Acute Activity	Sub-acute care in this data set specification is identified as admitted episodes in rehabilitation care, palliative care, geriatric evaluation and management care and psychogeriatric care whereas maintenance care is identified as non-acute care. The scope of the collection is: 1) Same day and overnight sub-acute and non-acute care episodes in designated sub-acute and non-acute care units, programs or hospitals. 2) Admitted public patients provided on a contracted basis by private hospitals in designated sub-acute and non-acute care units, programs or hospitals. 3) Admitted patients in rehabilitation care, palliative care, geriatric evaluation and management, psychogeriatric and maintenance care designated programs treated in the hospital-in-the-home.
Tasmanian Health Organisations / THOs	Three Tasmanian Health Organisations (THOs) have been established under the national health reforms to provide hospital, primary and community health services to Tasmanians.
THO-North West	Tasmanian Health Organisation – North West
TML	Tasmania Medicare Local
Transfer	A transfer is when the physical location of the patient changes. Patient can be transferred between health care facilities, between wards or from bed to bed within a ward. Within these KPIs transfers between wards are counted only.
Waitlist clinical urgency categories	Category 1 – Urgent patients who require surgery within 30 days. Category 2 – Semi-urgent patients who require surgery within 90 days. Category 3 – Non-urgent patients who need surgery at some time in the future. For reporting purposes, these patients are counted as requiring surgery within 365 days.
WCDH	West Coast District Hospital
Weighted cost	Is the cost weight multiplied out by the average cost of patient care.
Weighted separation	The aggregate number of DRGs in any time period, multiplied by the cost weight of each, results in a number called a weighted separation.
WHS	Workplace Health and Safety

This page has been left blank intentionally.

This page has been left blank intentionally.

TASMANIAN HEALTH ORGANISATION NORTH WEST

Tasmanian Government

Tasmanian Health Organisation – North West
PO Box 274
11 Alexandra Road
ULVERSTONE TAS 7315
Phone (03) 6490 8951
www.dhhs.tas.gov.au/tho/nw

King Island Hospital and Health Centre
PO Box 126
31 Edward Street
CURRIE TAS 7256
Phone (03) 6462 9900

Mental Health Services
PO Box 258
Parkside, Ground Floor
1 Strahan Street
SOUTH BURNIE TAS 7320
Phone (03) 6434 4070

Mersey Community Hospital
PO Box 21
Torquay Road
LATROBE TAS 7307
Phone: (03) 6426 5111

North West Regional Hospital
PO Box 258
Brickport Road
BURNIE TAS 7320
Phone (03) 6430 6666

Primary Health Services
PO Box 258
Parkside, Level 5
1 Strahan Street
SOUTH BURNIE TAS 7320

Smithton District Hospital
PO Box 264
74 Britton Street
SMITHTON TAS 7330
Phone (03) 6452 4650

West Coast District Hospital
PO Box 336
60-64 Orr Street
QUEENSTOWN TAS 7467
Phone (03) 6471 3300