Unite & Recover

Darling Downs Hospital and Health Service

ANNUAL REPORT 2021–2022

Queensland Government

Accessibility

Open data

Information about consultancies, overseas travel, and the *Queensland Language Services* policy is available at the Queensland Government Open Data website (https://www.data.qld.gov.au). Darling Downs Health has no Open Data to report on consultancies or overseas travel.

An electronic copy of this report is available at www.health.qld.gov.au/darlingdowns/

Hard copies of the annual report are available by phoning Strategy and Planning on (07) 4699 8233. Alternatively, you can request a copy by emailing DDHHS-StrategyandPlanning@health.qld.gov.au.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this annual report, you can contact us on telephone (07) 4616 6319 and we will arrange an interpreter to effectively communicate the report to you.

Licence

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

Acknowledgement

Acknowledgement of Traditional Owners

Darling Downs Hospital and Health Service respectfully acknowledges the Traditional Custodians of the region we serve and pays respect to Elders past, present and emerging. Our commitment to improving health outcomes for Aboriginal peoples and Torres Strait Islanders is one we will continue to work diligently towards, creating health equity in line with Australian and State Government policies and initiatives.

Recognition of Australian South Sea Islanders

Darling Downs Hospital and Health Service formally recognises the Australian South Sea Islanders as a distinct cultural group within our geographical boundaries. Darling Downs Hospital and Health Service is committed to fulfilling the Queensland Government Recognition Statement for Australian South Seas Islander Community to ensure that present and future generations of Australian South Sea Islanders have equality of opportunity to participate in and contribute to the economic, social, political and cultural life of the State.

31 August 2022

The Honourable Yvette D'Ath MP
Minister for Health and Ambulance Services
GPO Box 48
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2021-2022 and financial statements for Darling Downs Hospital and Health Service.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided at page 102 of this Annual Report.

Yours sincerely

Mr Mike Horan AM

Chair

Darling Downs Hospital and Health Board

Contents

Statement on Queensland government objectives for the community

In 2021-2022, the Darling Downs Hospital and Health Service (Darling Downs Health) continued to support its obligations to the community by providing an effective public hospital and health services**.** *Darling Downs Health's Strategic Plan 2020-2024* supports the Queensland Government's objectives for the community – *Unite and Recover: Queensland's Economic Recovery Plan*, specifically:

Safeguarding our health

Darling Downs Health established a localised Health Emergency Operations Centre to ensure our health service and community can live with COVID-19 by maintaining our readiness to respond as outlined below.

Outbreak prevention and management processes have been critical in supporting safe clinical care and safe workplaces for staff. While specific challenges have been identified with the impact of ageing physical infrastructure, strengths included the value of the Infection Prevention and Control teams' expertise and the establishment of a Staff Exposure Team to support COVID-19 positive staff and close contacts and their managers.

Polymerase Chain Reaction (PCR) testing and/or Rapid Antigen Test (RAT) distribution has been available at all Darling Downs Health facilities throughout the pandemic. Toowoomba and most rural facilities stood up drive-through testing clinics, with some being further enhanced in January 2022 with additional infrastructure to allow all-weather testing.

The Darling Downs Pathology Queensland laboratories have demonstrated exceptional performance and have been integral in ensuring high quality and timely testing results for the Darling Downs. In the last 12 months they have processed:

- 103,515 COVID-19 PCR tests (with an average turnaround time of 12.6 hours),
- 8 119 Rapid PCR tests via GeneXpert (with average turnaround time of less than 2.4 hours), and
- 5 615 4 Plex GeneXpert tests (COVID-19, Flu A, Flu B, and positive Respiratory Syncytial virus (RSV)).

Darling Downs Health has delivered over 157,800 vaccination doses through clinics in over 20 communities. Clinics ranged from a large community-based vaccination location (Toowoomba) to outreach and pop-up clinics in hospitals, town halls, schools, showgrounds, community events, a mobile bus and home visits. Vaccination clinics are continuing into 2022-2023 for Cherbourg (one day a week) and via ad-hoc pop-up clinics for vulnerable groups e.g., Residential Aged Care Facilities, hospital inpatients, First Nations people.

The Indigenous Health program has been integrally involved in supporting COVID-19 response activities across the health service region. The program was closely involved in a highly successful, community-led, interagency COVID-19 response in Cherbourg (i.e., collaborative partnership between Cherbourg Health Service, Cherbourg Aboriginal Council, Cherbourg Regional Aboriginal and Islander Community Controlled Health Service (CRAICCHS), Darling Downs Health Indigenous Health team, Mater Health, and others). The COVID-19 response included vaccination, testing, contact tracing, social support programs and care coordination. Lessons learnt regarding interagency collaboration, community-led service planning, and Indigenous Health Worker-led care coordination are being embedded into ongoing community service planning and delivery.

Backing our frontline services in delivering world-class frontline services in health

Toowoomba Hospital modified and expanded its existing Hospital in the Home (HITH) program to include a COVID-19 Virtual Care model in December 2021. The program is a hub-and-spoke model that initially also supported South West Hospital and Health Service. The program continues to deliver virtual care to COVID-19 positive patients at home across the whole of Darling Downs Health region, with liaison and support to local healthcare providers. The model has been designed as a standalone or can be integrated into existing virtual care models within the Hospital and Health Service as COVID-19 service demand and workforce requirements increase and decrease over time.

Message from the Board Chair and Chief Executive

As a health service we have again seen in the 2021-2022 financial year a strong focus on the COVID-19 pandemic response. This has included testing, increasing capacity for our emergency and intensive care units, and vaccinating staff and the community. We successfully flexed up additional COVID-19 designated wards at the Toowoomba Hospital as well as across our rural facilities. We would like to again recognise the achievements of our clinical and non-clinical teams in managing the increase in demand for our services and their dedication to compassionate care.

One of the positive things to come out of the pandemic has been the extension of services from not only face-to-face, but online and virtual methods. Darling Downs Health this year partnered with Cub Care to pilot an online emergency paediatric consultation program to give parents and carers access to specialist children's emergency doctors to treat children outside of the emergency department. The innovative program has received significant positive feedback from families and carers.

We again demonstrated our commitment to Aboriginal and Torres Strait Islander health by building on initiatives and introducing innovative projects and programs to help support the health of our Indigenous communities. This included several projects that were acknowledged as part of this year's Clinical Excellence Showcase – First Nations COVID-19 Vaccination Training and a First Nations Midwifery Group Practice.

Staff wellbeing and safety has also seen a strong investment this year. We have implemented several projects including security upgrades in our rural facilities, embedded our Listening Up for Safety tool and improved oversight and reporting of incidents. We also put a significant amount of work into our Occupational Violence Prevention and Fatigue Risk Management with training and resources for staff to support safety and wellbeing.

Infrastructure has also been a key focus for our health service and in April, along with the Premier and Minister for the Olympics Annastacia Palaszczuk MP and Minister for Health and Ambulance Services Yvette D'Ath, we officially opened Kingaroy's new state-of-the-art hospital. The $92.5 million investment in health for the South Burnett community allows us to deliver more services locally with modern birth suites, an expanded emergency department, a new cardiac rehabilitation service, an expanded renal dialysis and infusions department, a new cancer treatment service featuring a tele-chemo unit, an expanded specialist outpatient department, spacious contemporary inpatient wards, high-tech operating theatres, and staff and visitor facilities that are second-to-none.

This year we also farewelled Dr Peter Gillies from his role as Health Service Chief Executive with Annette Scott PSM appointed to the Chief Executive role in April 2022. We also farewelled Dr Ruth Terwijn and welcomed Terry Keogh and Stephen Harrop to our Darling Downs Hospital and Health Board.

Finally, we would also like to thank our Board and Executive colleagues for their strong leadership and commitment to our vision of Caring for our Communities – Healthier Together.

Annette Scott PSM

Chief Executive

Mike Horan AM

Board Chair

About us

Darling Downs Hospital and Health Service (Darling Downs Health) was established as an independent statutory authority on 1 July 2012 under the *Hospital and Health Boards Act 2011*. Darling Downs Health is governed by the Darling Downs Hospital and Health Board (the Board), which is accountable to the local community and the Minister for Health and Ambulance Services. Darling Downs Health is one of 16 hospital and health services that together with the system manager (the Department of Health) make up the entity known as Queensland Health. The hospital and health services are the principal providers of public hospital and health services for the community within a defined geographical area. The Department of Health is responsible for the overall management of the Queensland public health system including planning and performance monitoring of all hospital and health services. A formal service agreement is in place between the Department of Health and Darling Downs Health that identifies the services provided, funding arrangements for those services and targets and performance indicators to ensure expected health deliverables and outcomes are achieved. To support the services we provide, Darling Downs Health also has agreements in place with a range of private health providers for highly specialised services and at times patients may require transportation to Brisbane for specialist services provided at tertiary facilities.

Strategic direction

Darling Downs Health is committed to strengthening the public health system by delivering services in alignment with the Queensland Government objectives for the community. The Strategic Plan aligns with the Public Service values of, Customer first, Ideas into action, Unleash potential, Be courageous and Empower people. The annual review of our strategic plan provided an opportunity to reaffirm our commitment to the region we serve. The *Darling Downs Health Strategic Plan 2020-2024* has five strategic objectives that contribute to achieving our vision and guide our annual priorities. Each of the strategic objectives is further defined through several key strategies for actioning through operational plans and health service planning with the engagement of the community and our healthcare partners.

The Darling Downs Health Strategic Plan 2020-2024 strategic objectives:

Patients First –
Patients recommend our care and have a ‘hassle free’ experience provided by a compassionate team.

Healthy future –
We inspire our communities about healthy lifestyle choices and take action to care for our environment.

Our people –
We build a culture of success together, as one team.

Safer care –
We deliver safe reliable care every day in every environment for everyone**.**

Improving everyday –
We create an environment that embraces and leads innovation, research and learning.

Our Vision, Purpose and Values

Our Vision

Caring for our communities – healthier together

Our Purpose

Accessible and sustainable care no matter where you live in our region.

Values

Compassion
We engage with others and demonstrate empathy, care, kindness, support and understanding.

Integrity
We are open, honest, approachable, equitable and consistent in everything we do.

Dignity
We treat others with respect, display reasonableness and take pride in what we do.

Innovation
We embrace change and strive to know more, learn more and do better.

Courage
We respectfully question for clarity and have the strength and confidence to Speak Up.

Priorities

In 2021-2022 Darling Downs Health continued to deliver on its Strategic Plan including the following achievements:

Patients first

Eat, Walk, Engage services is a multi-disciplinary program that improves care for older people in hospital. The program aims to reduce delirium and promotes recovery in acute care wards. To date the feedback has seen an improvement in our hospitals becoming more older-person friendly by supporting local leadership, education and training and environmental redesign.

Patients who recover at home after surgery have more favourable outcomes compared to those who have extended hospital stays and our orthopaedic department at the Toowoomba Hospital is working to treat and discharge surgery patients on the same day. Using innovative new techniques, patients undergo a shoulder reconstruction and return home to receive follow up care from the Hospital in the Home team and allied health, including physiotherapists.

This year the Specialist Palliative Care in Aged Care Project (SPACE) nurse consultants engaged with 44 residential aged care facilities (RACF) both public and private, across the region providing education to aged care staff including palliative care needs rounds.

An increase in specialist consultant workforce has enabled more services to be delivered locally, including additional paediatric services for Dalby and Kingaroy Hospitals, and a more general surgery service at Kingaroy Hospital. Recruitment is underway for Emergency Department specialist consultants for Kingaroy Hospital to improve patient flow in 2023.

Child Health have begun offering pop-up clinics or drop-in style clinics at three playgroups held at Education Queensland sites throughout Toowoomba. The playgroup caters for children aged 0-3 years and provides an opportunity to deliver culturally-appropriate support and the ability to link with additional services if required to enhance early development years.

This year telehealth services at Darling Downs Health supported the development and implementation of tele-oncology services. Following a clinical assessment, patients can receive their chemotherapy consultation via telehealth at their local facility. This means that patients can receive healthcare closer to home and reduces the need to travel. The service was also expanded into the South West region.

Healthy future

The Healthy Kids program delivered by allied health leads and The Root Cause Children’s Health Program were run this year to help build on health and wellbeing as early as possible for our children. The Root Cause is a 12-month partnership with schools and families, empowering children to have a positive life-long relationship with food and sleep, underpinning their optimum health, behaviour, and academic performance. Supported by Darling Downs Health and funded by the Darling Downs and West Moreton Primary Health Network, the program was delivered free to over 20 participating primary schools across our region. Throughout the year, each school received one-on-one support by a local facilitator providing in-person workshops for students, parents, and staff, plus an array of classroom resources, professional development and an online portal full of resources for families.

Several initiatives targeting our ‘at risk populations’ were also undertaken. Darling Downs Health commenced work implementing an Aged Care Strategy in response to the findings from the Royal Commission into Aged Care Quality and Safety (established October 2018). Site assessments and broad consultation have been completed for our six aged care facilities.

Our Mental Health services provide a broad range of services to the community and successfully partner with other organisations to meet our region’s needs. The Individual Recovery Support Program (IRSP) is an initiative by Richmond Fellowship Queensland (RFQ) in partnership with Momentum Mental Health along with funding from the Mental Health Division to provide non-clinical, holistic recovery focused psychosocial wrap-around services delivered one-on-one, according to the individual’s recovery needs. The Hospital to Home (H2H) program provides recovery focused supports to people referred from our mental health teams. The individual support is planned collaboratively and tailored to the participant’s need and goals. 400 local clients participated in the program across the region. A recent evaluation of the program reported the program as operating above target numbers. The evaluation also highlighted that the strong relationships and good communication between stakeholders had contributed to the program’s success and ongoing funding.

Our people

Promoting and supporting the health and wellbeing of our people and ensuring our workplaces are safe, supportive, and inclusive continues to be a key focus for Darling Downs Health.-As part of this commitment, we have developed a staff work instruction to assist in Suicide Risk Screening and Prevention. This includes a screening questionnaire for use when concerns arise around an individual’s presentation and also flowcharts to direct staff on where to obtain further assistance. As an expansion to this, we are working to make the training modules accessible through our internal online learning platform.

The maturing of our Leadership Capability Framework is detailed under the Target section supporting our efforts in building a culture of success.

Safer care

The Safety Reliability Improvement Program continues to be embedded across the health service with Speaking Up for Safety training sessions offered face-to-face and online to accommodate flexible delivery and maintain an overall 85 per cent completion rate. The overall completion rate is above this target.

Improving everyday

This year Darling Downs Health have worked diligently to create an environment that embraces and leads innovation, research and learning. The achievements against the measures of success as stated in the Darling Downs Health Strategic Plan 2020-2024 are documented under Performance in this report. Our medical oncology training program received accreditation for the next five years enabling our health service to attract advanced clinical trainees and expanding our services. This will also be instrumental in attracting clinical trials to our region.

Plans are well underway identifying the technical specifications for the comprehensive care plan project. The project will digitise nursing care plan documentation and reduce administrative time for clinicians, improve clinical information transparency and facilitate best practice hand over processes.

Aboriginal and Torres Strait Islander Health

Darling Downs Health implemented several initiatives in 2021-2022 to promote accessible, culturally appropriate and integrated services for Aboriginal and Torres Strait Islander peoples. This included capitalising partnership opportunities through co-designed projects with Aboriginal and Torres Strait Islander Community Controlled Health Organisations (ATSICCHOs).

A key focus for 2021-2022 was the development of a local Health Equity Strategy in partnership with staff, consumers, community members, primary care organisations and State-level implementation partners.

Health Equity

Darling Downs Health co-designed its Health Equity Strategy with First Nations Peoples from across the district. The draft strategy was circulated to stakeholders in June 2022, with final endorsement and publication to occur in the first quarter of 2022-2023. The draft strategy identified 12 priority actions across four key areas, including designing health equity into our service models, improving approaches to collaboration and co-design, proactively seeking patient feedback and input and strengthening our workforce. These actions will form the basis of implementation and operational planning for the 2022-2023 financial year.

First 2000 Days Project

A collaboration between Darling Downs Health, Cherbourg Regional Aboriginal and Islander Community Controlled Health (CRAICCHS), South Burnett General Practices, and the South Burnett private hospitals to educate, empower and provide a model of care for Aboriginal and/or Torres Strait Islander Health Workers/Practitioners to provide care and support along the pregnancy and child health care continuum. The program incorporates the first 2000 days of a child’s life from conception to the age of 5.

This year has also seen the refurbishment of the Maternal Hub in Kingaroy in consultation with Traditional Custodians, co-location at Gundoo Day-care in Cherbourg, and the creation of space in the Cherbourg Council grounds to provide community-based child and maternal health services in the community, rather than in a health care setting.

The Bridging Antenatal Care, Indigenous Babies and Smoking Cessation (BAIBS) program, as part of First 2000 Days, continues the partnership between Darling Downs Health birthing hospitals, private medical practices, CRAICCHS, Carbal Medical Services, Goondir Health Services, Goolburri Aboriginal Health Advancement, and private medicate practices across Darling Downs to increase antenatal visits and supports the families of Aboriginal peoples and Torres Strait Islanders to quit smoking to improve the health of our next generation.

Chronic disease

The Indigenous Health Multidisciplinary Care Team at the Toowoomba Hospital continue working to improve early detection, treatment and management of chronic disease to reduce the rate of potentially preventable hospitalisations and hospital readmissions. The team continued to improve integration with primary care services by holding regular clinics at Carbal Medical Services, Goolburri Aboriginal Health Advancement and Goondir Health Services Oakey.

The team attended GP appointments with vulnerable patients to establish chronic disease plans and improve compliance through collaboration between patients and their primary care provider. An Aboriginal Health Worker-led low risk foot clinic has been established to support podiatry services in early intervention and treatment.

Sit Talk and Yarn (STaY), Cherbourg

People needing to access less-acute services for mental health and suicidal ideation were supported again this year by the STaY team. The service uses a holistic assessment that takes into account spiritual, cultural and socio-economic aspects, case plans are then individualised for each patient. The STaY team works in partnership with the Cherbourg community, Cherbourg Aboriginal Health Council, CRAICCHS, Darling Downs and West Moreton Primary Healthcare Network (DDWMPHN) and Murgon State High School Youth Hub. STaY focuses on a strengths-based approach to addressing social and emotional wellbeing, community engagement and community capacity building. The STaY team will be presenting at the October 2022 Indigenous Wellbeing Conference in Adelaide to present the Darling Downs Health Head and Hands model of self-determination for improved wellbeing and health outcomes. STaY has partnered with First 2000 days to present: STaY2K: A life course model of social and emotional wellbeing from birth and beyond.

Inreach Clinical Care Coordinator

This unique position focuses on First Nations care coordination by working collaboratively with Indigenous Liaison Officers, Aboriginal Health Workers and Aboriginal Community Controlled Organisations in the form of case management style interventions. The service has proven to have created well-coordinated, streamlined care for patients in the Darling Downs, Southwest and Northern NSW Regions. The Indigenous Health Clinical Care Coordinator works across inpatients, outpatients, hospital transfers, hospital in the home, aged care and community and demand for this service has been increasing.

Community Healing

Integrated with primary care services by holding regular clinics at Goolburri Aboriginal Health Advancement and Goondir Health Services, the program aimed to improve access and engagement of young people (and families) needing mental health support. The program focuses on reducing the need for police intervention and seclusion for the young people accessing mental health services. The Community Healing Team provide a case management model, with triage in the community setting, rather than the traditional hospital setting and facilitate multi-agency care coordination to meet the socio-economic, cultural and health needs of the patient and their family.

Inreach Kids

An integrated co-design model developed between Goondir Health Services and Darling Downs Health to provide patient-centric seamless flow of journey for Indigenous patients across two systems, and to streamline services, ensuring less duplication of services, identification of service gaps and improved health outcomes from conception to 15 years. The focus of this initiative is to enhance primary health care services through collaboration and shared resources with a focus on increasing health checks and primary health care services for this cohort.

After Hours Indigenous Liaison Service

The Indigenous Liaison Services (ILO) was expanded to better support Aboriginal and Torres Strait Islander patients presenting to emergency departments, inpatient wards, and patient transfers across Darling Downs Health. The ILO team support people presenting to the emergency department with complex health issues by referring them to appropriate services, providing cultural and social supports, and supporting patients accessing

Darling Downs Health services. ILO support can be accessed through face to face and telehealth from any facility within Darling Downs Health.

Aboriginal and Torres Strait Islander Workforce

The Darling Downs Health Indigenous Health Team have continued the ‘Growing our own local workforce’ initiative, with an additional five Aboriginal and Torres Strait Islander Trainee Health Workers working towards completing a Diploma in Aboriginal and Torres Strait Islander Health Care, Certificate IV in Aboriginal and Torres Strait Islander Primary Health Care Practice, and a Certificate IV in Mental Health. Positions are based in Western Downs, Southern Downs, South Burnett, and Toowoomba to address the workforce shortage across Darling Downs for Aboriginal and Torres Strait Islander Health Workers and Aboriginal and Torres Strait Islander Health Practitioners.

An Indigenous Administration Officer initiative has been established at Toowoomba Hospital to increase the number of Aboriginal and Torres Strait Islander people employed in patient facing positions to enhance cultural capability. This initiative has employed four staff and will continue to build the Aboriginal and Torres Strait Islander Health Workforce at Toowoomba Hospital.

The Indigenous Cadetships initiative has commenced with four participants currently enrolled in tertiary preparation programs as part of their pathway to nursing. This initiative is aimed at “growing our own local workforce” to address nursing shortages in rural facilities.

Indigenous Health Project Officers are developing a “Jobs for our Mob” program to promote health career opportunities through high schools, career days and by working closely with existing youth programs. “Jobs for our Mob” will not only promote career opportunities but will provide information on how to apply for positions, resume development, interview skills and work experience. Indigenous Health currently has one participant in the work experience program with more opportunities being developed as this program progresses.

Keeping our Indigenous communities COVID-19 safe

Darling Downs Health First Nations COVID-19 response was led by the Director of Indigenous Health, with Aboriginal and Torres Strait Islanders Health Workers playing a lead role in the front-line response. Seven Aboriginal Health Workers completed the COVID-19 Vaccination Training and were frontline in the COVID-19 vaccination rollout. 13 Aboriginal Health Workers completed the COVID-19 Testing Training and led the testing clinics in Cherbourg. COVID-19 vaccination clinics were delivered at Goolburri Aboriginal Health Advancement, Goondir Health Services and Goondiwindi Medical Centre, with Indigenous Health staff playing a lead role in many other clinics across the region. Walkabout Clinics were established in Cherbourg and Toowoomba, with COVID-19 vaccination being offered door-to-door.

The Darling Downs Health Cherbourg COVID-19 Outbreak response was led by Darling Downs Health Indigenous Health Team as part of a multi-organisational response. The local radio station UsMob promoted vaccinations and testing clinics, provided community education and kept the community informed. Aboriginal Health Workers played a critical role in developing this community-led response. The Darling Downs Health First Nations COVID-19 response – Aboriginal-led Health response – Managing the Cherbourg Omicron Outbreak January – February 2022: Lessons for future care will be presented at the Population Health Conference in Adelaide and the World Hospital Congress in Dubai in late 2022.

Social and Emotional Wellbeing and social support featured highly in the First Nations COVID-19 response with a 24-hour helpline set up in Cherbourg for families in isolation. Two social support teams, led by Aboriginal Health Workers (AHW) were set up in Toowoomba and Cherbourg to assist families with food, supplies and wellbeing

support while in isolation. Toowoomba Aboriginal Health Workers partnered with Carbal Medical Services and Drayton Medical Centre to roll out this initiative.

Our community-based and hospital-based services

Darling Downs Health is the major provider of public hospital and health services in the Toowoomba, Western Downs, South Burnett, and Southern Downs regions. Darling Downs Health is also a provider of specialist services to residents from surrounding areas, including Southwest Queensland, northern New South Wales, and the Lockyer Valley regions.

The defined geographic region of Darling Downs Health is large and diverse covering approximately 90,000 square kilometres. The area covers the local government areas of the Toowoomba, Western Downs, Southern Downs, South Burnett and Goondiwindi Regional Councils, Cherbourg Aboriginal Shire Council, and the community of Taroom in the Banana Shire Council.

Darling Downs Health provides services to a regional and rural population growing at a rate of about one per cent annually and expected to reach approximately 295,000 by 2021-2022. Aboriginal peoples and Torres Strait Islanders make up six per cent of the Darling Downs population compared to approximately five per cent across the state.

Our services

In 2021-2022, services were provided from 28 facilities across the region, including one large regional referral hospital, one extended inpatient mental health service, three medium-sized regional hub hospitals, 12 rural hospitals, three multipurpose health services, one community outpatient clinic, one community care unit and six residential aged care facilities.

The comprehensive range of services provided by Darling Downs Health throughout the region includes both specialist inpatient and outpatient services including:

- Allied health
- Cancer services
- Cardiac medicine
- Emergency medicine
- Intensive care
- Medical imaging
- Medicine and a range of medical subspecialties
- Mental health and addiction medicine
- Obstetrics and gynaecology
- Paediatrics
- Palliative care
- Rehabilitation
- Surgery and a range of surgical subspecialties.

Services delivered in the community include:

- Aboriginal and Torres Strait Islander health programs
- Community mental health programs

- BreastScreen Queensland
- Child and maternal health services
- Community care services including domestic assistance
- Community rehabilitation
- Infectious diseases
- Oral health
- Public health
- Residential aged care, aged care assessment and home care services
- Sexual health
- Refugee health
- Women’s health.

Car parking concession

In 2021-2022 Darling Downs Health issued 4,317 (3,065 on campus and 1,252 undercover) car parking concession passes at a total cost of $67,516.60.

Targets and challenges

Darling Downs Health faces many challenges and opportunities in delivering public healthcare services to the community. The Darling Downs Health Strategic Plan 2020-2024 identifies six key risks and opportunities the health service must manage in delivering our vision ‘Caring for communities – healthier together’. Despite the challenges associated with the COVID-19 pandemic, the health service has delivered against its performance targets in 2021-2022.

Targets

Be an influencer using social media and communication tools

This year over 200,000 digital users accessed Darling Downs Health’s social media portfolio for public health information including COVID-19, influenza, regular screening, healthy lifestyle information, and sexual health. Available 8am to 8pm seven-days per week, the social media platforms were available to answer questions about changes to public health direction and provide advice on most individual circumstances.

Make healthcare easy to access

This financial year Darling Downs Health undertook a web transformation project to increase the availability of health service information to consumers. The new website was designed and developed to ensure that its content was available to as many users as possible including people who use assistive technologies like vision impairment and translation readers, people with slower internet connection, and accessibility on most handheld devices including mobile phones. The Darling Downs Health website now includes extensive information for patients and visitors as well as a geo-location targeted healthcare services finder. This allows us to geo-target the services available for patients and consumers based on where they are in our region and their closest facilities.

Develop leadership across the health service

Darling Downs Health continues to embed its leadership capability framework by developing leadership skills and continuing to build understanding about what is required for effective, everyday leadership at all levels of the organisation. In 2021-2022, the organisation expanded its suite of internal leadership programs and now provides a broader range of opportunities for leaders at all four levels of the leadership capability framework. Significant work has been undertaken this year in facilitating the 11 programs at the leads self-level of the leadership capability framework and implementing two new programs including *Leading for Success* (targets senior staff); and *Next Level Leadership* (targets middle level managers). A program targeting the skills of managers to build psychological safety within their teams has also been launched and delivered this year.

Challenges

Increased severe weather events impacting our region

This year our region experienced several significant wet weather and flooding events whilst concurrently responding to the COVID-19 pandemic. Business continuity plans were required to address impacts on patient transfers/retrievals, vulnerable patients access to care, deliveries, waste removal and staffing shortages. Support was provided to local disaster management groups planning potential evacuations, responding to evacuee needs and addressing public health matters from our Health Emergency Operations Centre.

Infrastructure challenges

Darling Downs Health requires significant investment in capital in the short to medium term to prevent continued deterioration of built and digital assets. Darling Downs Health manages a geographically spread and dated asset base which provides ongoing challenges for demand capacity management, patient flow efficiencies, staff and patient security, and staff recruitment and retention, including:

- The condition of our building assets and the remoteness of some of our facilities directly effects our ability to recruit and retain staff.
- Our hospitals, particularly those in our regional areas are often the only provider of primary care leading to increases in patient volume.
- Outdated and repurposed infrastructure, including information communication technology, that will result in an inability to take advantage of emerging technologies and an inability to provide facilities that are fit for purpose to deliver contemporary care.

The following infrastructure works were completed this year to assist our workforce in delivering efficient and safe services at the level expected by our community.

- Murgon Community Health refurbishment
- Texas Multipurpose Health Service roof replacement
- Toowoomba Hospital Emergency Department roadways repairs in association with the expansion project
- Toowoomba Hospital campus Fountain House amenities refurbishment
- Jandowae Hospital resurfacing and roadways repair

- Amenities refurbishment to Phillips acute inpatient Ward Warwick Hospital
- Baillie Henderson Hospital campus roadways resurfacing and repairs
- Chinchilla medical training centre. This is a modular designed education building nearing completion and will be delivered to site in late August 2022. This will provide essential capacity for the Chinchilla workforce hub.
- Landscaping projects were completed at Millmerran, Texas and Inglewood Multipurpose facilities.
- Upgrades to Toowoomba Hospital essential power

Increasing demand for services

Year-on-year Darling Downs Health are seeing an increasing number of people presenting to the Toowoomba Hospital Emergency Department and we have several initiatives to support patient flow through the hospital. This includes the establishment of our Clinical Decision Unit (CDU) and the relocation of our Admission, Discharges and Transfers Ward (ADTW).

The CDU is located close to the Emergency Department at the front of the hospital and is a dedicated ward with the sole aim of improving patient flow out of emergency care. When the CDU was established, we also relocated ADTW into a clinical space that accommodates more beds, all of which is helping to keep patient flow as efficient as possible.

We also have a Health Operations Centre, modelled on similar centres already in use on the Gold Coast, Brisbane and Ipswich, which gives us the ability to monitor and produce ‘real time’ information about patient flow and capacity at Toowoomba Hospital as well as providing similar information about the health service’s other facilities.

Additional initiatives to improve patient flow for emergency care included:

- A pilot with Cub Care providing online paediatric consultations was launched this year. The service is open after hours from 4pm-10pm every day for children aged 0-16 across our Darling Downs Health region as another option for non-emergency care.
- Continuation of the Police and Clinical Emergency Response (PACER) model of care which aims to reduce avoidable presentations for people with mild to moderate mental health issues to Emergency Department.
- Under the Care4Qld strategy, Darling Downs expanded inpatient capacity by 44 beds to assist with the management of long stay patients – particularly during high demand due to COVID-19.
- A primary practice in Taroom was implemented, the practice operates six-days a week providing care locally and reducing the need for travel.

Governance

Our people

Board membership

The Darling Downs Hospital and Health Board (the Board) is appointed by the Governor in Council on the recommendation of the Minister in accordance with section 23 of the *Hospital and Health Boards Act 2011*. To strengthen local decision making our Board members represent the four regions of the health service – Southern Downs, Western Downs, South Burnett and Toowoomba. The Board is responsible for the oversight of health services in the region and is accountable for its performance in delivering quality health outcomes to meet the needs of our communities.

Mr Mike Horan AM

Chair, Darling Downs Health Board

Mr Mike Horan AM was the Member for Toowoomba South in the Queensland Parliament from 1991 to 2012. During his political career Mike served as the leader of the National Party, leader of the Opposition, Shadow Attorney-General and Shadow Minister for Police, Health, and Primary Industries respectively. Mike regards his time as Minister for Health (1996-1998) as a highlight of his political career. During his time as Health Minister, the Surgery on Time System was established, a 10-year Mental Health Plan introduced, and targets for breast screening and children's immunisation were set and achieved. In June 2013, Mike was awarded a Member of the Order (AM) in the General Division of the Order of Australia for significant service to the Parliament of Queensland and to the community of the Darling Downs. Mike was appointed as Chair of the Darling Downs Health Board in May 2012 and is the Chair of the Board Executive Committee. He was the inaugural Chair of the Queensland Hospital and Health Board Chairs' Forum from 2012 to 2014. Mike is the Queensland Hospital and Health Board Chairs' Forum representative for the Investment Assurance Committee. Mike is a great believer in working with the community to achieve results.

Dr Dennis Campbell

PhD, MBA, FCHSM, FAIM, GAICD

Deputy Chair, Darling Downs Health Board (Toowoomba)

Dr Dennis Campbell has been a Chief Executive Officer in both the public and private health sectors, during which he held the positions of Assistant and Acting Regional Director in the Queensland Department of Health as well as Chief Executive Officer at St Vincent's Hospital, Toowoomba, for 10 years. In 2007, he was awarded an Australia Day Achievement Medallion for services to the Australian College of Health Service Executives. In 2008, he was awarded the Gold Medal for Leadership and Achievement in Health Services Management recognising his contribution and professional achievements in shaping healthcare policy at the institutional, state, and national levels. In 2021 Dennis was awarded a Queensland Museum Medal in recognition of work caried out for the benefit of Queensland Museum Network. Dennis is Chair of the Board Finance Committee and a member of the Board Executive and Board Audit and Risk Committees.

Emeritus Professor Julie Cotter

PhD, BCom(Hons), FCPA, CA, GAICD

Board Member, Darling Downs Health Board (Toowoomba)

Emeritus Professor Julie Cotter is a respected academic with a wealth of experience in business and governance. Julie is a Chartered Accountant and a Fellow of CPA Australia. Emeritus Professor Cotter is the Chair of the AICD Toowoomba Regional Committee, and a board member of Exercise and Sports Science Australia (ESSA). Emeritus Professor Cotter has also held board and advisory roles with organisations including Toowoomba and Surat Basin Enterprise (TSBE) and Australian Agricultural Company (AACo). Emeritus Professor Cotter held senior management positions at USQ between 2006 and 2017, including Head of School and Research Centre Director roles. Julie is the Chair of the Board Audit and Risk Committee and a member of Board Finance Committee.

Cheryl Dalton

MAICD

Board Member, Darling Downs Health Board (South Burnett)

Ms Cheryl Dalton has extensive experience in governance gained in her 16 years as a local government Councillor in the South Burnett. She is currently the Chief Executive of SBcare, a not-for-profit aged care and disability service and works closely with and advocates for the community and social service sector. Cheryl has more than 30 years' business management experience through her family agribusiness ventures where she is active as a Managing Director in a variety of agricultural enterprises and works primarily in the financial and quality assurance aspects of the business. Cheryl is a member of the Board Finance and Board Audit & Risk Committees.

Dr Stephen Harrop

RIPRN BSc PhD

Board Member, Darling Downs Health Board (Southern Downs)

Dr Stephen Harrop has a varied professional career, with extensive emergency nursing experience in Queensland. As an educator, Dr Harrop was a Senior Lecturer and Program Convenor for the Bachelor of Nursing Degree at Griffith University and coordinated Aboriginal Health Worker training for the Bachelor Institute of Indigenous Tertiary Education for all NT. His doctoral research focused on molecular parasitology at QIMR and Tropical Health at UQ, he then undertook post-doctoral studies at QUT and was appointed a scientist at the PAH. Dr Harrop holds positions with Independent Chair Headspace Consortium Warwick, Chair Community Advisory Group, Warwick Hospital and Health Service, and Rural Community Consultative Committee and Leadership Group member. Dr Stephen Harrop was appointed to the Board in March 2022.

Dr Ross Hetherington

MBBS, DRANZOG, FACCRM, PGDipPallMed, FAICD Board Member

Board Member, Darling Downs Health Board (Southern Downs)

Dr Ross Hetherington is a medical practitioner and a Designated Aviation Medical Examiner (DAME). Ross has extensive experience in rural medicine and has been in private practice as a GP in Warwick since 1996. Ross co-founded the Central Queensland Rural Division of General Practitioners and is also a foundation member of Regional Health Board, Longreach. Dr Hetherington is the Board Chair of RHealth and Chair for the national body RHWA (Rural Health Workforce Australia). He is a board member of Health Workforce Queensland, Australian General Practice Accreditation Limited, and Avant's State Medical Committee (Queensland). Dr Hetherington is a member of the Board Executive and Board Safety and Quality Committees.

Terry Kehoe

BE

Board Member, Darling Downs Health Board (Toowoomba).

Previously a consulting engineer, Mr Kehoe is the founder and Senior Director Kehoe Myers Consulting Engineers Pty Ltd – Civil Structural and Hydraulic engineering. Terry has practiced in the fields of civil, structural, and hydraulic engineering design and construction for many and various private and institutional clients. Mr Kehoe has served organisations in various roles including Board Member of TPS School Board, Honorary Engineer for The Royal Agricultural Society Queensland (Toowoomba Showgrounds), Urban Development Institute of Australia - Founding President Toowoomba Branch and Queensland Division Board Member. He has also engineered and managed the design and construction delivery of significant community infrastructure projects being Consulting Engineer Director of projects, design, construction contracts and delivery of projects including St. Vincent's Private Hospital Toowoomba Maternity Wing, Toowoomba Base Hospital Car Parking, Toowoomba Quarry Gardens, Wellcamp Airport and Industrial Park, Wagner's Wellcamp Future Projects. Terry Kehoe was appointed to the Board in March 2022.

Trish Leddington-Hill

BSc, LLB, GAICD

Board Member, Darling Downs Health Board (Western Downs)

Ms Patricia (Trish) Leddington-Hill worked for more than 10 years with RHealth, a primary healthcare organisation servicing the Darling Downs and South West Queensland, before being appointed to the Darling Downs Health Board in November 2012. In addition to her Board role, Trish re-joined RHealth as a part-time Executive Manager in January 2019, and currently works in a part-time role supporting the Western Queensland Primary Health Network. Trish is Chair of the Board Safety and Quality Committee and a member of the Board Audit and Risk Committee.

Marie Pietsch

MAICD

Board Member, Darling Downs Health Board (Southern Downs)

Ms Marie Pietsch is a member of various health committees including the Inglewood Multipurpose Health Service Management Committee and Chair of the Inglewood Community Advisory Network. Marie's work in representing health consumers in her region earned her a 2003 Centenary Medal for distinguished service to the community. Marie also received an Australia Day Achievement Medallion in 2005 for her outstanding service to Queensland Health and in 2014 Marie was awarded Citizen of the Year by the Goondiwindi Regional Council for services to the community, especially in health. She is a member of Australian Institute of Company Directors (AICD). Marie is a member of the Board Audit and Risk and Board Finance Committees and is the Board representative on the Darling Downs Health Regional Consumer Consultative Committee.

Dr Ruth Terwijn

RN, MNurs (Hons), PhD GAICD

Board Member, Darling Downs Health Board (Toowoomba).

Dr Ruth Terwijn is a registered nurse and academic who started her nursing career at St Vincent's Hospital, Toowoomba. Ruth worked with Family Planning Queensland in clinical, educational and managerial roles. During this time, she completed an Advanced Practice Nursing in Sexual and Reproductive Health course and a Master of Nursing (Hons) through University of Southern Queensland (USQ). After many years at Family Planning Queensland (FPQ), she changed her focus to become a lecturer of nursing at USQ. Her teaching priority during this time was introducing student nurses to the profession of nursing, post graduate rural and remote nursing courses, and part of the team that introduced flexible learning through online nursing courses. Ruth worked closely with nursing students who held a Permanent Humanitarian Visa. In 2015, she completed her PhD with a critical research study of the experiences of English as an Additional Language

(EAL) and international nursing students. Ruth is a member of the Board Finance and Board Executive Committees.

Professor Maree Toombs

PhD, GCEF, BPED

Board Member, Darling Downs Hospital and Health Board (Toowoomba)

Professor Maree Toombs is the Associate Dean (Indigenous Engagement) for the Faculty of Medicine at The University of Queensland, where her focus is on implementing their Reconciliation Action Plan as well as ensuring the continued support of Indigenous students at the University. Professor Toombs is an Aboriginal woman with cultural linage to the Kooma people of Western Queensland and Euahlayi People of North western New South Wales. She was the first Aboriginal person to be awarded a PhD from the University of Southern Queensland. Maree is recognised nationally and internationally for her research work around mental health outcomes for Aboriginal people with multiple comorbidities, in particular managing chronic physical illness and mental health in a holistic way and building resilience.

Professor Toombs is a Churchill Fellowship recipient with over 20 years' experience teaching and developing curriculum relating to Indigenous education and health. Professor Toombs is a member of the expert advisory committee for Indigenous Health to the Medical Deans of Australia and New Zealand and is Chair of the Board of Directors at Carbal Medical Services. Maree is a member of the Board Safety and Quality Committee.

Table 1: Board member attendance at Board meetings and committees in 2021-2022

Board Members Attendance at Committees												
Meeting			Board		Executive		Finance		Audit and Risk		Safety and Quality	
Name	Position (Commenced)	Current Term	Held	Attend	Held	Attend	Held	Attend	Held	Attend	Held	Attend
Mike Horan AM	Chair (18/05/2012)	18/05/2020 31/03/2024	11	11	12	11	-	-	-	-	-	-
Dennis Campbell	Deputy Chair (29/6/2012)	01/04/2022 31/03/2026	11	11	12	11	11	11	4	4	-	-
Julie Cotter	Member (18/05/2017)	01/04/2022 31/03/2026	11	11	-	-	11	11	4	4	-	-
Cheryl Dalton	Member (29/06/2012)	18/05/2021 31/03/2024	11	9	-	-	11	10	-	-	-	-
Stephen Harrop	Member (01/04/2022)	01/04/2022 31/03/2026	3	3	-	-	-	-	-	-	-	-
Ross Hetherington	Member (29/06/2012)	10/06/2021 31/03/2024	11	11	12	11	-	-	-	-	6	5
Terry Kehoe	Member (01/04/2022)	01/04/2022 31/03/2026	3	1	-	-	-	-	-	-	-	-
Trish Leddington-Hill	Member (09/11/2012)	18/05/2021 31/03/2024	11	10	-	-	-	-	4	4	6	6
Marie Pietsch	Member (29/06/2012)	01/04/2022 31/03/2026	11	11	-	-	11	8	4	3	-	-
Ruth Terwijn	Member (18/05/2016)	18/05/2020 31/03/2022	8	8	9	9	-	-	-	-	4	4
Maree Toombs	Member (18/05/2020)	18/05/2020 31/03/2024	11	10	-	-	-	-	-	-	6	2

Committees

The Board has legislatively prescribed committees to assist the Board in fulfilling its responsibilities. Each committee operates in accordance with a Charter which clearly articulates its role, scope, and deliverables.

Executive Committee

The Executive Committee is established under section 32A of the *Hospital and Health Board Act 2011* (the Act). The role of the committee is to work with the Health Service Chief Executive to progress strategic priorities identified by the Board.

The committee also provides a platform for strong communication between the Board and Health Service Chief Executive to ensure accountability in the delivery of health services and to assist in responding to critical emergent issues.

Finance Committee

The Finance Committee is a prescribed committee under s31 of the Hospital and Health Boards Regulation 2012 (the HHB Regulation) and functions in accordance with the requirements of section 33 of the HHB Regulation. The committee is accountable to the Board for overseeing matters relating to the financial position, resource management strategies and the performance objectives of the health service. The committee assesses the health service budget to ensure consistency with identified organisational objectives and monitors financial and operating performance monthly. The committee provides assurance and oversight to the Board regarding financial risks that may impact on the service's financial performance and ensures appropriate management strategies are in place.

Safety and Quality Committee

The Safety and Quality Committee is a prescribed committee under s31 of the HHB Regulation and functions in accordance with the requirements of section 32 of the HHB Regulation. The committee is responsible for providing strategic leadership and promoting improvements to Darling Downs Health strategies, particularly aimed at minimising preventable harm, reducing unjustified variation in clinical care, and improving the experience of those receiving health services. The committee provides assurance and assistance to the Board regarding the safety and quality governance arrangements and the service's strategies for compliance with policies, agreements and standards as well as national and state strategies.

Audit and Risk Committee

The Committee is a prescribed committee under s31 of the HHB Regulation and functions in accordance with the requirements of section 34 of the HHB Regulation.

- the appropriateness of the health service's financial statements, including review of the Chief Finance Officer's assurance statement, ensuring compliance with accounting practices and standards prescribed under the *Financial Accountability Act 2009* and ensuring external scrutiny of the statements
- the Queensland Audit Office - the external auditor in relation to proposed audit strategies and the annual audit plan
- the findings and recommendations of external audits and ensuring appropriate management response to

all actions

- monitoring the internal audit function and endorsement of the internal audit plan
- monitoring compliance and risk management strategies for the health service
- reviewing the work health and safety risk profile for the health service and monitoring implementation of the Safety & Wellbeing System.

Board meetings

Each month the Board meets to provide guidance on the strategic direction of the health service. The Health Service Chief Executive (HSCE) attends as a standing invitee at each Board meeting. The Board visit all areas of the health service with every second meeting held in a rural facility.

Total Board out of pocket expenses were $19,939 and further details on the Board remuneration is provided in Appendix 1.

Executive Management

Annette Scott PSM

Health Service Chief Executive

Annette Scott has an extensive history across the health system both private and public. Annette is an Executive Leader and Board Director recognised for progressing innovative models of allied health practice within the region. She recently managed the planning and preparedness for the COVID-19 response and was the executive lead for the COVID-19 vaccination program roll out. Annette was the Acting Health Service Chief Executive from October 2021 until appointed to the position in April 2022.

In addition to being our Chief Executive, Annette was recently the Executive Director Allied Health; being the operational lead for the allied health workforce and professional lead for the health practitioner workforce. Annette is the Darling Downs Health senior representative on the Advisory Board of Southern Queensland Rural Health along with her involvement in research collaboratives. In 2021, Annette received a Public Service Medal for her lead role in the COVID-19 response across the Darling downs and southern Burnett region.

Shirley-Anne Gardiner

Executive Director Toowoomba Hospital

Shirley-Anne Gardiner has been the Executive Director of Toowoomba Hospital since August 2016. Shirley-Anne is also Chair for the Queensland Health Chief Operating Officer (COO) Forum and a member of the Darling Downs Regional Child, Youth and Family Committee. Shirley-Anne has previously held leadership roles including Operations Manager of Palmerston North Hospital (MidCentral Health), and Executive Director of Population Health and Engagement for the Darling Downs Southwest Queensland Medicare Local. She is a Graduate of the AICD and is on the Board of four not-for-profit organisations in Toowoomba.

Greg Neilson

Executive Director Mental Health, Alcohol and Other Drugs Services

Greg Neilson has over 25 years' experience in senior nursing and management positions in Darling Downs Health, Division of Mental Health,

Alcohol and Other Drugs. Greg is a fellow of the Australian College of Mental Health Nurses and a Graduate of the AICD. Greg has been the Executive Director Mental Health since June 2016. In this role Greg is accountable for executive leadership over mental health, and alcohol and other drugs services, which includes acute and extended inpatient and community services.

Dr Hwee Sin Chong

Acting Executive Director Medical Services/Executive Director Queensland Rural Medical Service

Dr Hwee Sin Chong first commenced in Toowoomba as the Deputy Director of Medical Services for Darling Downs Health in 2011. In 2014, she was appointed to the role of Executive Director Medical Services for the health service, and then in 2017 was selected as the new Executive Director of the then named Rural and Remote Medical Support (now known as the Queensland Rural Medical Service). Dr Chong is a Fellow of the Royal Australasian College of Medical Administrators and has a Master of Health Management and Master of International Public Health from the University of New South Wales. Dr Chong is currently the Acting Executive Director Medical Services. In this role Dr Chong is responsible for the Medical Education Unit and providing professional medical leadership across Darling Downs Health.

Sharon Shelswell

Acting Executive Director Rural Health

Sharon Shelswell commenced her nursing training at Ipswich Hospital in the late 1980's, completing tertiary qualifications several years later. Sharon has an extensive nursing history in senior leadership roles across rural, regional and quaternary health services in Queensland, the Northern Territory and Western Australia. Within Queensland Health, Sharon has held multiple senior nursing leadership roles and has been the operational lead of a diverse range of services in Darling Downs Health, West Moreton and the Southwest. After a gap of six years, Sharon returned to Darling Downs Health in late 2019 and was appointed permanently to the Director of Nursing and Midwifery, Southern Cluster in 2021. As the temporary Executive Director of Rural Health between November 2021 to May 2022, Sharon's' breadth of experience was well utilised in leading a diverse team across rural health and aged care.

Dr Christopher Cowling

Executive Director Rural Health

Dr Christopher Cowling joined Darling Downs Health as a member of the Clinical Governance Unit in 2020. Later that year he took up the position of Director of Medical Services – Western Cluster. In this role Dr Cowling provided medical leadership to support staff across the cluster. Dr Cowling continued in this role until his appointment to his current position of Executive Director Rural May 2022.

Prior to this Dr Cowling trained and worked as a Rural Generalist with an advanced skill in Anaesthetics. He studied Medicine at James Cook University. He commenced his medical career as an Intern at the Townsville University Hospital prior to undertaking his Rural Generalist training across locations including Roma, Bundaberg, Innisfail and Charleville. This included time working for many years with the Royal Flying Doctors Service based out of Charleville.

Dr Cowling is a Fellow of the Australian College of Rural and Remote Medicine and has a Master of Health Leadership and Management from the University of New South Wales.

Andrea Nagle

Executive Director Nursing and Midwifery Services

Andrea Nagle is a career nurse who has worked in the public and private health sectors as well as non-government health organisations. Andrea was appointed as the Darling Downs Health Director of Nursing Rural (Western Cluster), before stepping into the Darling Downs Health Executive Director Nursing and Midwifery Services role in July 2017. In this role Andrea is the professional lead responsible for nursing and midwifery services across Darling Downs Health and maximising the potential of nursing and midwifery to enhance health outcomes for the consumers of the health service. Andrea is an Adjunct Associate Professor, USQ School of Nursing and Midwifery.

Jane Ranger

Chief Finance Officer

Jane Ranger was appointed to the Chief Finance Officer role in August 2016. In this role, Jane provides single-point accountability for the Finance Division including Financial Control, Commercial Management and Procurement, Health Information Services and the Business Analysis and Development areas ensuring the prudent financial management for Darling Downs Health. Prior to being appointed to this role Jane was the Senior Finance Manager for the Toowoomba Hospital. Jane has extensive experience in many industries, including banking, hospitality, building and construction, manufacturing and public transport and has held senior roles in private healthcare for Healthscope Ltd. Jane is currently the Chair of the statewide Chief Financial Officers' Forum and the Deputy Chair of the S/4HANA Business Advisory Group.

Dr Paul Clayton

Executive Director Infrastructure

Paul Clayton joined Darling Downs Health in 2016 after more than 20 years in project management and technical services delivery in infrastructure and in the environment and water sector. With a career that includes direct experience in research, government, and the private sector, Paul brings a professionally balanced and practical approach to corporate governance, project management, strategic oversight and business planning. Paul was appointed to the Executive Director Infrastructure role in October 2016. In this role, Paul provides executive leadership over the Infrastructure Division and ensures the coordinated delivery of Darling Downs Health infrastructure and maintenance projects. Before joining Darling Downs Health, Paul was General Manager for a local division of an international professional services consulting and contractor company working with clients on infrastructure projects for the resources, transport, urban development, and the agricultural sectors, and for all three tiers of government in Australia.

Jude Wills

Acting Executive Director Allied Health and Acting Executive Director Workforce

Jude Wills commenced in the role October 2020 and is functioning as the operational lead for the allied health workforce within Toowoomba Hospital and the rural communities of the Darling Downs and South Burnett, as well as the professional lead for the Health Practitioner (HP) workforce across Darling Downs Health. She left this position in March 2022 to take up the role of Acting Executive Director, Workforce.

Jude Wills transitioned to the Workforce Division in March 2022, overseeing learning and development, culture and engagement, workforce planning, workforce relations, recruitment, and workplace health and safety.

Angela O'Shea

Acting Executive Director Allied Health

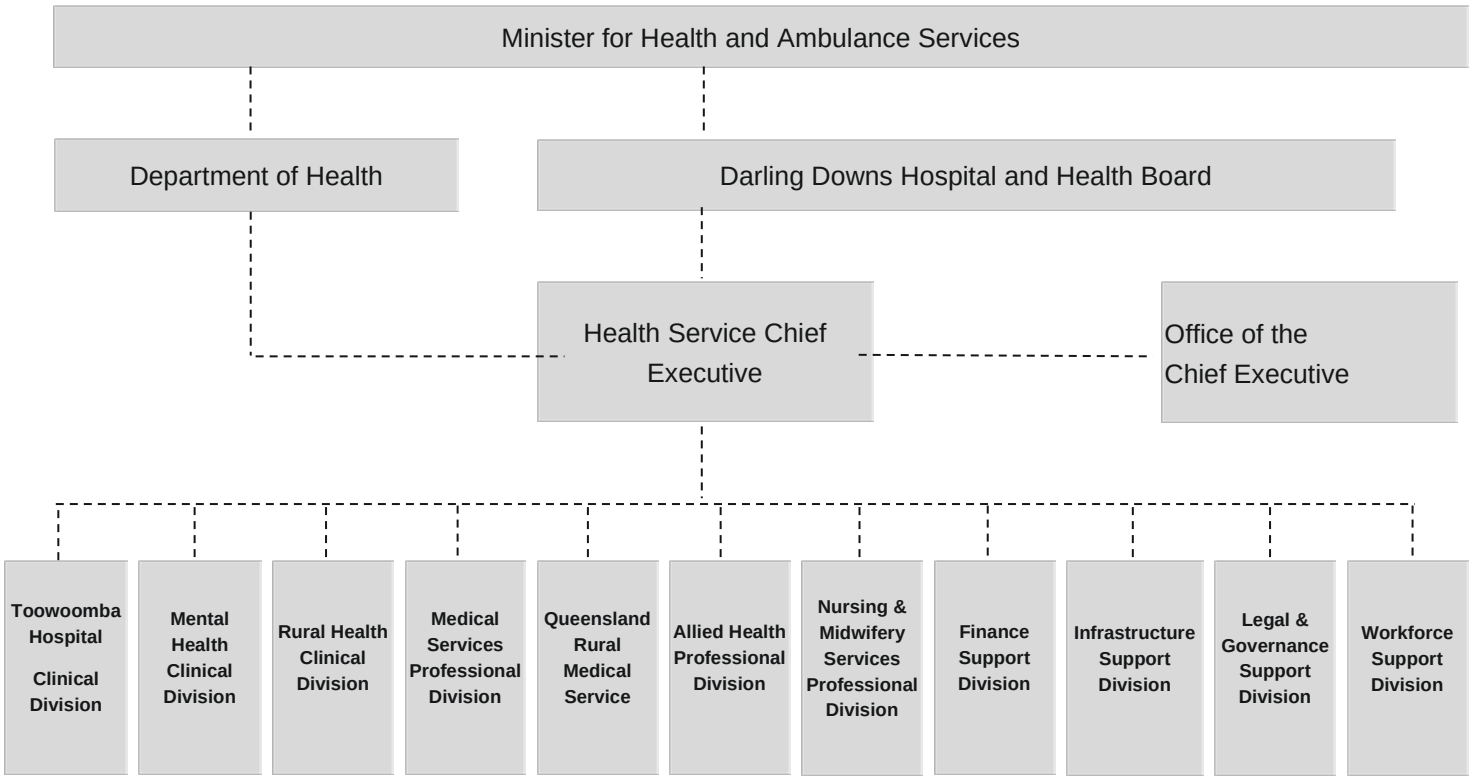
Angela O'Shea is currently acting as the Executive Director Allied Health for the Division of Allied Health since March 2022. Angela is a Psychologist by background and holds a Master of Psychology (Health). She spent her early career working in a

range of clinical roles within the Darling Downs Health Mental Health Service working with both the adult and older person's populations in Extended Inpatient and Acute and Community Services. In addition to her clinical roles, Angela has also been employed in educator and project management positions.

Angela's substantive position is as the Director of Psychology where she is responsible for the professional management of Psychologists working across the various services of Darling Downs Health as well as operationally managing the Psychologists providing services to Toowoomba Hospital. She is currently the Chair of the Darling Downs Health Human Research and Ethics Committee. Angela is a Board Approved Supervisor with the Psychology Board of Australia and has keen interest in the development and growth of the psychology workforce and other professions and services within the Division.

Darling Downs Health acknowledges and thanks the contribution of the past members of the executive leadership team who served this financial year**:** Health Service Chief Officer Dr Peter Gillies, to October 2021, Executive Director Rural Health Joanne Shaw to December 2021, Executive Director Workforce Hayler Farry to March 2022 and Executive Director Legal and Governance Julian Tommei to January 2022.

Organisational structure



Darling Downs Health maintained a Health Emergency Operation Centre (HEOC) to respond to the COVID-19 pandemic and disaster management. The HEOC structure provides executive level command oversight, governance and resource support to rapidly respond to events. A core HEOC remains in place to manage ongoing planning and response preparedness.

Table 1: More doctors and nurses*

	2017-18	2018-19	2019-20	2020-21	2021-22
Medical staff [a]	395	426	469	494	537
Nursing staff [a]	2,042	2,109	2,190	2,253	2,309
Allied Health staff [a]	485	502	525	628	651

Table 2: Greater diversity in our workforce*

	2017-18	2018-19	2019-20	2020-21	2021-22
Persons identifying as being First Nations [b]	104	109	128	131	140

Table 3: Workforce profile data

	FTE*
Total FTE for Darling Downs Health	4,999

Note: * Workforce is measured in MOHRI – Full-Time Equivalent (FTE). Data presented reflects the most recent pay cycle at year's end, period ending 26 June 2022.

Source: [a] DSS Employee Analysis, [b] Queensland Health MOHRI, DSS Employee Analysis

Our divisions

Darling Downs Health management is divided into 11 divisions and the Office of the Chief Executive that work in partnership to deliver health services to our communities. The divisions are grouped into clinical, professional, and support roles with each division having specific responsibilities and accountabilities for the effective performance of the organisation.

Clinical divisions

There are three clinical divisions that lead the delivery of high quality, safe and evidence-based patient care across Darling Downs Health:

Toowoomba Hospital

The largest of the clinical divisions responsible for the operation of the main regional hospital in Darling Downs Health with 473 beds. Toowoomba Hospital serves as the regional referral hospital for parts of the South West Hospital and Health Service, including Roma and Charleville. The Clinical Services Capability Framework (CSCF) rates Toowoomba Hospital as a level five hospital, managing all but the most highly complex patients and procedures.

Mental Health Services

This division provides a comprehensive range of acute child and youth, adult and older persons inpatient services at the Toowoomba Hospital campus as well as extended inpatient and rehabilitation services at the Baillie Henderson Hospital in Toowoomba. In addition to inpatient services the division provides a range of outpatient and community mental health services in Toowoomba and at a number of rural centres within the Darling Downs. The division is also responsible for Darling Downs Health Alcohol and Other Drugs Service and in collaboration with the Indigenous Health unit, co-management of the Aboriginal and Torres Strait Islander Mental Health, Alcohol and Other Drugs Service.

Rural Health Services

This division operates 15 hospitals, three multipurpose health services (MPHSs), one community outpatient clinic and 6 residential aged care facilities (RACFs), noting that one of the RACFs is in Toowoomba. The division is managed via a cluster model with three geographic clusters (Southern, Western and South Burnett).

Professional and Support Divisions

Office of the Chief Executive

The Office of the Chief Executive supports the health service in the development of strategy and planning, clinical redesign, media and communications, Aboriginal and Torres Strait Islander health, clinical governance, Board secretariat and corporate correspondence.

Medical Services

This division provides professional leadership for medical staff and services across Darling Downs Health and has responsibility for the medical professional standards, medical workforce, and medical education.

Queensland Rural Medical Service

The Queensland Rural Medical Service division is responsible for running the medical training pathways for the state including:

- Rural Generalist
- Basic and Advanced General Adult Medicine
- Basic and Advanced Paediatrics
- Intensive Care Medicine pathways

Queensland Rural Medical Service provides the Commonwealth funded National Coordination Unit for Queensland. In addition to training the next generation of specialist and rural generalist doctors, the division remains focused on clinical relief services, augmenting the rural workforce across Queensland by engaging and supplying relievers for medical, allied health and BreastScreen practitioners.

Allied Health

This division provides professional and operational leadership for allied health professionals and services across Darling Downs Health, including workforce planning and development, clinical education, research, and standards. This division also includes the Darling Downs Health Research Unit, the Allied Health Education and Training Team, Aged Care Assessment Team, Community Care Services and BreastScreen Queensland Toowoomba Service.

Nursing and Midwifery Services

This division provides professional leadership for nursing and midwifery services, including workforce planning, standards, education, and training across Darling Downs Health. Community Health Services including Oral Health and Public Medicine and the Public Health Unit are also operationally aligned to this division.

Finance

This division supports the health service in ensuring resources are balanced, sustainable, and efficient. Finance provides health service support functions comprising Financial Control, Activity and Costing Services, Management Accounting and Business Management, Commercial Management and Health Information Services which are designed to optimise quality healthcare through compliant and efficient business processes.

Infrastructure

This division supports the organisation to plan for and deliver key capital infrastructure projects, infrastructure refurbishment projects, and routine maintenance and engineering programs across the health service. The division contributes to meeting several of the health service's strategic objectives, including optimising Darling Downs Health asset use.

This division is the largest of the Darling Downs Health support divisions and operates with four departments or support-service portfolios:

- Information and Communications Technology
- Projects, Planning and Property
- Maintenance and Engineering
- Facility Services.

Legal and Governance

This division supports Darling Downs Health through the provision of legal and corporate governance advice and support. The following key areas are managed within the Legal and Governance Division:

- Legal services
- Compliance management
- Risk management
- Internal Audit
- Service Planning
- Emergency Management

Workforce

This division supports the health service to create a culture of success delivering on the key objectives of developing and engaging a dedicated, accountable, and trained workforce. Workforce is responsible for supporting staff in:

- Embedding a values-based culture
- Planning, recruiting and retaining an appropriately skilled workforce
- Developing, educating and training the workforce
- Engaging employees to improve the service
- Promoting employee health and wellbeing
- The Workforce Division is a supporting service enabling and partnering with other Divisions to engage the

Darling Downs Health workforce to promote professional and personal well-being and to ensure the dedicated delivery of services.

Strategic workforce planning and performance

Workforce strategies

Our workforce strategic planning aligns with Queensland Health's Advancing health service delivery through workforce: A strategy for Queensland 2017–2026. The organisation focus remains on supporting leadership development through the Leadership Capability Framework and raising awareness about the accountability all employees share for leadership across the organisation. Other workforce planning and performance strategies in 2021-2022 were:

- Contemporary attraction strategies and selection techniques using the Right Fit recruitment process.
- Safe workplace programs including the Safety Reliability Improvement program.
- Diversity and inclusion community of practice with participation in the Domestic and Family Violence Action group and Making Tracks committees.

Other initiatives to promote working for Darling Downs Health included:

- The 2022 graduate nursing and midwifery program has seen many challenges with attracting and securing graduates. The 2023 program is currently under review with new initiatives being developed such as attracting First Nation nurses and midwives to Darling Downs Health, whilst working closely with our Indigenous Health Team to support graduates.
- Recruitment to the Rural and Remote Generalist Nurse program commenced.
- Partnering with universities to enhance training of medical, nursing, environmental health, public health and increase undergraduate student placements. Additionally Darling Downs Health has partnered with the Rural Medical Education Australia and Griffith University to establish a rural training hub at Chinchilla to support training of nursing, allied health and medical students.

Mental Health Wellbeing Framework

Darling Downs Health approved a Mental Health Wellbeing Framework for the organisation in early 2021. The framework identifies three core wellbeing pillars:

1. Staff Wellbeing and Accountability
2. Leadership for Wellbeing and Safety
3. Staff Support

The framework follows current best practice for workplace mental health and wellbeing and emphasises an approach focusing on prevention, early intervention and providing defined care pathways. The framework was developed through significant stakeholder engagement across all areas of the organisation and staff continue to be consulted and engaged in the design and application of priority actions. Significant work has been undertaken in 2021-2022 towards the development of a best practice debrief process as a core component of

post event support. A pilot of the debrief initiative is currently underway at Dalby Hospital and will be further trialled and evaluated in two other clinical areas before it is scaled for broader organisation wide roll out.

Medical workforce

Darling Downs welcomed a record intake of 50 interns in January 2022. The attraction of medical workforce continues to be strategically developed by the establishment of the Darling Downs Southwest Medical Pathway. The development of this pathway involves a partnership of four organisations; University of Queensland (UQ), University of Southern Queensland (USQ), Darling Downs Hospital and Health Service, South West Hospital and Health Service who have committed to collaborate and implement an end-to-end medical pathway. The pathway will incorporate an undergraduate Bachelor of Biomedical Sciences, a graduate Doctor of Medicine program, and pre-vocational and vocational/fellowship training.

USQ has developed the undergraduate course with the first intake of students in 2023, who will enter the medical program in 2026 and graduate in December 2029.

Early retirement, redundancy, and retrenchment

No redundancies, early retirement or retrenchment packages were paid during the period.

Our risk management

Darling Downs Health is committed to effectively managing risk in alignment with best practice and a thorough assessment of risk priorities balanced against the costs and benefits of action or inaction. The Darling Downs Health Risk Management Framework uses an integrated risk management approach to describe how risks are identified, managed, and monitored within the health service. A fully integrated compliance management framework provides assurance to the Board and Executive that the organisation is meeting its various legislative and regulatory obligations. Risk management and compliance management reports are submitted to the Audit and Risk Committees of both the Executive and Board.

Risk Management has continued to incorporate planning of mitigation strategies for risks associated with the rollout of a large-scale community COVID-19 Vaccination program, widespread community transmission of COVID-19 in the region and impacts on service delivery due to an outbreak.

The *Hospital and Health Boards Act 2011* requires annual reports to state each direction given by the Minister to the Health Service during the financial year and the action taken by the Health Service as a result of the direction. During the 2021-2022 period, no directions were given by the Minister to Darling Downs Hospital and Health Service.

Internal audit

Darling Downs Health's internal audit function operates under a Board-approved charter in accordance with the requirements of the Financial and Performance Management Standard 2019, and the Institute of Internal Auditors' Professional Practice Standards. The Internal Audit Charter gives due regard to Queensland Treasury's Audit Committee Guidelines.

In the conduct of its activities internal audit assists in maintaining a culture of accountability, integrity, and promoting a culture of cost-consciousness, self-assessment and adherence to high ethical standards.

Internal audit work is carried out using a model of contracted auditors that are engaged through a transparent procurement process. Internal audit work is independent of, but collaborative with, the external financial audit.

The role of internal audit is to conduct independent assessment and evaluation of the effectiveness and efficiency of organisational systems, processes, and controls, thereby providing assurance and value to the Board and Executive.

Internal audit works in accordance with the annual strategic audit plan endorsed by Executive and approved by the Darling Downs Health Board. This plan is developed using a risk-based approach that considers both strategic and significant operational risks for the health service.

The 2021-2022 Internal Audit plan included audits covering topics such as:

- asset management and maintenance planning
- clinical handover
- colonoscopy services
- contract management
- research and grants management
- business continuity and emergency planning
- consumer feedback management

Implementation of recommendations arising from these audits is monitored and regularly reported to the Audit and Risk Committees of both the Executive and the Board.

External scrutiny, Information systems and recordkeeping

Darling Downs Health operations are subject to regular scrutiny from external state oversight bodies such as the Auditor-General, the Office of the Health Ombudsman, the Queensland Coroner, Queensland Audit Office and Crime and Corruption Commission. There were no reportable recommendations for Darling Downs Health from external state oversight bodies in 2021-2022.

Coronial findings

There were no coronial inquests associated with Darling Downs Health.

Information systems and recordkeeping

Darling Downs Health has continued to work towards using digital technologies to improve patient safety and experiences. This has seen the emergence of interactive systems to streamline secure collection of consumer information; minimisation of repetition; and reduction in double handling of information. The Chief Financial Officer is responsible for Health Information Services and the Executive Director Governance and Planning is responsible for the governance of corporate non-clinical records. All Darling Downs Health Staff have access to training regarding the making and keeping of public records through orientation, local induction, the Information Services Team and Health Information Services.

Darling Downs Health complies with the Health Sector (Clinical Records) Retention and Disposal Schedule (QDAN 683 v.1), the General Retention and Disposal Schedule (QDAN 249) and the Health Sector (Corporate Records) Retention and Disposal Schedule. This compliance ensures that all public records within Darling Downs Health are kept as legislatively required. Records which have reached their retention period have letters of approval for destruction and certificates of disposal are supplied.

Audits from the Queensland Audit Office and KPMG have continued to focus on data quality, process control and security. Each of these areas is highlighted through the final reports without a need for change in practice.

Data and information security breaches are reported as part of the Risk Register compliance and each is managed contemporaneously by an appropriately identified team of expert staff.

Legislative compliance audits are conducted annually and these track progress of information management.

During the 2021-2022 financial year, Darling Downs Health have an informed opinion that information security risks were actively managed and assessed against the Darling Downs Health's risk appetite with appropriate assurance activities undertaken in line with the requirements of the Queensland Government Enterprise Architecture (QGEA) Information security policy (IS18:2018).

Queensland Public Service ethics

Darling Downs Health always expects the highest level of conduct from its staff and, as a public service agency, the Code of Conduct for the Queensland Public Service under the *Public Sector Ethics Act 1994* is applicable to all employees of the health service. Staff of Darling Downs Health are expected to act in accordance with the principles of the Code of Conduct and report any actions which do not meet this expected level. In this regard, staff have a responsibility to disclose any suspected wrongdoing and to ensure any disclosure is in accordance with the ethics expected within the organisation. Staff are supported in the making of public interest disclosures. To support staff in their understanding of the expectations of the organisation, mandatory training packages are available on the Darling Downs Learning On-Line training portal. Code of Conduct, fraud awareness and public interest disclosure training packages must be completed on an annual and biennial basis. Training module completion rates are monitored quarterly.

Human Rights

Darling Downs Health has continued to integrate the *Human Rights Act 2019* into our processes.

The Human Rights Act Managers Toolkit provides tools for staff to support their understanding and promotion of human rights. Staff are also able to access online human rights training packages to further support their understanding.

Under the Act, public entities are required to include the number of human rights complaints received. As at 30 June 2022 Darling Downs Health received four complaints with all being resolved.

Confidential information

The *Hospital and Health Boards Act 2011* requires annual reports to state the nature and purpose of any confidential information disclosed in the public interest during the financial year. The chief executive did not authorise the disclosure of confidential information during the reporting period.

Performance

Non-financial performance

The Darling Downs Hospital and Health Service Strategic Plan 2020-2024 states the strategic objectives and key performance measures to be achieved over a four-year period. Progress for the 2021-2022 period is outlined below.

Patients First

Improve Patient Satisfaction score by 5 per cent

Darling Downs Health uses the Queensland Health approved Patient Reported Experience Measures inpatient survey (PREMs). During the 2021-2022 financial year, there was an 11 per cent response rate for Darling Downs Health, being slightly higher than the Queensland average of 10 per cent. When compared to the four months of data received in the 2020-2021 financial year, 2021-2022 saw an overall increase in patient satisfaction of three per cent. However, the second half of the 2021-2022 financial year is demonstrating a downward trend. Managers and key contact people in each facility have access to review the data and consider quality improvements based on survey results.

Reduce patient complaints by 50 per cent

Darling Downs Health is committed to improving the patient experience and reducing consumer complaints. The health service has focused on raising awareness of compassion, not only to our patients and their families, but also to themselves and their work colleagues. A Compassionate Care workshop has held in April 2022 and quarterly Compassionate Conversations and Clinician Disclosure training sessions have commenced and will provide staff with the tools and practical experience in having compassionate conversations. With the

challenges of COVID-19 and returning to business as usual, consumer expectations have not always been met and this resulted in a seven per cent increase in complaints compared to the previous year.

Consumer representation on Health Service Tier 2 and Tier 3 committees and advisory groups

Engagement with our consumers, carers and the community are essential to improving health outcomes and building high-quality healthcare. They are a valuable partner to support the work we do in planning, designing, delivering, and measuring the success of health services.

As of June 2022, 256 community / consumers participated on 101 committees, advisory groups or working groups across the region. This year consumer representation was approximately 40 per cent on tier 2 committees and 60 per cent on tier 3 groups.

Achieve pre-COVID-19 Key Performance levels

It has been a commitment by Darling Downs Health to put patients first, in particular by returning to pre-COVID-19 performance levels for planned care services. This year the impacts of a COVID-19 surge in January and February resulted in category 3 outpatient activity and elective surgery delays. With the return to business as usual and living with COVID-19 this measure has been removed from the updated (2022) strategic plan.

Table 4: Comparison of performance measures between 2018-2019 (Pre-COVID-19) and 2021-2022.

Performance Measures	**Actual 2018-19**	**Actual 2021-22**
Percentage of elective surgery patients treated within clinically recommended times:		
Category 1 (30 days)	98%	97%
Category 2 (90 days)	94.3%	82%
Category 3 (365 days)	97.9%	77%
Percentage of specialist outpatients seen within clinically recommended times	98.4%	97%
Category 1 (30 days)	95.7%	77%
Category 2 (90 days)	98.2%	75%
Category 3 (365 days)		
Percentage of specialist outpatients waiting within clinically recommended times		
Category 1 (30 days)	100%	100%
Category 2 (90 days)	100%	65%
Category 3 (365 days)	100%	73%

Performance measures are derived from the Service Delivery Statements Annual Report FY2018-2019 and FY2021-2022.

Healthy future

Reduce potentially preventable hospitalisations by 5 per cent

Potentially preventable hospitalisations (PPH) are specific hospital admissions that could potentially have been avoided through preventative health interventions or individualised disease management in the community. As of March 2022, 9.6 per cent of admissions were PPH, an increase of 0.2 per cent compared to last year. Minor increases were noted for both non-indigenous and First Nations population groups. Only 0.1 per cent per were vaccine preventable whilst 7.3 per cent were non-diabetes complications.[1]

Targeted programs by the Indigenous Health team will be delivered over the next three years aimed at reducing PPH and readmission rates for First Nations people with complex chronic disease.

Reduce paediatric obesity rates by 5 per cent

The Healthy Kids Program is a collaborative five-month program that was developed and piloted by dietitians, child health nurses, psychologists and exercise physiologists in 2021. The aim of the program is to decrease the rates of childhood obesity by focusing on healthy lifestyle interventions including healthy eating, exercise, sleep and mindfulness. The group targets children aged 2-17 years and their families. The most recent cohort was delivered via telehealth to improve access over the five-month program. It is well known that families have many competing demands, offering an alternative option to access services is therefore vital to ensure the ability for continual engagement. This was evident in the most recent cohort with more than half of the participants completing the program. This is a significant improvement in comparison to the pilot cohort where only face-to-face contact was offered, and subsequently a large dropout rate was observed. Positive outcomes have continued to be reported from the current cohort, most notably an increase in physical activity and reductions in take away food consumption. Future cohorts will be offered hybrid modes of delivery to continue to increase access and improve the recruitment and retention of participants. Correlation between program participation and the performance measure is not conclusive because the program's focus is healthy lifestyle and does not involve individual weight loss or body mass index measures (BMI).

Reduce energy consumption and water consumption each by 10 per cent

Darling Downs continues with numerous initiatives to reduce energy and water consumption. Whilst a firm commitment by the organisation, the challenge remains in data capture. Several initiatives to reduce our impact on the environment are:

- Four additional electric vehicles were added to the fleet pool
- Installation of solar panels across our region
- The Green Warriors program continues to adopt innovative recycling programs and waste reduction strategies. A new example this year is the recycling of PVC used in IV bag, oxygen masks and hoses which will reduce our carbon footprint by an estimated 17 per cent.

[1] Source: Potentially Preventable Hospitalisations dashboard, System Performance Reporting (SPR), Healthcare Purchasing and System Performance, System Performance Branch, Queensland Health.

≥0.5 per cent point reduction in low birthweight babies born to our Aboriginal and Torres Strait Islander women

Indications as at April 2022 suggest the program will reach the target of 10.6 per cent. April 2022 performance reporting indicates Darling Downs Health is at 8.4 per cent YTD. This has been achieved by partnering with hospital-based Midwifery Group Practice, Inreach kids project Western Downs, BAIBS Project and Boomagam Caring, as well as the implementation of the First 2000 days model of care.

Our people

5 per cent Indigenous workforce by 2024

Currently 2.6 per cent of the Darling Downs Health workforce identifies as Indigenous and is higher than the Queensland Health average of 2.2 per cent. Several workforce strategies are in development to reach the target by 2024 and these are referenced in the Aboriginal and Torres Strait Islander Health section of this report.

3 per cent of the workforce identifies with having a disability by 2024

2.31 per cent of the Darling downs Health workforce identify with having a disability and is above the Queensland Health average of 1.6 per cent. This is an improvement on the percentage in the prior year.

>60 per cent of staff positively engaged as measured by BPA staff survey

In September 2021, the organisation engaged in the Working for Queensland employee engagement survey; replacing the original intent to engage BPA. Working for Queensland is an annual whole of public service survey that provides opportunity for sector wide analysis and benchmarking by measuring employee perceptions of their work, team, manager and organisation. In 2021, Darling Downs Health staff recorded an agency engagement score of 63 per cent, from 1,999 responses (32 per cent response rate).

This year, each organisational division nominated survey coordinators, who took carriage of local level engagement to promote and encourage staff engagement with the survey. This strategy will be improved and further embedded in future surveys to drive higher organisation response rates.

Safer Care

The health service is committed to delivering safe reliable care everyday in every environment to achieve zero preventable harm by 2024. As at April 2022, the financial year to date performance indicated a net decrease in hospital acquired complications compared to the previous year[2]. In part, this may result from the quality processes implemented over the last two years bringing incidents to the forefront through:

[2] Source: System Performance Reporting (SPR), Healthcare Purchasing and System Performance, System Performance Branch, Queensland Health.

- Implementation of SAFE 2 which shifted the focus of the auditing program to a risk based approach. As a result, facilities and units have been able to analyse their data, identify, and understand their top 3 quality risks. This approach has seen increased engagement in quality conversations and create local solutions to address risks.

- A Clinical Incident dashboard was made available to all Darling Downs hospitals in early 2021 providing a breakdown of clinical incidents reported in RiskMan. The dashboard has been well received and has become a useful tool for managers in monitoring clinical incidents, as well as for reporting. The dashboard also assists in updating local synergy boards by capturing relevant RiskMan indicators. A new version of the dashboard is in development including new features that will enable an automated daily refresh of data.

Zero preventable harm by 2024

There is a synergy between the strategic objectives of *Our people* and *Safer care* to achieve zero preventable harm by 2024 for staff and patients. Several strategies and systems have been implemented this year and these include:

- Continued delivery of the Work Health and Safety Systems Improvement Program which is delivering recommendations and activities from various safety audits and reviews. The program has delivered a new Safety and Wellbeing Strategy and new Safety Management System this year and various initiatives and tools to enhance awareness of everyone's roles and responsibilities for safety in the workplace and embed a safety culture across the organisation.
- Completed stage 1 and stage 2 of the Occupational Violence Prevention (OVP) and security review project. A Darling Downs Health-wide Occupational Violence and Security Unit has been implemented to provide central oversight and coordination of OVP and security governance systems and processes. Remaining project works have been transitioned to business as usual activities of the unit for ongoing systematic management.
- Protecting our staff during COVID-19 by continuing the roll out of the respiratory protection program and fit testing with approximately 15,000 fit tests performed, a fit rate of 82 per cent and nearly 5,800 staff fit tested this year.

Improving everyday

Increase the number of Darling Downs Health led and / or collaboratives approved by Human Research Ethics committee by 25 per cent

In the 2021-2022 financial year there were 19 Darling Downs Health led projects and 13 collaborative research projects approved by HREC making a total of 32 projects. This is an increase of 52 per cent or over 1.5 times more than the prior year.

Increase number of research publications by 25 per cent

This year there were 54 journal publications with Darling Downs Health affiliated staff. This is an eight per cent increase from the previous financial year. Darling Downs Health have already achieved a 25 per cent increase in publications overall since the commencement of the strategic plan.

Establish two joint appointments with collaborating universities

Darling Downs Health has been establishing strong partnerships with the university sector to create an environment that embraces and leads innovation, research and learning. The goal to establish two joint appointments over the life of the strategic plan will be achieved by 2024. This year negotiations between USQ and Darling Downs Health are underway for a second joint appointment in Allied Health. Recruitment and appointment to be finalised in 2022-2023. The first joint appointment was made in 2020-2021.

Establish 24/7 Interventional Cardiology at Toowoomba Hospital by 2024

The installation of high-end vascular angiography suite this year enables cardiac procedures such as diagnostic coronary angiography and electrophysiology (EP) procedures for the first time. This has enabled the cardiac service to increase their clinical capability providing expanded services to our community, along with expanded workforce, the service is available 24/7 at Toowoomba Hospital.

Service Standards

Darling Downs Health delivers services in accordance with its obligations outlined in the Service Agreement with the Department of Health and the Service Delivery Statement (SDS). The Service Agreement identifies the health services provided by Darling Downs Health and the funding arrangements, performance indicators and targets to ensure the achievement of outcomes.

Table 5: Service Standards – Performance 2021-2022

Darling Downs Hospital and Health Service	2021-2022 Target	2021-2022 Actual
Effectiveness measures		
Percentage of emergency department patients seen within recommended timeframes[1]		
Category 1 (within 2 minutes)	100%	99%
Category 2 (within 10 minutes)	80%	74%
Category 3 (within 30 minutes)	75%	62%
Category 4 (within 60 minutes)	70%	79%
Category 5 (within 120 minutes)	70%	97%
Percentage of emergency department attendances who depart within 4 hours of their arrival in the department[1]	>80%	81%
Percentage of elective surgery patients treated within the clinically recommended times[2]		
Category 1 (30 days)	>98%	97%
Category 2 (90 days)[3]	..	82%
Category 3 (365 days)[3]	..	77%
Rate of healthcare associated Staphylococcus aureus (including MRSA) bloodstream (SAB) infections/10,000 acute public hospital patient days[4]	<2	0.6
Rate of community mental health follow up within 1-7 days following discharge from an acute mental health inpatient unit[5]	>65%	64.3%
Proportion of re-admissions to acute psychiatric care within 28 days of discharge[6]	<12%	13.7%
Percentage of specialist outpatients waiting within clinically recommended times[7]		
Category 1 (30 days)	98%	100%
Category 2 (90 days)[8]	..	65%
Category 3 (365 days)[8]	..	73%
Percentage of specialist outpatients seen within clinically recommended times[7]		
Category 1 (30 days)	98%	97%
Category 2 (90 days)[8]	..	77%
Category 3 (365 days)[8]	..	75%
Median wait time for treatment in emergency departments (minutes)[1]	..	14
Median wait time for elective surgery treatment (days)[2]	..	47
Efficiency measure		
Average cost per weighted activity unit for Activity Based Funding facilities[9]	$5,215	$5,322

Other measures		
Number of elective surgery patients treated within clinically recommended times[2]		
Category 1 (30 days)	2,168	2,106
Category 2 (90 days)[3]	..	2,063
Category 3 (365 days)[3]	..	692
Number of Telehealth outpatients service events[10]	13,500	14,548
Total weighted activity units (WAU)[11]		
Acute Inpatients	65,284	62,488
Outpatients	13,159	12,151
Sub-acute	6,924	9,269
Emergency Department	19,967	21,116
Mental Health	11,598	17,551
Prevention and Primary Care	3,122	2,815
Ambulatory mental health service contact duration (hours)[12]	>72,612	54,314
Staffing[13]	4,961	4,999

1	During the COVID-19 pandemic Emergency Departments across Queensland were presented with demand from both COVID-19 and regular patients. In response many public Emergency Departments established fever clinics to assess and treat suspected COVID-19 cases in a safe and effective manner. As fever clinic services represent an extension of regular operational services and as a result, the 2021-2022 Actual includes some fever clinic activity. Emergency Department performance (including POST) has been impacted by the increased patient treatment time and resources required to manage COVID-19 precautions.
2	In response to the COVID-19 pandemic the delivery of planned care services has been impacted. This has resulted from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives.
3	As the system focuses to manage the backlog of deferred care patients, treated in time performance will continue to be impacted. As a result, the continuation of treat in time performance targets for category 2 and 3 patients applicable for 2021-2022 will be carried forward into 2022-2023.
4	Staphylococcus aureus (including MRSA) bloodstream (SAB) infections 2021-2022 Estimated Actual rate is based on data reported between 1 July 2021 and 31 March 2022.
5	Mental Health rate of community follow up 2021-2022 Actuals are as of 16 August 2022.
6	Mental Health readmissions 2021-2022 Actuals are for the period 1 July 2021 to 31 May 2022, as of 16 August 2022.
7	In response to the COVID-19 pandemic the delivery of planned care services has been impacted. This has resulted from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives.
8	As the system focuses to manage the backlog of deferred care patients, treated in time performance will continue to be impacted. As a result, the continuation of treat in time performance targets for category 2 and 3 patients applicable for 2021-2022 will be carried forward into 2022-2023.
9	The 2021-2022 Target varies from the published 2021-2022 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q24. The variation in difference of Cost per WAU to target is a result of the additional costs of the COVID-19 pandemic. 2021-2022 Actuals are as of 22 August 2022.
10	Telehealth 2021-2022 Actual is as of 18 August 2022.
11	The 2021-2022 Actual is below target due to a decrease in routine care services resulting from occasions of temporary suspension of routine planned care services to manage priority demand, increased cancellations resulting from patient illness and staff furloughing as a result of illness or Health Service Directives. The 2021-2022 Target varies from the published 2021-2022 Service Delivery Statement due to a change in the WAU phase. All measures are reported in QWAU Phase Q24. The 2021-2022 Actual figures are as of 22 August 2022. As the Hospital and Health Services have operational discretion to respond to service demands and deliver activity across services streams to meet the needs of the community, variation to the Target can occur.
12	Due to a range of factors, including the stretch nature of the target and the impact of the COVID-19 pandemic on service access and capacity, the 2021-2022 Target has not been met. Figures are as of 16 August 2022.
13	Corporate FTEs are allocated across the service to which they relate. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. 2021-2022 Actual is for pay period ending 26 June 2022.

Financial Summary

Darling Downs Health reported a surplus of $8.2 million in 2021-2022 compared to $10.6 million in 2020-2021.Table 6: Financial summary

Revenue and expenses	**FY ending 30 Jun 22 $(000)**	**FY ending 30 Jun 21 $(000)**
Revenue	**1,014,523**	**945,504**
Expenses		
Labour and employment	692,516	649,803
Non-labour	272,429	246,397
Depreciation and amortisation	41,391	38,678
Total Expenses	1,006,336	934,878
Net surplus or deficit from operations	**8,187**	**10,626**

Financial outlook

In 2022-2023 Darling Downs Health will have a budget of $1.01 billion which is an increase of $73 million or eight per cent from the published 2021-2022 operating budget of $937 million.

Anticipated maintenance
Anticipated maintenance (keeping a backlog maintenance register) is a common building maintenance strategy utilised by public and private sector industries. Anticipated maintenance is defined as maintenance that is necessary to prevent the deterioration of an asset or its function, but which has not been carried out. Some anticipated maintenance activities can be postponed without immediately having a noticeable effect on the functionality of the building. All anticipated maintenance items are risk assessed to identify any potential impact on users and services and are closely managed to ensure all facilities are safe.

All Queensland Health entities comply with the Queensland Government Maintenance Management Framework which requires the reporting of anticipated maintenance. As of 30 June 2022, Darling Downs Health had reported anticipated maintenance of $234.9 million. Darling Downs Health has the following strategies in place to mitigate any risks associated with these items:

- Seek assistance from Priority Capital Works funding
- Engage with the Department of Health around adequate levels of funding for repairs and maintenance (annual negotiations through Service Agreement and periodical negotiations or funding requests to address maintenance events directly relating to health and safety of staff and patients or directly impacting on continuity of healthcare services delivery).

Darling Downs Hospital and Health Service

ABN 64 109 516 141

Financial Statements - 30 June 2022

DARLING DOWNS HOSPITAL AND HEALTH SERVICE
Financial Statements
for the year ended 30 June 2022

Contents

General information

The Darling Downs Hospital and Health Service (Darling Downs Health) is a Queensland Government statutory body established under the *Hospital and Health Boards Act 2011* and its registered trading name is Darling Downs Hospital and Health Service.

Darling Downs Health is controlled by the State of Queensland which is the ultimate parent entity.

The principal address of the Darling Downs Hospital and Health Service is:

Jofre
Baillie Henderson Hospital
Cnr Hogg & Tor Streets
Toowoomba QLD 4350

A description of the nature of the operations of Darling Downs Health and its principal activities is included in the notes to the financial statements.

For information in relation to the financial statements of Darling Downs Health, email DDHHS@health.qld.gov.au or visit the Darling Downs Health website at http://www.darlingdowns.health.qld.gov.au

DARLING DOWNS HOSPITAL AND HEALTH SERVICE
Statement of Comprehensive Income
for the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
OPERATING RESULT			
Income from continuing operations			
Funding for public health services	4	886,436	824,777
User charges and fees	5	71,021	66,502
Grants and other contributions	6	50,293	48,990
Interest		129	175
Other revenue	7	3,452	4,545
Total revenue		**1,011,331**	**944,989**
Gains on disposal/revaluation of assets		3,192	515
Total income from continuing operations		**1,014,523**	**945,504**
Expenses from continuing operations			
Employee expenses	8	111,375	96,970
Health service employee expenses	9	581,141	552,833
Supplies and services	11	262,181	239,632
Grants and subsidies		3,247	2,974
Depreciation and amortisation	17 & 18	41,391	38,678
Impairment losses		2,194	1,077
Finance/ borrowing costs		82	87
Other expenses	12	4,725	2,627
Total expenses from continuing operations		**1,006,336**	**934,878**
Operating result from continuing operations		**8,187**	**10,626**
OTHER COMPREHENSIVE INCOME			
Items not reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	22	41,614	6,004
Total items not reclassified to operating result		**41,614**	**6,004**
Total other comprehensive income		**41,614**	**6,004**
TOTAL COMPREHENSIVE INCOME		**49,801**	**16,630**

The accompanying notes form part of these financial statements

DARLING DOWNS HOSPITAL AND HEALTH SERVICE
Statement of Financial Position
as at 30 June 2022

	Notes	2022 $'000	2021* $'000
Current assets			
Cash and cash equivalents	13	70,826	68,239
Receivables	14	7,192	6,634
Inventories	15	8,159	7,113
Other current assets	16	10,489	11,796
Total current assets		**96,666**	**93,782**
Non-current assets			
Property, plant and equipment	17	487,888	455,746
Right-of-use assets	18	7,383	8,229
Other non-current assets		26	48
Total non-current assets		**495,297**	**464,023**
Total assets		**591,963**	**557,805**
Current liabilities			
Payables	19	75,091	64,437
Lease Liabilities	18	2,106	1,978
Accrued employee benefits		1,736	1,617
Unearned revenue	20	3,041	6,050
Total current liabilities		**81,974**	**74,082**
Non-current liabilities			
Lease Liabilities	18	5,161	6,125
Total non-current liabilities		**5,161**	**6,125**
Total liabilities		**87,135**	**80,207**
Net assets		**504,828**	**477,598**
Equity			
Contributed equity	21	263,924	286,495
Accumulated surplus/(deficit)		72,240	64,053
Asset revaluation surplus	22	168,664	127,050
Total equity		**504,828**	**477,598**

** Restated - refer to Note 3*

The accompanying notes form part of these financial statements

DARLING DOWNS HOSPITAL AND HEALTH SERVICE
Statement of Changes in Equity
for the year ended 30 June 2022

	Notes	*Contributed Equity* *$'000*	*Accumulated Surplus/ (Deficit)* *$'000*	*Asset Revaluation Surplus* *$'000*	*Total Equity* *$'000*
Balance as at 1 July 2020		**277,434**	**53,427**	**121,046**	**451,907**
Operating result from continuing operations		-	10,626	-	10,626
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus		-	-	6,004	6,004
Total comprehensive income for the year		**-**	**10,626**	**6,004**	**16,630**
Transactions with owners as owners					
Net assets received/(transferred) during year		(100)	-	-	(100)
Non appropriated equity injections (Inc capital works)		47,839	-	-	47,839
Non appropriated equity withdrawals (depreciation funding)		(38,678)	-	-	(38,678)
Total transactions with owners as owners		**9,061**	**-**	**-**	**9,061**
Balance as at 30 June 2021		**286,495**	**64,053**	**127,050**	**477,598**
Balance as at 1 July 2021		**286,495**	**64,053**	**127,050**	**477,598**
Operating result from continuing operations		-	8,187	-	8,187
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus	22	-	-	41,614	41,614
Total comprehensive income for the year		**-**	**8,187**	**41,614**	**49,801**
Transactions with owners as owners					
Net assets received/(transferred) during year		444	-	-	444
Non appropriated equity injections (Inc capital works)		18,376	-	-	18,376
Non appropriated equity withdrawals (depreciation funding)		(41,391)	-	-	(41,391)
Total transactions with owners as owners		**(22,571)**	**-**	**-**	**(22,571)**
Balance as at 30 June 2022		**263,924**	**72,240**	**168,664**	**504,828**

The accompanying notes form part of these financial statements

DARLING DOWNS HOSPITAL AND HEALTH SERVICE
Statement of Cash Flows
for the year ended 30 June 2022

	Notes	2022 $'000	2021* $'000
Cash flows from operating activities			
Inflows:			
Funding for public health services		846,238	784,515
User charges and fees		64,917	64,166
Grants and other contributions		41,030	40,956
Interest receipts		129	175
GST input tax credits from ATO		15,011	17,085
GST collected from customers		824	973
Refundable accommodation receipts*		5,160	5,829
Other		3,452	4,546
Total cash provided by operating activities		**976,761**	**918,245**
Outflows:			
Employee expenses		111,256	99,330
Health service employee expenses		579,111	570,458
Supplies and services		245,278	220,033
Grants and subsidies		2,994	3,074
Finance/ borrowing costs		82	87
GST paid to suppliers		15,105	16,735
GST remitted to ATO		828	1,037
Refundable accommodation payments*		4,900	6,646
Other		4,374	2,504
Total cash used in operating activities		**963,928**	**919,904**
Net cash provided by/(used in) operating activities[1]		**12,833**	**(1,659)**
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		254	367
Total cash provided by investing activities		**254**	**367**
Outflows:			
Payments for property, plant and equipment		26,588	47,921
Total cash used in investing activities		**26,588**	**47,921**
Net cash provided by/(used in) investing activities		**(26,334)**	**(47,554)**
Cash flows from financing activities			
Inflows:			
Proceeds from equity injections		18,376	47,839
Total cash provided by financing activities		**18,376**	**47,839**
Outflows:			
Lease payments		2,288	1,973
Total cash used in financing activities[2]		**2,288**	**1,973**
Net cash provided by/(used in) financing activities		**16,088**	**45,866**
Net increase (decrease) in cash and cash equivalents		**2,587**	**(3,347)**
Cash and cash equivalents at beginning of financial year		68,239	71,586
Cash and cash equivalents at end of financial year	13	**70,826**	**68,239**

[1] Refer to the reconciliation of operating result to net cash provided by/(used in) operating activities in the *Notes to the Statement of Cash Flows*

[2] Refer to the changes in liabilities arising from financing activities in the *Notes to the Statement of Cash Flows*.

** Restated - refer to Note 3*

The accompanying notes form part of these financial statements

DARLING DOWNS HOSPITAL AND HEALTH SERVICE
Notes to the Statement of Cash Flows
for the year ended 30 June 2022

(a) Reconciliation of operating result to net cash provided by/(used in) operating activities

	2022	*2021**
	$'000	*$'000*
Operating result from continuing operations	8,187	10,626
Non-cash items included in operating result		
Depreciation and amortisation	41,391	38,678
Depreciation grant funding	(41,391)	(38,678)
Net gain on revaluation of non-current assets	(2,966)	(315)
Net (gain)/loss on disposal of non-current assets	124	(77)
Change in assets and liabilities		
(Increase)/decrease in trade receivables	(434)	(147)
(Increase)/decrease in GST input tax credits receivable	(94)	350
(Increase)/decrease in other receivables	(27)	2
(Increase)/decrease in inventories	(1,046)	176
(Increase)/decrease in contract assets	1,228	(1,257)
(Increase)/decrease in other current assets	101	(2,834)
Increase/(decrease) in trade payables	1,137	16,406
Increase/(decrease) in accrued employee benefits	119	(2,441)
Increase/(decrease) in other payables	9,516	(22,574)
Increase/(decrease) in GST input tax credits payable	(3)	(64)
Increase/(decrease) in contract liabilities and unearned revenue	(3,009)	490
Net cash provided by/(used in) operating activities	**12,833**	**(1,659)**

** Restated - refer to Note 3*

(b) Changes in liabilities arising from financing activities

	2022	*2021*
	$'000	*$'000*
Non-cash changes		
Opening balance	8,103	2,796
New leases acquired	1,452	7,280
Cash Flows		
Cash repayments	(2,288)	(1,973)
Closing Balance	**7,267**	**8,103**

DARLING DOWNS HOSPITAL AND HEALTH SERVICE
Notes to the Financial Statements
for the year ended 30 June 2022

Index of Notes

1. Objectives and principal activities of the Darling Downs Hospital and Health Service

Darling Downs Hospital and Health Service (Darling Downs Health) is an independent statutory body, overseen by a local Hospital and Health Board. Darling Downs Health provides public hospital and healthcare services as defined in the service agreement with the Department of Health (DoH).

Details of the services undertaken by Darling Downs Health are included in the Annual Report.

2. Basis of financial statement preparation

(a) Statement of compliance

These financial statements are prepared in compliance with section 62(1) of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for periods beginning on or after 1 July 2021.

Darling Downs Health is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

The financial statements are authorised for issue by the Chair of the Board and the Chief Finance Officer at the date of signing the Management Certificate.

(b) Presentation matters

Presentation matters relevant to the financial statements include the following:

- Except where stated, the historical cost convention is used;
- Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required;
- Comparative information has been restated where necessary to be consistent with changes in accounting policy (refer to Note 3) and other disclosures in the current reporting period; and
- Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or when Darling Downs Health does not have an unconditional right to defer settlement beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(c) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant. Reference should be made to the respective notes for more information.

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

- Revenue recognition (refer to Note 4, Note 5, and Note 6).
- Allowance for impairment of receivables (refer to Note 14(b));
- Revaluation of non-current assets (refer to Note 17(d));
- Estimation of useful lives of assets (refer to Note 17(e)); and
- Fair value and hierarchy of assets and liabilities measured at fair value (refer to Note 23).

(d) Taxation

Darling Downs Health is exempt from Commonwealth taxation with the exception of Fringe Benefit Tax (FBT) and Goods and Services Tax (GST). All FBT and GST reporting to the Commonwealth is managed centrally by DoH, with payments/receipts made on behalf of Darling Downs Health reimbursed to/from DoH on a monthly basis. GST credits receivable from, and GST payable to, the Australian Tax Office (ATO) are recognised on this basis.

Darling Downs Health, other Hospital and Health Services (HHSs) and DoH satisfy section 149-25(e) of the *A New Tax System (Goods and Services) Act 1999 (Cth)* (the GST Act). Consequently these entities are part of a group for GST purposes under Division 149 of the GST Act. Any transactions between the members of the "group" do not attract GST.

3. New and revised accounting standards and policies

a) Change in accounting policy - refundable accommodation deposits

During the period, Darling Downs Health voluntarily changed its accounting policy relating to refundable accommodation deposits received from aged care residents. These amounts are refundable to residents when they exit an aged care facility. Previously, refundable accommodation deposits were accounted for through patient fiduciary funds and disclosed in Note 27. This was on the basis that funds were held in cash solely for the purpose of reimbursement to patients and therefore did not provide Darling Downs Health with any economic benefit.

Under section 52N-1(2) of the *Aged Care Act 2001*, the funds are permitted to be used by the health service for other specific purposes. On this basis, it has been determined that recognition of refundable accommodation deposits as an asset and corresponding liability better reflects the nature of the transactions and their effect on Darling Downs Health's financial position.

The following table shows the impact this voluntary change in accounting policy would have had on Darling Downs Health's 2020-21 financial statements, had the policy been adopted in that financial year. It compares the amounts that were reported to the amounts that would have been reported had this policy been applied.

	Reported	*Adjustment*	*Revised*
	$'000	*$'000*	*$'000*
Balances as at 30 June 2021			
Assets			
Cash and cash equivalents	53,472	14,767	68,239
Total Assets	543,038	14,767	557,805
Liabilities			
Payables	49,670	14,767	64,437
Total Liabilities	65,440	14,767	80,207
Total Equity	477,598	-	477,598
Cashflows from operating activities			
Refundable accommodation receipts	-	5,829	5,829
Refundable accommodation payments		(6,646)	(6,646)
Net cash provided by/(used in) operating activities	(842)	(817)	(1,659)
Net increase (decrease) in cash and cash equivalents	(2,530)	(817)	(3,347)
Cash and cash equivalents at beginning of financial year	56,002	15,584	71,586
Cash and cash equivalents at end of financial year	53,472	14,767	68,239
Patient fiduciary funds			
Balance at the beginning of the year	16,430	(15,584)	846
Patient fiduciary fund receipts	20,938	(5,829)	15,109
Patient fiduciary fund payments	(20,765)	6,646	(14,119)
Balance at the end of the year	16,603	(14,767)	1,836

b) Change in accounting policy - software as a service

In the current period, Darling Downs Health applied the International Financial Reporting Standards Interpretations Committee (IFRIC) decision regarding configuration or customisation costs in a cloud computing arrangement. Application of the IFRIC decision did not have a material impact on the financial statements.

c) Other accounting policies

Darling Downs Health did not voluntarily change any other accounting policies during the year. In addition, no Australian Accounting Standards have been early adopted in the current period.

d) Other accounting standards

All other Australian Accounting Standards and Interpretations applicable to the current financial year or with future commencement dates are either not applicable to Darling Downs Health's activities, or had no material impact on Darling Downs Health.

4. Funding for public health services

	2022 $'000	2021 $'000
Activity based funding	562,371	511,927
Block funding	209,965	189,435
Other system manager funding	114,100	123,415
Total funding for public health services	**886,436**	**824,777**

Funding for public health services primarily comprises of revenue from DoH as System Manager for the public health system in Queensland.

Funding is provided for specific public health services purchased by DoH in accordance with a service level agreement. The Commonwealth Government pays its share of National Health funding directly to DoH, for onforwarding to the Hospital and Health Service. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Darling Downs Health. Cash funding from the Department of Health is received fortnightly for State payments and monthly for Commonwealth payments and is recognised as revenue as the performance obligations under the service level agreement are discharged. Commonwealth funding to Darling Downs Health in 2022 was $308.8M (2021: $269.5M). At the end of the year, an agreed technical adjustment between DoH and Darling Downs Health may be required for the level of services performed above or below the agreed levels, which may result in a receivable or unearned revenue. The technical adjustment process is undertaken annually according to the provisions of the service level agreement and ensures that the revenue recognised in each financial year correctly reflects Darling Downs Health's delivery of health services.

Ordinarily, activity based funding is recognised as public health services are delivered, however due to the impacts of the COVID-19 pandemic, the Commonwealth Government agreed to provide a guaranteed Activity Based Funding envelope for the 2021-22 financial year under the National Health Reform Agreement, commonly known as the Minimum Funding Guarantee (MFG). This applied for the full financial year and had the effect of protecting 45% of the value of ABF activity. The State Government provided a partial funding guarantee for the residual 55% of the activity value from January 2022 to June 2022. Therefore, financial adjustment for activity shortfalls were only made to the extent of 55% of the price across the period July to December 2021.

The service agreement between DoH and Darling Downs Health specifies that DoH funds Darling Downs Health's depreciation charge via non-cash revenue. DoH retains the cash to fund future major capital replacements. This transaction is shown in the Statement of Changes in Equity as a non-appropriated equity withdrawal.

Revenue is recognised as follows:

(a) Activity based funding

The service agreement with DoH provides funding for patient care in activity base funded hospitals. The funding is based on an agreed target number of activities and a state-wide price.

Revenue is recognised progressively as activity is delivered each month.

Where activity delivered exceeds the target no additional revenue (or corresponding contract asset) is recognised as the transaction price is unable to be reliably determined.

Where activity delivered is less than the target, a contract liability (unearned revenue) and corresponding reduction in revenue is recognised consistent with the service agreement with DoH.

(b) Block funding

Block funding includes funding for smaller hospitals not funded through activity based funding, specialist mental health hospitals, community mental health, and teaching, training and research.

The service level agreement with DoH does not include any sufficiently specific performance measures for block funding. Revenue is recognised on receipt of funds in accorance with A*ASB 1058 Income of Not-for-Profit Entities*.

(c) Other system manager funding

Other system manager funding is for items not covered by the National Health Reform Agreement including items such as prevention, promotion and protection, depreciation and other health services.

Where the specific funding line in the service level agreement with the DoH contains sufficiently specific performance obligations, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

4. Funding for public health services (continued)

(c) Other system manager funding (continued)

Otherwise, revenue for the specific funding line is recognised upon receipt, except for special purpose capital funding provided for the acquisition/construction of assets to be controlled by Darling Downs Health. Special purpose capital funding is recognised as unearned revenue when received, and subsequently recognised progressively as Darling Downs Health satisfies its obligations for acquisition/construction of the asset.

Other system manager funding recognised as performance obligations are satisfied

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Breast Screen	Funding is provided for the provision of breast screen services on the basis of the number of screens to be performed. Incentive funding for target groups is also provided on the basis of the number of screens to be performed.	Revenue is recognised under AASB 15 as services are delivered to clients.
Oral Health Services	Funding is provided based on the target number of dental occasions of service to be provided.	Revenue is recognised under AASB 15 as services are delivered to clients.

5. User charges and fees

	2022	*2021*
	$'000	*$'000*
Hospital fees	31,501	30,068
Pharmaceutical benefits scheme reimbursement	28,267	23,870
Sales of goods and services	11,108	12,420
Outsourced service delivery	-	-
Other user charges - rental income	145	144
Total user charges and fees	**71,021**	**66,502**

(a) Hospital fees

Hospital fees comprise inpatient and outpatient revenue including private patients, Medicare ineligible patients, Workcover and other compensable patients.

Revenue is recognised as services are delivered (i.e. inpatient admission or outpatient occasion of service).

(b) Pharmaceutical benefits scheme reimbursement

Under the Pharmaceutical Benefits Scheme (PBS), the Australian Government subsidises the cost of a wide range of necessary prescription medicines for most medical conditions. In 2002, Queensland Health entered into an agreement with the Australian Government to allow hospital patients (who are being discharged, attending outpatient clinics or are day-admitted to receive chemotherapy treatment) access to medicines listed on the PBS at subsidised prices. Patients are invoiced at the reduced PBS rate and Darling Downs Health's pharmacies lodge monthly claims for co-payments through the PBS arrangement at which time the revenue is recognised.

(c) Sales of goods and services

Sales of goods and services includes recoveries of costs for goods and services provided by Darling Downs Health to DoH and other HHSs, courses and conferences and the National Disability Insurance Scheme.

Revenue is recognised when it is earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for the related goods and/or the recognition of accrued revenue.

(d) Other user charges - rental income

Rental revenue is recognised as income on a straight-line basis over the term of the lease. No amounts were recognised in respect of variable lease payments other than CPI-based or market rent reviews.

6. Grants and other contributions

	2022 $'000	2021 $'000
Nursing home grants	15,825	15,878
Home support programme	7,421	6,406
Other specific purpose grants	14,677	13,753
Corporate support services received from DoH	9,128	8,880
Other grants and donations	3,242	4,073
Total grants and other contributions	**50,293**	**48,990**

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for Darling Downs Health to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under *AASB 1058 Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by Darling Downs Health. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as Darling Downs Health satisfies its obligations under the grant through construction of the asset.

Goods and services received below fair value are recognised at their fair value, however services are only recognised in the Statement of Comprehensive Income if they would have been purchased had they not been donated, and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

Darling Downs Health has a number of grant agreements that have been identified as having sufficiently specific performance obligations under enforceable grant agreements. The revenue associated with these grants is recognised progressively as the performance obligations are satisfied under AASB 15. The remaining grants do not contain sufficiently specific performance obligations and these grants are recognised upon receipt.

(a) Nursing home grants

Funding is received from the Australian Government for the provision of care in residential aged care facilities. Funding received is based on a daily rate per nursing home resident. The daily rate is determined by the level of care required by the resident. The transaction price is established by the Australian Government and stipulated in the terms of the agreement.

Revenue is recognised as services are provided to nursing home residents.

(b) Home support programme

The Commonwealth Home Support Programme (CHSP) provides entry level support for older people who need help to stay at home. Service providers work with them to maintain their independence. Support can include help with daily tasks, home modifications, transport, social support and nursing care.

Revenue is recognised based on the agreed transaction price as services are delivered to clients.

(c) Other specific purpose grants recognised as performance obligations are satisfied

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Home care packages	Home care packages are designed for those with more complex care needs that go beyond what the CHSP can provide. The Australian Government provides funding on behalf of each person receiving government-subsidised home care. Funding is based on the daily subsidy level. The subsidy level is dependant on the level of care required.	Revenue is recognised under AASB 15 as services are delivered to clients.

6. Grants and other contributions (continued)

(c) Other specific purpose grants recognised as performance obligations are satisfied (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Transition care	Transition care provides short-term care for older people to help them recover after a hospital stay. The Australian Government provides funding through flexible care subsidies. Funding is based on the basic daily subsidy amount for the day for the care recipient and the dementia and veterans supplement equivalent amount for the day for the care recipient.	Revenue is recognised under AASB 15 as services are delivered to clients.
Specialist training program	The Specialist training program (STP) aims to extend vocational training for specialist registrars into settings outside the traditional metropolitan teaching hospitals, including regional, rural and remote, and private facilities. The program is administered through the specialist medical colleges under funding agreements with the Australian Government. Funding is provided on a pro rata basis for each full time equivalent trainee employed during the year.	Revenue is recognised under AASB 15 in line with the full time equivalent trainees employed during the year.
Rural and Remote Medical Benefits Scheme	The Rural and Remote Medical Benefits Scheme (RRMBS) has been operating in Queensland since 1997. The Scheme provides an exemption from s19(2) of the *Health Insurance Act 1973* to allow listed sites to claim against the Medicare Benefits Schedule (MBS) for non-admitted primary healthcare services. The Scheme was set up by the Australian Government as a method of providing additional funding for the states in recognition of the additional expenses incurred by the public health system in the provision of primary healthcare services to Aboriginal and Torres Strait Islander patients. RRMBS sites specifically encompass those communities which have a significant Aboriginal and Torres Strait Islander population and whose members have little to no access to these services through the private sector, either due to affordability or the absence of private sector services (i.e. general practitioners).	Revenue is recognised under AASB 15 as services are delivered to clients.
Council of Australian Governments (COAG) - s19(2) exemption initiative	The Council of Australian Governments (GOAG) introduced the Section 19(2) Exemptions Initiative (the initiative) - Improving Access to Primary Care in Rural and Remote Areas Initiative in 2006-07. The Initiative provides for exemptions under s19(2) of the *Health Insurance Act 1973* to allow exempted eligible sites to claim against the Medicare Benefits Schedule (MBS) for non-admitted, non-referred professional services (including nursing, midwifery, allied health and dental services) provided in emergency departments and outpatient clinic settings.	Revenue is recognised under AASB 15 as services are delivered to clients.

6. Grants and other contributions (continued)

(c) Other specific purpose grants recognised as performance obligations are satisfied (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
National Rural Generalist Pathway	The National Rural Generalist Pathway (NRGP) program aims to extend the Queensland rural generalist program, and implement the Rural Generalist Network (the Network), to improve attraction and retention of Rural Generalists in Queensland. The program provides access to national vocational general practice education and training to medical practitioners seeking specialist general practice registration. Funding is provided according to a defined number of rural primary care rotations.	Revenue is recognised under AASB 15 as services are delivered to clients.

(d) Other grants & donations recognised as performance obligations are satisfied

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Student placements	Darling Downs Health has agreements with tertiary institutions to fund nursing student placements. Practical training/experience is provided to nursing students on placement under these arrangements Funding is provided at agreed rates per student undertaking a placement with Darling Downs Health.	Revenue is recognised under AASB 15 based on student numbers during the period.

(e) Corporate support services received from DoH

Darling Downs Health receives corporate support services support from DoH for no cost. Corporate services received include payroll services, accounts payable services, some taxation services, some supply services and some information technology services. The fair value of these services is listed above. A corresponding expense is recognised in Supplies and Services in the Statement of Comprehensive Income.

7. Other revenue

Other revenue primarily reflects recoveries of payments for contracted staff from third parties such as other government agencies and universities, insurance recoveries, and other recoveries.

8. Employee expenses

	2022	*2021*
	$'000	*$'000*
Wages and salaries	93,424	81,894
Annual leave levy	6,944	5,792
Employer superannuation contributions	7,238	6,242
Long service leave levy	2,356	1,993
Other employee related expenses	1,398	1,045
Redundancies and termination payments	15	4
Total employee expenses	**111,375**	**96,970**

Under section 20 of the *Hospital and Health Boards Act 2011* a Hospital and Health Service (HHS) can employ health executives and contracted senior health service employees, including Senior Medical Officers (SMO) and Visiting Medical Officers (VMO). Non-executive staff working in a HHS, with the exception of SMO and VMO, legally remain employees of DoH (Health service employees, refer to Note 9).

The number of full-time equivalent employees (reflecting health executives and contracted senior health service employees), and the number of full-time equivalent staff (health service employees) that legally remain employees of DoH, is disclosed in Note 10.

8. Employee expenses (continued)

(a) Wages and Salaries

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

Recoveries of salaries and wages costs for Darling Downs Health employees working for other agencies are offset against employee expenses.

(b) Workers compensation premium

Darling Downs Health is insured via a direct policy with WorkCover Queensland. The policy covers health service executives, senior health service employees engaged under a contract, and health service employees. A portion of the premiums paid are reported under other employee related expenses and a portion of the premiums paid are reported under Other health service employee related expenses (Note 11) in accordance with the underlying employment relationships.

(c) Sick leave

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

(d) Annual and long service leave levy

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Central Scheme, levies are made on Darling Downs Health to cover the cost of employees' annual and long service leave including leave loading and on-costs.

The levies are expensed in the period in which they are payable. Amounts paid to employees for annual and long service leave are claimed from the scheme quarterly in arrears. DoH centrally manages the levy and reimbursement process on behalf of Darling Downs Health.

(e) Superannuation

Post-employment plans for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories, now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

i) Defined Contribution (Accumulation) Plans

Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

ii) Defined Benefit Plan

The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting.* The amount of contributions for defined benefit plan obligations is based upon the rates determined by the Treasurer on the advice of the State Actuary. Contributions are paid by Darling Downs Health to the Australian Retirement Trust at the specified rate following completion of the employee's service each pay period. Darling Downs Health's obligations are limited to those contributions paid.

(f) Key management personnel and remuneration

Key management personnel and remuneration disclosures are detailed in Note 32. These may include board members, executives, contracted senior health service employees and health service employees.

9. Health service employee expenses

All non-executive staff, with the exception of SMO and VMO, are employed by DoH. Provisions in the *Hospital and Health Boards Act 2011* enable Darling Downs Health to perform functions and exercise powers to ensure the delivery of its operational plan.

Under this arrangement:

- DoH provides employees to perform work for Darling Downs Health, and acknowledges and accepts its obligations as the employer of these employees;
- Darling Downs Health is responsible for the day-to-day management of these employees; and
- Darling Downs Health reimburses DoH for the salaries and on-costs of these employees.

As a result of this arrangement, Darling Downs Health treats the reimbursements to DoH for departmental employees in these financial statements as Health service employee expenses.

Recoveries of salaries and wages costs for health service employees working for other agencies are recorded as other revenue (Note 7).

In 2021, health service employee expenses included $2,820K of $1,250 one-off, pro-rata payments for 2,256 full-time equivalent employees (announced in September 2019). There were nil one-off pro-rata payments in the current period.

An additional 2 days of leave was granted to all non-executive employees of DoH and HHS's in November 2020, based on set eligibility criteria, as recognition of the effects of the COVID-19 pandemic on staff wellbeing. This leave must be taken within 2 years, or the leave is lost. The entire value of the leave was paid by Darling Downs Health to DoH in advance. The leave is expensed in the period in which it is taken and the remaining balance is treated as a pre-payment to DoH.

10. Full-time equivalent numbers

The full-time equivalent numbers as at 30 June, as calculated by reference to the Minimum Obligatory Human Resource Information (MOHRI) is disclosed below:

	2022	*2021*
Number of employees	234	228
Number of health service employees	4,766	4,629
Total full-time equivalent	**5,000**	**4,857**

11. Supplies and services

	2022	*2021*
	$'000	*$'000*
Clinical supplies and services	39,579	37,857
Pharmaceuticals	35,736	31,313
Consultants and contractors	22,595	18,348
Outsourced service delivery contracts (clinical services)	30,911	28,684
Repairs and maintenance	15,110	14,519
Pathology and laboratory supplies	24,010	19,798
Catering and domestic supplies	11,347	10,682
Corporate support services from DoH	9,128	8,880
Other health service employee related expenses	7,130	6,900
Patient travel	8,012	9,097
Computer services and communications	16,380	15,914
Inter-entity supplies (paid to DoH)	1,926	1,422
Water and utility costs	8,547	8,101
Insurance premiums (paid to DoH)	8,020	7,868
Leases - buildings (including office accommodation and employee housing)	1,119	313
Leases - motor vehicles	2,513	2,308
Leases - other	390	406
Minor works, including plant and equipment	6,341	7,731
Other travel	1,735	1,412
Building services	4,664	2,883
Motor vehicles	808	667
Other supplies and services	6,180	4,529
Total supplies and services	**262,181**	**239,632**

11. Supplies and services (continued)

For a transaction to be classified as supplies and services, the value of the goods or services received by Darling Downs Health must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant.

(a) Insurance premiums

Darling Downs Health is insured under a DoH insurance policy with the Queensland Government Insurance Fund (QGIF) and pays a fee to DoH as a fee for service arrangement. QGIF covers property and general losses above a $10,000 threshold and medical indemnity payments above a $20,000 threshold and associated legal fees. QGIF collects an annual premium from insured agencies intended to cover the cost of claims occurring in the premium year, calculated on a risk assessment basis.

(b) Leases

Leases include lease rentals for short term leases, lease of low value assets and variable lease payments. Refer to Note 18 for a breakdown of lease expenses and other disclosures.

12. Other expenses

External audit fees of $214,800 (2021: $211,900) relates to the audit of the financial statements.

Special payments include ex-gratia expenditure and other expenditure that Darling Downs Health is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2019,* Darling Downs Health maintains a register setting out details of all special payments approved by Darling Downs Health's delegates. Special payments (ex-gratia payments) totaling $14K (2021: $60K) were made during the period.

Special payments during 2021-22 include the following payments over $5,000:

- A compensation payment for out-of-pocket expenses paid to a member of the public

13. Cash and cash equivalents

	2022	*2021**
	$'000	*$'000*
Operating cash on hand and at bank	50,108	47,964
Refundable accommodation deposits	15,027	14,767
Internally restricted at-call deposits	5,671	5,459
Internally restricted cash at bank	20	49
Total cash and cash equivalents	**70,826**	**68,239**

** Restated - refer to Note 3*

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at reporting date as well as deposits at call with financial institutions.

Darling Downs Health's operating bank accounts are grouped as part of a Whole-of-Government (WoG) set-off arrangement with Queensland Treasury Corporation, which does not earn interest on surplus funds nor is it charged interest or fees for accessing its approved cash debit facility. Any interest earned on the WoG fund accrues to the Consolidated Fund.

Refundable accommodation deposits (RADs) represent amounts received from residents in aged care facilities for their accommodation. These amounts are permitted to be used for the purposes specified in Section 52N-1(2) of the *Aged Care Act 2011* including investments and facilitating ongoing capital investment in aged care infrastructure. Refundable accommodation deposits are refundable to residents when they leave a residential aged care facility. These funds are retained in the Queensland Treasury Corporation Cash Fund.

Interest earned from RADs is offset against operating and capital costs of the aged care facilities concerned.

13. Cash and cash equivalents (continued)

Internally restricted cash at bank and at-call deposits represents cash contributions received by Darling Downs Health, primarily from private practice clinicians and from external entities to provide for education, study and research in clinical areas. Contributions are also received from benefactors in the form of gifts, donations and bequests for stipulated purposes. These funds are retained in the Queensland Treasury Corporation Cash Fund.

Internally restricted cash at bank and at-call deposits do not form part of the WoG banking arrangement, and incur fees as well as earn interest. Interest earned from internally restricted accounts is used in accordance with the terms of the contribution. Interest is calculated on a daily basis reflecting market movements in cash funds. Annual effective interest rates (payable monthly) achieved throughout the year range between 0.29% and 0.90% (2021: 0.51% and 1.04%).

14. Receivables

	2022	*2021*
	$'000	*$'000*
Trade receivables	6,798	5,998
Less: Allowance for impairment loss	(1,496)	(1,130)
Total trade receivables	**5,302**	**4,868**
GST receivable	1,950	1,856
GST (payable)	(93)	(96)
Total GST receivable	**1,857**	**1,760**
Other	33	6
Total other receivables	**33**	**6**
Total receivables	**7,192**	**6,634**

Receivables are measured at amortised cost less any impairment, which approximates their fair value at reporting date. Trade receivables are recognised at the amount due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 30 days from invoice date. The collectability of receivables is assessed periodically with allowance being made for impairment.

The closing balance of receivables arising from contracts with customers at 30 June 2022 is $6,539K (1 July 2021: $5,523K).

(a) Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any allowance for impairment. Credit risk on receivables is considered minimal given that $2,583K or 36% (2021: $2,508K or 38%) of total receivables is due from Government, including GST receivable and amounts owing from DoH and other Hospital and Health Services.

(b) Impairment of receivables

Darling Downs Health calculates impairment based on an assessment of individual debtors within specific debtor groupings, including geographic location and service stream (e.g. Aged Care, Home care, Pharmaceutical Services). A provision matrix is then applied to measure expected credit losses. The allowance for impairment reflects Darling Downs Health's assessment of the credit risk associated with receivables balances and is determined based on historical rates of bad debts (by category) and management judgement. The level of allowance is assessed taking into account the ageing of receivables, historical collection rates, and specific knowledge of the individual debtor's financial position.

The COVID-19 pandemic is not expected to result in a significant change to Darling Downs Health's credit risk exposure or allowance for impairment. A significant portion of debts owing to Darling Downs Health are considered to be low risk of default including amounts owing from Government, amounts owing from private health insurers, and amounts owing for long stay residents at nursing homes. Darling Downs Health already considers some debtor categories such as Medicare Ineligible overseas patients as a higher risk of default and recognises a sufficient allowance for impairment for these categories.

When a trade receivable is considered uncollectable, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to other revenue. Changes in the carrying amount of the allowance account are recognised in the Statement of Comprehensive Income.

14. Receivables (continued)

(b) Impairment of receivables (continued)

	2022			2021		
Individually Impaired Receivables	**Gross receivables**	**Allowance for impairment**	**Carrying Amount**	**Gross receivables**	**Allowance for impairment**	**Carrying Amount**
Overdue	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Less than 30 days	117	(117)	-	83	(83)	-
30 to 60 days	107	(107)	-	154	(154)	-
60 to 90 days	87	(87)	-	66	(66)	-
Greater than 90 days	550	(550)	-	393	(393)	-
Total overdue	**861**	**(861)**	**-**	**696**	**(696)**	**-**
General impairments	5,937	(635)	5,302	5,302	(434)	4,868
Total allowance for impairment	**6,798**	**(1,496)**	**5,302**	**5,998**	**(1,130)**	**4,868**

Movements in the allowance for impairment loss	*2022*	*2021*
	$'000	*$'000*
Balance at the beginning of the financial year	1,130	1,154
Amounts written off during the year in respect of bad debts	(1,735)	(1,019)
Increase/(decrease) in allowance recognised in operating result	2,101	995
Balance at the end of the financial year	**1,496**	**1,130**

15. Inventories

	2022	*2021*
	$'000	*$'000*
Clinical supplies and equipment	5,028	4,582
Pharmaceuticals	2,818	2,419
Catering and domestic	288	86
Other	25	26
Total inventories	**8,159**	**7,113**

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable. Inventories are measured at weighted average cost, adjusted for obsolescence.

Inventories consist mainly of clinical supplies and pharmaceuticals held for distribution to hospitals or residential aged care facilities within Darling Downs Health and other HHSs. These inventories are provided to the facilities at cost. Darling Downs Health provides a central store enabling the distribution of supplies to other HHSs and utilises store facilities managed by DoH.

Unless material, inventories do not include supplies held ready for use in the wards throughout hospital facilities. These are expensed on issue from Darling Downs Health's central store. Items held on consignment are not treated as inventory, but are expensed when utilised in the normal course of business.

16. Other current assets

	2022	*2021*
	$'000	*$'000*
Contract assets	4,330	5,558
Prepayments	2,071	2,853
Other	4,088	3,385
Total other current assets	**10,489**	**11,796**

Contract assets arise from contracts with customers, and are transferred to receivables when Darling Downs Health's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

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

16. Other current assets (continued)

Significant changes in contract assets balances during the year:

- $1,336K decrease for amendments to the service level agreement with DOH, predominately for enterprise bargaining agreements ($1,094K).

Prepayments include payments for maintenance agreements, deposits and other payments of a general nature made in advance.

17. Property, plant and equipment and intangible assets

	Land at fair value $'000	Buildings & improvements at fair value $'000	Plant & equipment at cost $'000	Work in progress at cost $'000	Software purchased at cost $'000	Total $'000
Fair value/cost	39,150	1,229,601	111,061	11,923	498	1,392,233
Accumulated depreciation/amortisation	-	(842,609)	(61,238)	-	(498)	(904,345)
Carrying amount at 30 June 2022	**39,150**	**386,992**	**49,823**	**11,923**	**-**	**487,888**
Represented by movements in carrying amount						
Carrying amount at 1 July 2021	35,370	350,042	48,759	21,440	135	455,746
Acquisitions	-	-	10,962	15,627	-	26,588
Transfers in from other Queensland Government entities	-	-	456	-	-	456
Disposals	-	-	(378)	-	-	(378)
Transfers out to other Queensland Government entities	-	-	(12)	-	-	(12)
Transfer between asset classes	-	25,127	17	(25,144)	-	-
Net revaluation increments/(decrements)	3,780	40,800	-	-	-	44,580
Depreciation and amortisation	-	(28,977)	(9,981)	-	(135)	(39,093)
Carrying amount at 30 June 2022	**39,150**	**386,992**	**49,823**	**11,923**	**-**	**487,888**

	Land at fair value $'000	Buildings & improvements at fair value $'000	Plant & equipment at cost $'000	Work in progress at cost $'000	Software purchased at cost $'000	Total $'000
Fair value/cost	35,370	1,155,760	104,563	21,440	498	1,317,631
Accumulated depreciation/amortisation	-	(805,718)	(55,804)	-	(363)	(861,885)
Carrying amount at 30 June 2021	**35,370**	**350,042**	**48,759**	**21,440**	**135**	**455,746**
Represented by movements in carrying amount						
Carrying amount at 1 July 2020	35,232	303,878	43,928	55,394	195	438,627
Acquisitions	-	13	12,213	35,695	-	47,921
Transfers in from other Queensland Government entities	-	-	337	-	-	337
Disposals	-	-	(290)	-	-	(290)
Transfers out to other Queensland Government entities	(177)	(257)	(3)	-	-	(437)
Transfer between asset classes	-	68,062	1,587	(69,649)	-	-
Net revaluation increments/(decrements)	315	6,004	-	-	-	6,319
Depreciation and amortisation	-	(27,658)	(9,013)	-	(60)	(36,731)
Carrying amount at 30 June 2021	**35,370**	**350,042**	**48,759**	**21,440**	**135**	**455,746**

17. Property, plant and equipment and intangible assets (continued)

(a) Recognition of property plant and equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds and with a useful life of more than one year are reported as Property, Plant and Equipment in the following classes. Items below these values are expensed in the year of acquisition.

Class	Threshold
Buildings (including site improvements)	$10,000
Land	$1
Plant and equipment	$5,000

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for Darling Downs Health. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset. The accounting policy for depreciation of complex assets, and estimated useful lives of components, are disclosed in Note 17(e).

Intangible assets of Darling Downs Health comprise purchased software. Intangible assets with a historical cost or other value equal to or greater than $100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of Darling Downs Health's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

(b) Cost of acquisition of assets

Cost is used for the initial recording of all non-current property, plant and equipment acquisitions. Cost is determined as the fair value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the transferor immediately prior to the transfer.

(c) Measurement of non-current assets

Plant and equipment is measured at cost net of accumulated depreciation and accumulated impairment losses in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for plant and equipment at cost do not materially differ from their fair value.

Land, buildings and improvements are measured at their fair value in accordance with *AASB 116 Property, Plant and Equipment*, *AASB 13 Fair Value Measurement* and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation.

In respect of the above mentioned asset classes, the cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period. Assets under construction are not revalued until they are ready for use.

(d) Revaluation of non-current assets

Land, buildings and improvements classes measured at fair value are revalued on an annual basis by comprehensive or desktop valuations, or by the use of appropriate and relevant indices provided by independent experts. Comprehensive valuations are undertaken at least once every four years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

17. Property, plant and equipment and intangible assets (continued)

(d) Revaluation of non-current assets (continued)

Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset warrants a revaluation.

Where assets have not been comprehensively valued in the reporting period, their previous valuations are materially kept up to date via a desktop valuation, or the application of relevant indices. Darling Downs Health ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The external valuer supplies the indices used. Such indices are either publicly available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets.

Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the valuer based on Darling Downs Health's own particular circumstances.

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

The comprehensive valuations are based on valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Details of Darling Downs Health's fair value classification of non-current assets are provided in Note 23.

Fair value measurement - land

Darling Downs Health has engaged the State Valuation Service (SVS) to provide a market based valuation in accordance with a four year rolling revaluation program (with indices applied in the intervening periods). Desktop valuations were undertaken for high-value land parcels outside the geographic area being comprehensively valued, based on their unique and complex nature.

The revaluation program excludes properties which do not have an active market, for example properties under Deed of Grant (recorded at a nominal value of $1).

The fair value of land was based on publicly available data on sales of similar land in nearby localities prior to the date of the revaluation. In determining the values, adjustments were made to the sales data to take into account the location of the land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land.

The 2021-22 revaluation program resulted in an increment of $3,780K (2021: increment of $315K) to the carrying amount of land, of which $2,966K (2021: $315K) is recognised in the Statement of Comprehensive Income as a gain on revaluation of assets and $814K (2021: nil) is recognised as an asset revaluation surplus.

The COVID-19 pandemic has resulted in uncertainty in the property market leading to significant valuation uncertainty. Valuations are based upon sales information and statistical economic information at the time of valuation. The assessed value may change significantly and unexpectedly over time. It is expected that the property market may experience greater uncertainty due to the COVID-19 pandemic, however the future effects on asset valuations are unable to be reliably predicted at this point in time.

Fair value measurement - buildings and improvements

Darling Downs Health engaged independent experts, AECOM Pty Ltd to undertake building revaluations in accordance with a four year rolling revaluation program (with indices applied in the intervening periods).

Reflecting the specialised nature of health service buildings and on hospital-site residential facilities, for which there is no active market, fair value is determined using the current replacement cost methodology. Current replacement cost is a valuation technique that reflects the amount that would be required today to replace the service capacity of an asset. Current replacement cost is calculated as replacement cost less adjustments for obsolescence.

17. Property, plant and equipment and intangible assets (continued)

(d) Revaluation of non-current assets (continued)

Fair value measurement - buildings and improvements (continued)

To determine the replacement cost, the lowest cost that would be incurred today, to replace the existing building with a modern equivalent, is assessed. The valuation assumes a modern equivalent building will comply with current legislation (e.g. building code) and provide the same service function and form (shape and size) as the original building but with more contemporary design, materials, safety standards and construction approaches.

In determining the revalued amount the measurement of key quantities of certain elements includes:

- Building footprint (roof area);
- Girth of the building;
- Height of the building;
- Number of staircases; and
- Number of lift 'stops'.

Key quantities are measured from drawings provided and verified on site during inspections. These measured quantities are assigned unit rates to determine a base replacement cost for each element. The unit rates are derived from recent similar projects analysed at an elemental level. 'On-costs' have been incorporated to provide for:

- Contractors preliminary items (establishment, supervision, scaffolding, tower cranes, etc.);
- Project contingencies;
- Professional and statutory fees; and
- Client costs (management of the project etc).

The replacement cost of an asset is adjusted for obsolescence. There are three types of obsolescence factored into current replacement cost, functional, economic and physical obsolescence. Functional and economic obsolescence are adjustments to the gross value of the asset. This adjustment reflects the value embodied in components of a modern equivalent building that are either not present in the existing asset or that are inefficient or inadequate relative to a modern equivalent building due to technological developments or other external factors.

Physical obsolescence is time based and is therefore reflected in the calculation of accumulated depreciation. This adjustment reflects the loss in value of the building caused by factors such as wear and tear, physical stressors and other environmental factors Physical obsolescence is calculated as straight-line depreciation, that is, the replacement cost depreciated over the total useful life of the asset. The total useful life of the asset is a combination of expired useful life and an estimate of remaining useful life.

Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, and records of the current condition assessment of the facility.

The revaluation program resulted in an increment of $40,800K (2021: $6,004K) to the carrying amount of buildings. The increase in building values was due to increasing costs in the building sector.

(e) Depreciation and amortisation

Land is not depreciated as it has an unlimited useful life.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to Darling Downs Health.

Assets under construction (work-in-progress) are not depreciated until the earlier of construction being complete or the asset is ready for its intended use. These assets are then reclassified to the relevant class within property, plant and equipment.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and depreciated over the remaining useful life of the asset.

Major components purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate. Where components are not separately accounted for, a review is undertaken annually to confirm there is no material effect on reported depreciation expense.

17. Property, plant and equipment and intangible assets (continued)

(e) Depreciation and amortisation (continued)

The depreciable amount of improvements to or on leasehold land is allocated progressively over the shorter of the estimated useful lives of the improvements or the unexpired period of the lease.

All asset useful lives are reviewed annually to ensure that the remaining service potential of the assets is reflected in the financial statements. Darling Downs Health determines the estimated useful lives for its property, plant and equipment based on the expected period of time over which economic benefits arising from the use of the asset will be derived. Significant judgement is required to determine useful lives which could change significantly as a result of technical innovations or other circumstances and events. The depreciation charge will increase where the useful lives are less than previously estimated, or the asset becomes technically obsolete or non-strategic assets that have been abandoned or sold are written-off or written-down. For Darling Downs Health's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

All intangible assets of Darling Downs Health have finite useful lives and are amortised on a straight line basis over their estimated useful life. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangibles useful life. The residual value of Darling Downs Health's intangible assets is zero.

For each class of depreciable assets, the following depreciation and amortisation rates are used:

Class	Depreciation / amortisation rates	
	2022	*2021*
	%	*%*
Buildings and land improvements	0.78 - 7.69	0.75 - 7.69
Plant and equipment	2.56 - 20.00	2.27 - 20.00
Software - purchased	20.00	14.29 - 16.67

(f) Impairment of non-current assets

All property, plant and equipment is assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. If an indicator of possible impairment exists, Darling Downs Health determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and value in use.

As a not-for-profit entity, certain property, plant, and equipment is held for the continuing use of its service capacity, and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with *AASB 136 Impairment of Assets*, where such assets are measured at fair value under *AASB 13 Fair Value Measurement,* that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, *AASB 136* does not apply to such assets unless they are measured at cost.

For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the assets fair value and its fair value less costs of disposal is the incremental costs attributable to disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and is offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available, in respect of the class of asset, the loss is expensed in the Statement of Comprehensive Income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

17. Property, plant and equipment and intangible assets (continued)

(f) Impairment of non-current assets (continued)

For assets measured at fair value, to the extent the original decrement was expensed through the Statement of Comprehensive Income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of the asset through the asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Darling Downs Health determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

18. Right-of-use assets and lease liabilities

(a) Right-of-use assets

	Buildings & improvements	Plant & equipment	Total
	$'000	$'000	$'000
Cost	11,950	45	11,995
Accumulated depreciation	(4,573)	(39)	(4,612)
Carrying amount at 30 June 2022	**7,377**	**6**	**7,383**
Represented by movements in carrying amount			
Opening balance at 1 July 2021	8,204	25	8,229
Additions	1,441	11	1,452
Depreciation charge for the year	(2,268)	(30)	(2,298)
Closing balance at 30 June 2022	**7,377**	**6**	**7,383**
Opening balance at 1 July 2020	2,850	46	2,896
Additions	7,285	(5)	7,280
Depreciation	(1,931)	(16)	(1,947)
Closing balance at 30 June 2021	**8,204**	**25**	**8,229**

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- lease payments made at or before the commencement date, less any lease incentives received;
- initial direct costs incurred; and
- the initial estimation of restoration costs.

Right-of-use assets are subsequently depreciated over the lease term and are subject to impairment testing on an annual basis.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates or a change in lease term.

Darling Downs Health measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

Darling Downs Health has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight line basis over the lease term. An asset is considered low value where it is expected to cost less than $10,000 when new.

18. Right-of-use assets and lease liabilities (continued)

(a) Right-of-use assets (continued)

Where a contract contains both lease and non-lease components such as asset maintenance services, Darling Downs Health allocates the contractual payments to each component on the basis of their stand alone prices. However, for leases of plant and equipment, Darling Downs Health has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

(b) Lease liabilities

	2022	*2021*
Current	*$'000*	*$'000*
Lease liabilities	2,106	1,978
Non-current		
Lease liabilities	5,161	6,125
Total	**7,267**	**8,103**

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that Darling Downs Health is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by Darling Downs Health under residual value guarantees;
- the exercise price of a purchase option that Darling Downs Health is reasonably certain to exercise; and
- payments for termination penalties, if the lease term reflects the early termination.

When measuring the lease liability, Darling Downs health uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of Darling Downs Health's leases. To determine the incremental borrowing rate, Darling Downs Health uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

(c) Details of leasing arrangements as lessee

Specialist medical facilities	Darling Downs Health leases commercial premises from which it provides various health services. The lease for its BreastScreen premises commenced in April 2016, and has a two options to extend the lease, each for a further four years. The lease payments are adjusted every year based on market rent reviews. If Darling Downs Health exercises the option to renew the lease, then the lease payments will reflect the market rate at that point. Darling Downs Health commenced the lease for its modular theatre as at 1 December 2020, and has an option to extend the lease for a further three years after the initial lease period. An adjustment to the lease payments will only occur at the point that Darling Downs Health chooses to exercise the option. Other commercial leases include the lease of a medical centre, as well as demountable buildings, and premises for Women's and Children's Health services.
Employee housing	Darling Downs Health routinely enters into residential leases to facilitate the provision of employee accommodation across the health service. Short-term leases are expensed on a straight-line basis consistent with the lease term. Lease terms and conditions are generally at market prices. Darling Downs Health regularly assesses the requirement for the leases, and rental agreements are ordinarily renewed prior to finalisation of the current lease term.
Equipment	Darling Downs Health's equipment leases are generally on a short-term basis, or leases of low value assets. Lease terms for plant and equipment recognised on balance-sheet can range from 1 to 5 years.

18. Right-of-use assets and lease liabilities (continued)

(d) Office accommodation, employee housing and motor vehicles

The Department of Energy and Public Works (DEPW) provides Darling Downs Health with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note 11.

19. Payables

	2022	*2021**
	$'000	*$'000*
Payable to Department of Health	12,284	5,117
Accrued expenses	16,433	14,685
Trade payables	30,690	29,553
Refundable accommodation deposits	15,027	14,767
Other	657	315
Total payables	**75,091**	**64,437**

** Restated - refer to Note 3*

Trade payables are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, net of applicable trade and other discounts. Amounts owing are unsecured and generally settled in accordance with the vendor's terms and conditions but within 60 days.

Refundable accommodation deposits (RADs) are recognised upon receipt of RADs from residential aged care facility residents. RADs are refundable to residents within 14 days of their leaving a residential aged care facility. Amounts are unsecured. Darling Downs Health has a liquidity management standard to ensure that it is able to repay RADs that may be due within the following 12 months.

20. Unearned revenue

	2022	*2021*
	$'000	*$'000*
Contract liabilities	2,972	5,349
Revenue in advance	69	701
Total unearned revenue	**3,041**	**6,050**

Contract liabilities arise from contracts with customers while other unearned revenue arise from transactions that are not contracts with customers.

Of the amount included in the contract liability balance at 1 July 2021, $5,297K has been recognised as revenue in 2021-22.

Revenue recognised in 2021-22 from performance obligations satisfied or partially satisfied in previous periods is nil.

Significant changes in contract liabilities during the year:

- $1,238K decrease for the Rural Junior Doctor Training and Innovation Fund;
- $948K decrease for Commonwealth Home Care Packages; and
- $781K increase for front line staff to access COVID response leave.

Contract liabilities at 30 June 2022 include:

- $937K from the Department of Health for front line staff to access COVID response leave in future periods;
- $762K from the Commonwealth Department of Health for future placement of doctors under the Rural Junior Doctor Training Innovation Fund; and
- $602K for services to be delivered through the Commonwealth Home Support Program (CHSP)

21. Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland Government entities as a result of machinery-of-government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities.* Appropriations for equity adjustments are similarly designated.

21. Contributed equity (continued)

Transactions with owners as owners include equity injections for non-current asset acquisitions. Assets received or transferred by Darling Downs Health are accounted for in line with the accounting policy outlined in Note 17(b). Transactions with owners as owners also includes non-cash equity withdrawals to offset non-cash depreciation funding received under the service agreement with DoH.

Construction of major health infrastructure continues to be funded by DoH. For projects that are managed by DoH, assets are transferred from DoH to Darling Downs Health, upon practical completion, by the Minister for Health and Ambulance Services as a contribution by the State through equity.

The value of assets received or transferred are outlined in the table below:

	2022	*2021*
	$'000	*$'000*
Transfers from DoH	456	337
Transfers to DoH	(12)	(437)
Total net assets received or transferred	**444**	**(100)**

22. Asset revaluation surplus

	Land	Buildings & improvements	Total
	$'000	$'000	$'000
Balance at 1 July 2020	-	121,046	121,046
Revaluation increment/(decrement)	-	6,004	6,004
Balance at 30 June 2021	**-**	**127,050**	**127,050**
Revaluation increment/(decrement)	814	40,800	41,614
Balance at 30 June 2022	**814**	**167,850**	**168,664**

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

23. Fair value measurement

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

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

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by Darling Downs Health include, but are not limited to, subjective adjustments made to observable data to take account of the specialised nature of health service buildings and on hospital-site residential facilities, including historical and current construction contracts (and/or estimates of such costs), and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or the current replacement cost for a specific-use asset.

Details of the valuation approach as well as the observable and unobservable inputs used in deriving the fair value of non-financial assets are disclosed in Note 17(d).

Darling Downs Health does not recognise any financial assets or liabilities at fair value, except for cash and cash equivalents. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

23. Fair value measurement (continued)

All assets and liabilities of Darling Downs Health for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent valuations:

- Level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included in level 1) that are observable, either directly or indirectly; and
- Level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

None of Darling Downs Health's valuations of assets or liabilities are eligible for categorisation into Level 1 of the fair value hierarchy.

There were no transfers of assets between fair value hierarchy levels during the period.

Categorisation of fair value of assets and liabilities measured at fair value

	Level 2		Level 3		Total	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Land	39,150	35,370	-	-	39,150	35,370
Buildings and improvements	546	543	386,446	349,499	386,992	350,042
Total	**39,696**	**35,913**	**386,446**	**349,499**	**426,142**	**385,412**

Reconciliation of non-financial assets categorised as Level 3:

As at 1 July 2020	303,243
Acquisitions (including upgrades)	13
Transfer between asset classes	68,062
Transfers out to other Queensland Government entities	(201)
Net revaluation increments/(decrements)	6,004
Depreciation and amortisation charge for the year	(27,622)
As at 30 June 2021	**349,499**
Transfer between asset classes	25,127
Net revaluation increments/(decrements)	40,760
Depreciation and amortisation charge for the year	(28,940)
As at 30 June 2022	**386,446**

24. Financial instruments

(a) Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Darling Downs Health becomes party to the contractual provisions of the financial instrument.

(b) Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at amortised cost (Note 13);
- Receivables - held at amortised cost (Note 14); and
- Payables - held at amortised cost (Note 19).

Darling Downs Health does not enter into transactions for speculative purposes, nor for hedging.

24. Financial instruments (continued)

(c) Financial risk management objectives

Financial risk is managed in accordance with Queensland Government and Darling Downs Health policy. These policies provide written principles for overall risk management, as well as policies covering specific areas, and aim to minimise potential adverse effects of risk events on the financial performance of Darling Downs Health.

Darling Downs Health's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk.

Darling Downs Health measures risk exposure using a variety of methods as follows:

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

i) Credit risk exposure

Credit risk exposure refers to the situation where Darling Downs Health may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

Credit risk on cash and cash equivalents is considered minimal given all Darling Downs Health's deposits are held through the Commonwealth Bank of Australia and by the State through Queensland Treasury Corporation. The maximum exposure to credit risk is limited to the balance of cash and cash equivalents shown in Note 13.

Credit risk on receivables is disclosed in Note 14(a).

No financial assets have had their terms renegotiated as to prevent them from being past due or impaired and are stated at the carrying amounts as indicated.

ii) Liquidity risk

Liquidity risk refers to the situation where Darling Downs Health may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Darling Downs Health has an approved debt facility of $11 million (2021: $11 million) under WoG banking arrangements to manage any short term cash shortfalls. This facility has not been drawn down as at 30 June 2022 (2021: nil). The liquidity risk of financial liabilities held by Darling Downs Health is limited to the payables balance as shown in Note 19.

iii) Market risk

Market risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Darling Downs Health is exposed to interest rate changes on 24 hour at-call deposits but there is no interest rate exposure on its cash and fixed rate deposits.

Darling Downs Health does not undertake any hedging in relation to interest rate risk and manages its risk as per Darling Downs Health liquidity risk management strategy articulated in Darling Downs Health's Financial Management Practice Manual. Changes in interest rates have a minimal effect on the operating result of Darling Downs Health.

25. Commitments for expenditure

Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2022	*2021*
	$'000	*$'000*
Buildings		
Not later than 1 year	6,951	8,199
Total capital and operating expenditure commitments	**6,951**	**8,199**
Plant and Equipment		
Not later than 1 year	3,303	3,029
Total capital and operating expenditure commitments	**3,303**	**3,029**

26. Contingencies

(a) Litigation in progress

Medical indemnity is underwritten by the Queensland Government Insurance Fund (QGIF). Darling Downs Health's liability in this area is limited to an excess of $20,000 per insurance event (refer Note 11(a) Insurance premiums). Darling Downs Health's legal advisers and management believe it is not possible to make a reliable estimate of the final amounts payable (if any) in respect of the litigation before the courts at this time.

As at 30 June 2022, the following number of cases were filed in the courts naming the State of Queensland acting through Darling Downs Health as defendant.

	2022 Number of cases	**2021 Number of cases**
Supreme Court	5	4
District Court	-	2
	5	**6**

(b) Guarantees and undertakings

As at reporting date, Darling Downs Health held bank guarantees from third parties for capital works projects totalling $2,372K (2021: $8,466K). These amounts have not been recognised as assets in the financial statements.

27. Fiduciary trust transactions and balances

(a) Patient fiduciary funds

Darling Downs Health acts in a fiduciary trust capacity in relation to patient fiduciary funds and Right of Private Practice trust accounts. Consequently, these transactions and balances are not recognised in the financial statements. Although patients funds are not controlled by Darling Downs Health, trust activities are included in the audit performed annually by the Auditor-General of Queensland.

Patient fiduciary funds	*2022* *$'000*	*2021** *$'000*
Balance at the beginning of the year	1,836	846
Patient fiduciary fund receipts	16,437	15,109
Patient fiduciary fund payments	(17,242)	(14,119)
Balance at the end of the year	**1,031**	**1,836**
Closing balance represented by:		
Cash at bank and on hand	1,031	1,836
Patient fiduciary fund assets closing balance 30 June	**1,031**	**1,836**

** Restated - refer to Note 3*

27. Fiduciary trust transactions and balances (continued)

(b) Right of private practice (RoPP) scheme

A Right of Private Practice (RoPP) arrangement is where clinicians are able to use Darling Downs Health's facilities to provide professional services to private patients. Darling Downs Health acts as a billing agency in respect of services provided under a RoPP arrangement. Under the arrangement, Darling Downs Health deducts from private patient fees received, a service fee (where applicable) to cover costs associated with the use of Darling Downs Health's facilities and administrative support provided to the medical officer. In addition, where applicable under the agreement, some funds are paid to the General Trust. These funds are used to provide staff with grants for study, research, or educational purposes. Transactions and balances relating to the RoPP arrangement are outlined in the following table.

Right of Private Practice (ROPP) receipts and payments	*2022*	*2021*
	$'000	*$'000*
Receipts		
Private practice receipts	6,054	5,934
Bank interest	2	2
Total receipts	**6,056**	**5,936**
Payments		
Payments to medical officers	621	597
Payments to Darling Downs Health for recoverable costs	5,397	5,245
Payments to Darling Downs Health's General Trust	38	94
Total payments	**6,056**	**5,936**
Increase in net private practice assets	**-**	**-**
Current assets		
Cash - RoPP	480	615
Total current assets	**480**	**615**
Current liabilities		
Payable to medical officers	54	31
Payable to Darling Downs Health for recoverable costs	409	552
Payable to Darling Downs Health's General Trust	17	32
Total current liabilities	**480**	**615**

28. Controlled entities

As at 30 June 2022 Darling Downs Health does not have a controlling interest in any entity.

29. Climate Risk Disclosure

Darling Downs Health has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030.

30. Budget to actual comparison

This section discloses Darling Downs Health's original published budgeted figures for 2021-22 compared to actual results, with explanations of major variances, in respect of the Darling Downs Health's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

The original budget has been reclassified to be consistent with the presentation and classification adopted in the financial statements.

Statement of Comprehensive Income

	Variance Note	Original Budget 2022 $'000	Actual 2022 $'000	Variance* 2022 $'000
Income from continuing operations				
Funding for public health services	1	826,976	886,436	59,460
User charges and fees	2	61,934	71,021	9,087
Grants and other contributions		45,637	50,293	4,656
Interest		204	129	(75)
Other revenue		2,427	3,452	1,025
Total revenue		**937,178**	**1,011,331**	**74,153**
Gains on disposal/revaluation of assets of assets		-	3,192	3,192
Total income from continuing operations		**937,178**	**1,014,523**	**77,345**
Expenses from continuing operations				
Employee expenses	3	98,884	111,375	(12,491)
Health service employee expenses	4	567,759	581,141	(13,382)
Supplies and services	5	226,429	262,181	(35,752)
Grants and subsidies		2,550	3,247	(697)
Depreciation and amortisation		38,289	41,391	(3,102)
Impairment losses		1,030	2,194	(1,164)
Finance/ borrowing costs		88	82	6
Other expenses		2,149	4,725	(2,576)
Total expenses from continuing operations		**937,178**	**1,006,336**	**(69,158)**
Operating result from continuing operations		**-**	**8,187**	**8,187**
OTHER COMPREHENSIVE INCOME				
Items not recyclable to operating result				
Increase/(decrease) in asset revaluation surplus	6	-	41,614	41,614
Total items not recyclable to operating result		**-**	**41,614**	**41,614**
Total other comprehensive income		**-**	**41,614**	**41,614**
TOTAL COMPREHENSIVE INCOME		**-**	**49,801**	**49,801**

** Favourable/(Unfavourable)*

30. Budget to actual comparison (continued)

Statement of Financial Position

	Variance Note	Original Budget 2022 $'000	Actual 2022 $'000	Variance* 2022 $'000
Current assets				
Cash and cash equivalents	1	33,229	70,826	37,597
Receivables		7,002	7,192	190
Inventories		7,295	8,159	864
Other current assets	2	4,246	10,489	6,243
Total current assets		**51,772**	**96,666**	**44,894**
Non-current assets				
Non-current assets classified as held for sale		-	-	-
Property, plant and equipment	3	457,324	487,888	30,564
Right-of-use assets		6,031	7,383	1,352
Intangible assets		-	-	-
Other non-current assets		-	26	26
Total non-current assets		**463,355**	**495,297**	**31,942**
Total assets		**515,127**	**591,963**	**76,836**
Current liabilities				
Payables	4	53,106	75,091	21,985
Lease Liabilities		1,601	2,106	505
Accrued employee benefits		1,346	1,736	390
Unearned revenue		3,948	3,041	(907)
Total current liabilities		**60,001**	**81,974**	**21,973**
Non-current liabilities				
Lease Liabilities		4,210	5,161	951
Total non-current liabilities		**4,210**	**5,161**	**951**
Total liabilities		**64,211**	**87,135**	**22,924**
Net assets		**450,916**	**504,828**	**53,912**
Equity				
Contributed equity		261,472	263,924	2,452
Accumulated surplus/(deficit)	5	53,426	72,240	18,814
Asset revaluation surplus	6	136,018	168,664	32,646
Total equity		**450,916**	**504,828**	**53,912**

** Favourable/(Unfavourable)*

30. Budget to actual comparison (continued)

Statement of Cash Flows

	Variance Note	Original Budget 2022 $'000	Actual 2022 $'000	Variance* 2022 $'000
Cash flows from operating activities				
Inflows:				
Funding for public health services	1	788,687	846,238	57,551
User charges and fees		61,090	64,917	3,827
Grants and other contributions		36,992	41,030	4,038
Interest receipts		204	129	(75)
GST input tax credits from ATO		13,928	15,011	1,083
GST collected from customers		721	824	103
Refundable accommodation receipts	2	-	5,160	5,160
Other		2,427	3,452	1,025
Total cash provided by operating activities		**904,049**	**976,761**	**72,712**
Outflows:				
Employee expenses	3	98,500	111,256	(12,756)
Health service employee expenses	4	567,759	579,111	(11,352)
Supplies and services	5	216,367	245,278	(28,911)
Grants and subsidies		2,550	2,994	(444)
Finance/ borrowing costs		88	82	6
GST paid to suppliers		13,928	15,105	(1,177)
GST remitted to ATO		653	828	(175)
Refundable accommodation payments		-	4,900	(4,900)
Other		1,678	4,374	(2,696)
Total cash used in operating activities		**901,523**	**963,928**	**(62,405)**
Net cash provided by/(used in) operating activities		**2,526**	**12,833**	**10,307**
Cash flows from investing activities				
Inflows:				
Sales of property, plant and equipment		-	254	254
Total cash provided by investing activities		**-**	**254**	**254**
Outflows:				
Payments for property, plant and equipment	6	8,691	26,588	(17,897)
Total cash used in investing activities		**8,691**	**26,588**	**(17,897)**
Net cash provided by/(used in) investing activities		**(8,691)**	**(26,334)**	**(17,643)**
Cash flows from financing activities				
Inflows:				
Proceeds from equity injections	7	707	18,376	17,669
Total cash provided by financing activities		**707**	**18,376**	**17,669**
Outflows:				
Lease payments		1,864	2,288	424
Total cash used in financing activities		**1,864**	**2,288**	**424**
Net cash provided by/(used in) financing activities		**(1,157)**	**16,088**	**17,245**
Net increase in cash and cash equivalents		**(7,322)**	**2,587**	**9,909**
Cash and cash equivalents at beginning of financial year	9	41,045	68,239	27,194
Cash and cash equivalents at end of financial year		**33,723**	**70,826**	**37,103**

** Favourable/(Unfavourable)*

30. Budget to actual comparison (continued)

Statement of Comprehensive Income variance notes

1 Funding for public health services exceeded the original budget by $59.5M. Darling Downs Health received these additional funds through amendments to the service level agreement with DoH. These amendments included $34.8M for activities related to COVID-19 preparedness and vaccinations, $17M for the Care4QLD program to open additional beds, $3.1M for depreciation, $1.3M to support increases to the medical workforce in the Toowoomba Hospital Intensive Care Unit, and $1.1M for indigenous health initiatives. Offsetting these increases in funding were reductions for changes in the model for supply chain services with the Supply Chain Surety Division ($1.4M).

2 User charges and fees exceeded the original budget by $9.1M. The variance is predominately due to the recovery of non-capital expenditure from DoH ($6.3M) and recovery of high cost pharmaceuticals under the Pharmaceutical Benefits Scheme ($2.7M). Non-capital projects funded by DoH include the Toowoomba Hospital Emergency Department and Modular COVID Ward ($2.7M), the Toowoomba Hospital Day Surgery ($1.3M) and the Kingaroy Hospital Redevelopment ($1.4M).

3 Employee expenses exceeded the original budget by $12.5M. $8.0M relates to an increase of 17 FTE. The increase is due to the investment in additional senior medical officers to meet patient activity levels across specialities within Toowoomba Hospital and rural health care facilities. $4.5M relates to increased cost per FTE primarily due to higher cost models (including additional overtime) to ensure service delivery in the current environment.

4 Health service employee expenses exceeded the original budget by $13.4M. Costs to staff COVID-19 testing and vaccination clinics accounted for $11.0M. An additional $2.6M is due to opening the new Toowoomba Hospital Medical Unit 5 (MU5).

5 Supplies and services exceeded the original budget by $35.8M. $16.1M relates to the response to COVID-19 including the provision of testing and vaccination clinics. An additional $7.0M was incurred on external contractors, (particularly nursing) to cover increased leave and roster deficits including staff absences due to COVID-19. $4.4M additional expenditure was incurred on outsourced service delivery including purchasing additional bed capacity from the private sector consistent with additional funding received under the service level agreement with DoH. Additional non-capital expenditure was funded by DoH for projects conducted on their behalf (refer to User charges and fees above). $2.7M additional expenditure on high cost pharmaceuticals for the treatment of cancer and respiratory illnesses was incurred. This increase was funded through the Pharmaceutical Benefits Scheme reimbursement (refer to User charges and fees above).

6 The Asset revaluation surplus exceeded the original budget by $41.6M consistent with the results of the 2021-22 Land and Building revaluation program. The results were driven by the escalation of building costs consistent with current market conditions.

Statement of Financial Position variance notes

1 Cash and cash equivalents exceeded the original budget by $37.6M. Cash and cash equivalents at the beginning of the year exceeded the original budget by $27.2M. The 2020-21 Operating result from continuing operations (excluding Gains on disposal/revaluation of assets) was $10.1M higher than budgeted. During 2021-22 Darling Downs Health revised its accounting policy for Refundable Accommodation Deposits (RADs) received from nursing home residents. These cash assets and current liabilities are now recognised within the financial statements ($14.8M) (refer Note 3(a)). The cash position is also reflective of the current year operating surplus (excluding Gains on disposal/revaluation of assets) ($5.0M).

2 Other current assets exceeded the original budget by $6.2M. $4.6M reflects end of financial year amendments to the service level agreement with DoH. Key amendments to the service level agreement include:

- $1.9M for COVID preparedness activities including, testing and vaccination clinics;
- $1.1M for changes to the funding source for the COVID-19 vaccination program. This is offset by an equivalent amount payable to DoH. Refer to Payables below;
- $1.1M for additional expenditure incurred under enterprise bargaining agreements.

30. Budget to actual comparison (continued)

Statement of Financial Position variance notes (continued)

3 Property, plant and equipment exceeded the original budget by $30.6M driven by the revaluation of Land and Building assets. Revaluations were higher than budgeted reflecting current market conditions within the construction industry.

4 Payables exceeded the original budget by $22.0M. $15.0M reflects Darling Downs Health's revised accounting policy for RADS (refer to Note 3(a)). $4.2M reflects end of financial year amendments to the service level agreement with DoH. Key amendments to the service level agreement include:

- $1.1M for changes to the funding source for the COVID-19 vaccination program. This is offset by an equivalent amount receivable from DoH. Refer to Other assets above;
- $2.6M for enterprise bargaining agreements not finalised during the year.

5 Accumulated surplus/(deficit) exceeded the original budget by $18.8M consistent with both the prior and current financial year operating surpluses.

6 The Asset revaluation surplus exceeded the original budget by $32.6M consistent with the 2021-22 Land and Building revaluation program.

Statement of Cash Flow variance notes

1 The movement in Funding for public health services is consistent with the movement in Funding for public health services in the Statement of Comprehensive Income.

2 During 2021-22 Darling Downs Health revised its accounting policy for Refundable Accommodation Deposits (RADS) received from nursing home residents. $5.2M represents amounts received from nursing home residents during the year.

3 The movement in Employee expenses is consistent with the movement in Employee expenses in the Statement of Statement of Comprehensive Income.

4 The movement in Health service employee expenses is consistent with the movement in Health service employee expenses in the Statement of Comprehensive Income.

5 The movement in Supplies and services is consistent with the movement in Supplies and services in the Statement of Comprehensive Income ($35.8M) offset by the increase in amounts payable to DoH ($4.2M) for amendments to the service level agreement (refer to Payables in the Statement of Financial Position above).

6 Payments for property, plant and equipment exceeded the original budget by $17.9M. This was primarily due to capital works projects undertaken on behalf of DoH including the Health Technology Equipment Replacement Program ($5.1M), the Capital Maintenance and Renewal Program ($3.2M), and the Priority Capital Works Program ($6.0M).

7 Proceeds from equity injections exceed the original budget by $17.7M consistent with the movement in Payments for property, plant and equipment above.

8 Cash and cash equivalents at the beginning of the year exceeded the original budget by $27.2M. The 2020-21 Operating result from continuing operations (excluding Gains on disposal/revaluation of assets) was $10.1M higher than budgeted. During 2021-22 Darling Downs Health revised its accounting policy for Refundable Accommodation Deposits (RADS) received from nursing home residents. These cash assets and current liabilities are now recognised within the financial statements ($14.8M) (refer Note 3(a)).

31. Significant financial impacts from COVID-19 pandemic

The following significant transactions were recognised by Darling Downs Health in response to the COVID-19 pandemic.

Statement of Operating Position

Significant expense items arising from COVID-19

	2022	*2021*
	$'000	*$'000*
Public hospital care	8,963	6,361
Clinical support costs	5,019	3,989
Workforce management	2,614	3,508
Community screening	1,450	811
Aged and disability care	260	1,772
Public health	10,174	3,816
Disaster management	1,093	1,160
System support	3	126
Community Quarantine	447	40
Expenses relating to COVID-19 response	**30,023**	**21,583**
Other expenses (funding received for COVID-19 response to be returned)	-	-
Total Expenses	**30,023**	**21,583**

Significant revenue items arising from COVID-19

Additional revenue to fund COVID-19 initiatives	**30,023**	**21,573**

Statement of Financial Position	*2022*	*2021*
	$'000	*$'000*
Significant changes in assets arising from COVID-19		
Funding receivable to fund COVID-19 initiatives	2,406	2,206
Property, plant and equipment	20	586
	2,426	**2,792**
Significant changes in liabilities arising from COVID-19		
Return unexpended funding for COVID-19 initiatives	**937**	**-**
Significant equity transactions arising from COVID-19		
Equity transfers to fund asset property, plant and equipment acquisitions	**20**	**1,544**

32. Key management personnel and remuneration

(a) Board members

The following details for Board members include those positions that had authority and responsibility for planning, directing and controlling the activities of Darling Downs Health during 2021-22. Further information on these positions can be found in the body of the Annual Report under the section relating to Governing our Organisation.

Name (date appointed and date resigned if applicable)	Responsibilities	Year	Short-term Employee Expenses		Post-Employment Expenses	Total Remuneration
			Base $'000	Non-Monetary Benefits $'000	$'000	$'000
Mike Horan AM	Chair	**2022**	81	-	8	89
18 May 2012		**2021**	81	-	8	89
Dr Dennis Campbell	Deputy Chair	**2022**	51	-	5	56
29 June 2012		**2021**	51	-	5	56
Professor Julie Cotter	Board Member	**2022**	47	-	5	52
18 May 2017		**2021**	47	-	4	51
Cheryl Dalton	Board Member	**2022**	47	-	5	52
29 June 2012		**2021**	47	-	4	51
Dr Stephen Harrop	Board Member	**2022**	10	-	1	11
1 April 2022		**2021**	-	-	-	-
Dr Ross Hetherington	Board Member	**2022**	49	-	5	54
29 June 2012		**2021**	44	-	4	48
Terrence Kehoe	Board Member	**2022**	11	-	1	12
1 April 2022		**2021**	-	-	-	-
Patricia Leddington-Hill	Board Member	**2022**	49	-	5	54
9 November 2012		**2021**	49	-	4	53
Marie Pietsch	Board Member	**2022**	49	-	5	54
29 June 2012		**2021**	50	-	4	54
Associate Professor Maree Toombs	Board Member	**2022**	40	-	4	44
18 May 2020		**2021**	40	-	4	44
Dr Ruth Terwijn	Board Member	**2022**	36	-	3	39
17 May 2016 to 31 March 2022		**2021**	46	-	4	50
Megan O'Shannessy	Board Member	**2022**	-	-	-	-
18 May 2013 to 17 May 2021		**2021**	41	-	4	45

The date of appointment shown for Board members is the original date of appointment. From time to time, Board members are re-appointed in accordance with *Hospital and Health Boards Act 2011.*

32. Key management personnel and remuneration (continued)

(b) Executive

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Darling Downs Health. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

i) Darling Downs Health Executives (Employed by Darling Downs Health)

Name and position (date appointed and date resigned if applicable)	Responsibilities	Year	Short-term Employee Expenses		Long-Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Remuneration
			Base $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Annette Scott Health Service Chief Executive 4 October 2021	Responsible for the overall management of Darling Downs Health through major functional areas to ensure the delivery of key government objectives in improving the health and well-being of all Darling Downs residents.	**2022**	241	-	5	19	-	265
		2021	-	-	-	-	-	-
Dr Peter Gillies Health Service Chief Executive 18 January 2016 to 3 October 2021	Responsible for the overall management of Darling Downs Health through major functional areas to ensure the delivery of key government objectives in improving the health and well-being of all Darling Downs residents.	**2022**	125	8	3	11	-	147
		2021	503	3	11	43	-	560
Shirley-Anne Gardiner Executive Director Toowoomba Hospital 1 August 2016	Provides single point accountability and leadership for Toowoomba Hospital.	**2022**	207	-	4	16		227
		2021	207	-	4	16	-	227
Dr Christopher Cowling Executive Director Rural Services 25 April 2022	Provides single point accountability and leadership for the Rural Division within Darling Downs Health. This Division includes twenty hospital and health care services, including co-located residential aged care services, and Mt Lofty Heights Residential Aged Care Facility.	**2022**	81	-	2	6		89
		2021	-	-	-	-	-	-
Sharon Shelswell Acting Executive Director Rural Services 1 November 2021 to 24 April 2022	Provides single point accountability and leadership for the Rural Division within Darling Downs Health. This Division includes twenty hospital and health care services, including co-located residential aged care services, and Mt Lofty Heights Residential Aged Care Facility.	**2022**	117	-	3	11	-	131
		2021	-	-	-	-	-	-
Joanne Shaw Executive Director Rural Services 30 April 2018 to 5 December 2021	Provides single point accountability and leadership for the Rural Division within Darling Downs Health. This Division includes twenty hospital and health care services, including co-located residential aged care services, and Mt Lofty Heights Residential Aged Care Facility.	**2022**	82	-	1	8	-	91
		2021	206	-	4	21	-	231

32. Key management personnel and remuneration (continued)

(b) Executive (continued)

i) Darling Downs Health Executives (Employed by Darling Downs Health) (continued)

Name and position (date appointed and date resigned if applicable)	Responsibilities	Year	Short-term Employee Expenses		Long-Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Remuneration
			Base $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Malcolm Neilson Executive Director Mental Health Alcohol and Other Drug Services 27 June 2016	Provides single point accountability and leadership for Darling Downs Health's Mental Health, Alcohol and Other Drugs services, including acute in-patient services at Toowoomba Hospital, extended in-patient services at Baillie Henderson Hospital and ambulatory care services located throughout Darling Downs Health.	**2022**	211	-	5	21	-	237
		2021	204	-	4	21	-	229
Jane Ranger Chief Finance Officer 22 August 2016	Provides single point accountability for the Finance Division and coordinates Darling Downs Health's financial management consistent with the relevant legislation and policy directions to support high quality health care within Darling Downs Health.	**2022**	232	-	5	23	-	260
		2021	212	-	5	21	-	238
Paul Clayton Executive Director Infrastructure 14 October 2016	Provides single point accountability for the Infrastructure Division and coordinates Darling Downs Health's infrastructure projects to support high quality health care within Darling Downs Health.	**2022**	222	-	5	22	-	249
		2021	219	-	5	22	-	246
Julian Tommei Executive Director Legal and Governance 14 December 2018 to 30 January 2022	Provides leadership, direction, and management of corporate governance and legal activities, and provides assurance to the Board, Health Service Chief Executive and senior management that compliance with legal, financial, corporate or statutory obligations is being maintained.	**2022**	107	-	2	8	-	117
		2021	185	-	4	15	-	204
Jude Wills Acting Executive Director Workforce 7 March 2022	Provides executive leadership for workforce services of Darling Downs Health. The position leads Human Resources, People and Culture, Work Health and Safety and Emergency preparedness functions to support employee engagement, safety and productivity to meet service delivery needs.	**2022**	61	-	1	5	-	67
		2021	-	-	-	-	-	-
Hayley Farry Executive Director Workforce 3 September 2018 to 20 March 2022	Provides executive leadership for workforce services of Darling Downs Health. The position leads Human Resources, People and Culture, Work Health and Safety and Emergency preparedness functions to support employee engagement, safety and productivity to meet service delivery needs.	**2022**	145	-	2	7	6	160
		2021	194	-	4	18	-	216

32. Key management personnel and remuneration (continued)

(b) Executive (continued)

i) Darling Downs Health Executives (Employed by Darling Downs Health) (continued)

Name and position (date appointed and date resigned if applicable)	Responsibilities	Year	Short-term Employee Expenses		Long-Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Remuneration
			Base $,000	Non-Monetary Benefits $,000	$,000	$,000	$,000	$,000
Dr Hwee Sin Chong Executive Director Queensland Rural Medical Service 24 July 2017	Provides executive leadership for Queensland Country Practice (QCP), including, Relieving Services, Service and Workforce Design and Medical Education Pathways which are all delivered on a State-wide basis. Provides leadership for the promotion of clinical service improvement, consumer satisfaction, clinician engagement, clinical governance, professional and clinical standards as well as clinical workforce education.	**2022**	548	-	12	44	-	604
Acting Executive Director Medical Services 24 February 2020	Provides professional leadership for the medical services of Darling Downs Health. Leads the development and implementation of strategies that will ensure the medical workforce is aligned with identified service delivery needs, and an appropriately qualified, competent and credentialed workforce is maintained. In addition, the position oversees Medical Research and Clinical Governance, including patient safety and quality.	**2021**	521	-	11	40	-	572
Dr Dilip Dhupella Acting Executive Director Queensland Rural Medical Service 18 November 2019 to 23 August 2020	Provides executive leadership for Queensland Country Practice (QCP), including, Relieving Services, Service and Workforce Design and Medical Education Pathways which are all delivered on a State-wide basis. Provides leadership for the promotion of clinical service improvement, consumer satisfaction, clinician engagement, clinical governance, professional and clinical standards as well as clinical workforce education.	**2022**	-	-	-	-	-	-
		2021	61	-	1	5	-	67

32. Key management personnel and remuneration (continued)

(b) Executive (continued)

ii) Darling Downs Health Executives employed by the Department of Health under Award

Name and position (date appointed and date resigned if applicable)	Responsibilities	Year	Short-term Employee Expenses		Long-Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Remuneration
			Base $,000	Non-Monetary Benefits $,000	$,000	$,000	$,000	$,000
Andrea Nagle Executive Director Nursing and Midwifery Services 24 July 2017	Provides professional leadership for the nursing services of Darling Downs Health. The position leads the development of strategies that will ensure the nursing and midwifery workforce is aligned with service delivery needs.	**2022**	248	-	5	24		277
		2021	265	-	6	27	-	298
Angela O'Shea Acting Executive Director Allied Health 7 March 2022	Provides single point accountability and leadership, strategic planning, delivery and evaluation of the Allied Health Professional functions, and Commonwealth Programs, within Darling Downs Health, to optimise quality health care and business outcomes.	**2022**	70	-	2	5	-	77
		2021	-	-	-	-	-	-
Jude Wills Acting Executive Director Allied Health 29 October 2020 to 6 March 2022	Provides single point accountability and leadership, strategic planning, delivery and evaluation of the Allied Health Professional functions, and Commonwealth Programs, within Darling Downs Health, to optimise quality health care and business outcomes.	**2022**	126	-	3	11	-	140
		2021	126	-	3	11	-	140
Annette Scott* Executive Director Allied Health 4 August 2014 to 3 October 2021	Provides single point accountability and leadership, strategic planning, delivery and evaluation of the Allied Health Professional functions, and Commonwealth Programs, within Darling Downs Health, to optimise quality health care and business outcomes.	**2022**	60	-	1	7	-	68
		2021	222	-	5	25	-	252
Michelle Cleary Acting Executive Director Allied Health 27 March 2020 to 1 August 2020	Provides single point accountability and leadership, strategic planning, delivery and evaluation of the Allied Health Professional functions, and Commonwealth Programs, within Darling Downs Health, to optimise quality health care and business outcomes.	**2022**	-	-	-	-	-	-
		2021	31	-	1	2	-	34
Michelle Forrest COVID-19 Response Lead Executive 5 October 2021	Provides single point accountability and leadership, strategic planning, delivery and evaluation of the Darling Downs Health COVID-19 response to optimise quality health care and business outcomes.	**2022**	164	-	4	14	-	182
		2021	-	-	-	-	-	-

*During the 2019-20 and 2021-22 financial year, the officer occupying the Executive Director Allied Health position was seconded to lead the Darling Downs Health COVID-19 response team.

32. Key management personnel and remuneration (continued)

(c) KMP Remuneration Policy

As from 2016-17, the Minister for Health and Ambulance Services is identified as part of Darling Downs Health's KMP, consistent with additional guidance included in *AASB 124 Related Party Disclosures.*

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. Darling Downs Health does not bear the cost of remunerating Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

The Governor in Council approves the remuneration arrangements for Hospital and Health Board Chair, Deputy Chair and Members. The Chair, Deputy Chair and Members are paid an annual salary consistent with the Government policy titled: *Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities.*

The remuneration policy for Darling Downs Health's Executive personnel is set by the Director-General, Department of Health, as provided for under the *Hospital and Health Boards Act 2011*. The remuneration and other terms of employment for the executive management personnel are specified in employment contracts. In the current reporting period, the remuneration of executive management personnel increased by 2.5% in both September 2021 and March 2022 (2021: 0.0%), in accordance with Government policy.

Remuneration expenses for executive management personnel comprise the following components:

- Short-term employee expenses which include:
  - (i) Base – consisting of base salary, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was key management personnel. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income; and
  - (ii) Non-monetary benefits – consisting of provision of vehicle and expense payments together with fringe benefits tax applicable to the benefit. Amounts disclosed equal the taxable value of motor vehicles provided to key management personnel including any fringe benefit tax payable;
- Long term employee expenses include long service leave entitlements earned;
- Post employment benefits include amounts expensed in respect of employer superannuation obligations;
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu on termination, regardless of the reason for termination;
- There were no performance bonuses paid in the 2021-22 financial year.

33. Related party transactions

(a) Transactions with joint control entities

As at 30 June 2022 Darling Downs Health does not have a controlling interest in any entity. Darling Downs Health has joint operational control of Southern Queensland Rural Health (SQRH), in collaboration with University of Queensland (UQ), University of Southern Queensland (USQ), and South West Hospital and Health Service (SWHHS). Darling Downs Health provides a building at the Baillie Henderson Hospital campus for the exclusive use of SQRH.

(b) Transactions with KMP or persons and entities related to KMP

All transactions in the year ended 30 June 2022 between Darling Downs Health and key management personnel including their related parties were on standard commercial terms and conditions or were immaterial in nature.

(c) Transactions with other Queensland Government controlled entities

Darling Downs Health is controlled by its ultimate parent entity, the State of Queensland. All State of Queensland controlled entities meet the definition of a related party in *AASB 124 Related Party Disclosures*.

The following table summarises significant transactions with Queensland Government controlled entities:

	For the year ending 30 June 2022		At 30 June 2022	
	Revenue Received	Expenditure Incurred	Asset	Liability
	$'000	$'000	$'000	$'000
Entity				
Department of Health	921,222	827,666	5,360	18,590
Queensland Treasury Corporation	127	32	20,748	3

Darling Downs Health receives funding in accordance with a service agreement with the DoH. DoH receives the majority of its revenue from the State Government and the Commonwealth.

Darling Downs Health is funded for eligible services through block funding, activity based funding or a combination of both. Activity based funding is based on an agreed number of activities per the service agreement and a state-wide price. The service agreement is reviewed periodically and updated for changes in activities and prices of services delivered by Hospital and Health Services.

Darling Downs Health purchases a number of supplies and services from the DoH including pharmaceuticals, pathology and laboratory services, Information and Communication Technology, aeromedical transport services, and insurance services. services.

Darling Downs Health has bank accounts with the Queensland Treasury Corporation for internally restricted and patient fiduciary trust monies and receives interest and incurs bank fees on these bank accounts.

There are a number of other transactions which occur between Darling Downs Health and other government related entities. These transactions include, but are not limited to, superannuation contributions made to QSuper, rent paid to the Department of Energy and Public Works, audit fees paid to the Queensland Audit Office, payments to and receipts from other Hospital and Health Services to facilitate the treatment of patients, pharmaceuticals, staff, training and other incidentals. These transactions are made in the ordinary course of Darling Downs Health's business and are on standard commercial terms and conditions.

(d) Other

There are no other individually significant transactions with related parties.

34. Events occurring after balance date

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect, Darling Downs Health's operations, the results of those operations, or Darling Downs Health's state of affairs in future financial years.

Management Certificate of Darling Downs Hospital and Health Service

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

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

b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Darling Downs Hospital and Health Service for the financial year ended 30 June 2022 and of the financial position of the Darling Downs Hospital and Health Service at the end of that year; and

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

Mike Horan AM

Chair
Darling Downs Hospital and Health Board
29/08/2022

Jane Ranger FCPA GAICD BBus CDec

Chief Finance Officer
Darling Downs Hospital and Health Service
29/08/2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Darling Downs Hospital and Health Service

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Darling Downs Hospital and Health Service.

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended

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

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

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Valuation of specialised buildings $387 million

Refer to Note 17 in the financial report

Key audit matter	How my audit addressed the key audit matter
Buildings were material to Darling Downs Hospital and Health Service at balance date and were measured at fair value using the current replacement cost method. Darling Downs Hospital and Health Service performed a combination of comprehensive revaluation of approximately 17.7% of its buildings this year as part of a rolling revaluation program. All other buildings were assessed using relevant indices. The current replacement cost method comprises: • gross replacement cost, less • accumulated depreciation. Darling Downs Hospital and Health Service derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for: • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: - estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. $/square metre) - identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so, estimating the adjustment to the unit rate required to reflect this difference. The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of building components. The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense. Using indexation required: • significant judgement in determining changes in cost and design factors for each asset type since the previous revaluation • reviewing previous assumptions and judgements used in the last comprehensive valuation to ensure ongoing validity of assumptions and judgements used.	My procedures included, but were not limited to: • assessing the adequacy of management's review of the valuation process and results • reviewing the scope of the instructions provided to the valuer • assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry packages • assessing the appropriateness of the components of buildings used for measuring gross replacement costs with reference to common industry practices • assessing the competence, capabilities and objectivity of the experts used to develop the models • evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: - reviewing management's annual assessment of useful lives - at an aggregate level, reviewing asset management plans for consistency between renewal budgets and the gross replacement of assets - inquiring of management about their plans for assets that are nearing the end of their useful life - reviewing assets with an inconsistent relationship between condition and remaining useful life. • Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in the Darling Downs Hospital and Health Service's annual report.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

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

Prescribed requirements scope

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

31 August 2022

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

Term	Meaning
Accessible	Accessible healthcare is characterised by the ability of people to obtain appropriate healthcare at the right place and right time, irrespective of income, cultural background or geography
Accreditation	Accreditation is independent recognition that an organisation, service, program, or activity.
Activity Based Funding (ABF)	A management tool with the potential to enhance public accountability and drive technical efficiency in the delivery of health services by: • capturing consistent and detailed information on hospital sector activity and accurately • measuring the costs of delivery • creating an explicit relationship between funds allocated and services provided • strengthening management's focus on outputs, outcomes and quality • encouraging clinicians and managers to identify variations in costs and practices so they can be managed at a local level in the context of improving efficiency and effectiveness • providing mechanisms to reward good practice and support quality initiatives.
Acute	Having a short and relatively severe course
Acute hospital	Is generally a recognized hospital that provides acute care and excludes dental and psychiatric hospitals
Admission	The process whereby a hospital accepts responsibility for a patient's care and/or treatment. It follows a clinical decision, based on specified criteria, that a patient requires same-day or overnight care or treatment, which can occur in hospital and/ or in the patient's home (for hospital-in-the-home patients).
Alcohol, tobacco and other drugs service (ATODs)	Alcohol and other drugs services provide people with a range of interventions that influence and support the decision to reduce or cease harmful substance use.
Allied Health staff (Health Practitioners)	Professional staff who meet mandatory qualifications and regulatory requirements in the following areas: audiology; clinical measurement sciences; dietetics and nutrition; exercise physiology; medical imaging; nuclear medicine technology; occupational therapy; orthoptics; pharmacy; physiotherapy; podiatry; prosthetics and orthotics; psychology; radiation therapy; sonography; speech pathology and social work.
Ambulatory	Care provided to patients who are not admitted to the hospital, such as patients of emergency departments, outpatient clinics and community based (non-hospital) healthcare services.
Antenatal	Antenatal care constitutes screening for health, psychosocial and socioeconomic conditions likely to increase the possibility of specific adverse pregnancy outcomes, providing therapeutic interventions known to be effective; and educating pregnant women about planning for safe birth, emergencies during pregnancy and how to deal with them (WHO, 2011).

Block funding	Block funding is typically applied for small public hospitals where there is an absence of economies of scale that mean some hospitals would not be financially viable under Activity Based Funding (ABF), and for community based services not within the scope of Activity Based Funding.
Breast screen	A breast screen is an x-ray of the breast that can detect small changes in breast tissue before they can be felt by a woman or her doctor. A breast screen is for women who do not have any signs or symptoms of breast
Chronic Disease	Chronic disease: Diseases which have one or more of the following characteristics: (1) is permanent, leaves residual disability (2) is caused by non-reversible pathological alteration. (3) requires special training of the individual for rehabilitation, and/or may be expected to require a long period of supervision, observation or care.
Clinical Decision Unit (CDU)	A Clinical Decision Unit is a clinical area for patients requiring extension of treatment or investigation prior to discharge or inpatient specialty admission.
Clinical governance	A framework by which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.
Clinical Services Capability Framework (CSCF)	The Clinical Service Capability Framework for Public and Licensed Private Health Facilities outlines the minimum support services, staffing, safety standards and other requirements required in both public and private health facilities to ensure safe and appropriately supported clinical services.
Closing the Gap	A government strategy that aims to reduce disadvantage among Aboriginal peoples and Torres Strait Islanders with respect to life expectancy, child mortality, access to early childhood education, educational achievement, and employment outcomes.
Department of Health	The Department of Health is responsible for the overall management of the public sector health system in Queensland and works in partnership with Hospital and Health Services to ensure the public health system delivers high quality hospital and other health services.
Emergency department waiting time	Time elapsed for each patient from presentation to the emergency department to start of services by the treating clinician. It is calculated by deducting the date and time the patient presents from the date and time of the service event.
Endoscopy	Internal examination of either the upper or lower gastrointestinal tract.
Full-time equivalent (FTE)	Refers to full-time equivalent staff currently working in a position.
Governance	Governance is aimed at achieving organisational goals and objectives and can be described as the set of responsibilities and practices, policies and procedures used to provide strategic direction, ensure objectives are achieved, manage risks, and use resources responsibly and with accountability.
GP (General Practitioner)	A general practitioner is a registered medical practitioner who is qualified and competent for general practice in Australia. General practitioners operate predominantly through private medical practices.
Hospital	Healthcare facility established under Commonwealth, state or territory legislation as a hospital or a free-standing day-procedure unit and authorised to provide treatment and/or care to patients.
Hospital and Health Board	The Hospital and Health Boards are made up of a mix of members with expert skills and

	knowledge relevant to managing a complex healthcare organisation.
Hospital and Health Service	Hospital and Health Service (HHS) is a separate legal entity established by Queensland Government to deliver public hospital services.
ieMR (Integrated electronic medical record)	The integrated electronic Medical Record solution allows healthcare professionals to simultaneously access and update patient information.
Inpatient	A patient who is admitted to a hospital or health service for treatment that requires at least one overnight stay.
Internal audit	Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
Interns	A medical practitioner in the first postgraduate year, learning further medical practice under supervision.
Interventional Cardiology	Interventional cardiology is a branch of cardiology that deals specifically with the catheter based treatment of structural heart diseases.
Key performance indicators	Key performance indicators are metrics used to help a business define and measure progress towards achieving its objectives or critical success factors.
Long wait	A ‘long wait’ elective surgery patient is one who has waited longer than the clinically recommended time for their surgery, according to the clinical urgency category assigned. That is, more than 30 days for an urgent (category 1) operation, more than 90 days for a semi-urgent (category 2) operation and more than 365 days for a routine (category 3) operation.
Medical practitioner	A person who is registered with the Medical Board of Australia to practice medicine in Australia, including general and specialist practitioners.
Minimum Obligatory Human Resource Information (MOHRI)	MOHRI is a whole of Government methodology for producing an Occupied Full Time Equivalent (FTE) and headcount value sourced from the Queensland Health payroll system data for reporting and monitoring.
Multidisciplinary team	Health professionals employed by a public health service who work together to provide treatment and care for patients. They include nurses, doctors, allied health, and other health professionals.
Multipurpose Health Service (MPHS)	Provide a flexible and integrated approach to health and aged care service delivery for small rural communities. They are funded through pooling of funds from Hospital and Health Services (HHS) and the Australian Government Department of Health and Ageing.
National Disability Insurance Scheme	The National Disability Insurance Scheme (NDIS) is a scheme of the Australian Government that funds costs associated with disability. The scheme was legislated in 2013 and went into full operation in 2020.
National Safety and Quality Health Service Standards (NSQHS)	The NSQHS Standards provide a nationally consistent statement of the level of care consumers can expect from health service organisations.
Occasion of service	Any examination, consultation, treatment, or other service provided to a patient.
Outpatient	Non-admitted health service provided or accessed by an individual at a hospital or health service facility.
Outpatient clinic	Provides examination, consultation, treatment, or other service to non-admitted nonemergency patients in a specialty unit or under an organisational arrangement

	administered by a hospital.
Outreach	Services delivered to sites outside of the service's base to meet or complement local service needs.
Palliative care	Palliative care is an approach that improves quality of life of patients and their families facing the problems associated with life threatening illness, through the prevention of suffering by means of early identification and assessment and treatment of pain and other problems, physical, psychological and spiritual.
Pastoral care	Pastoral Care Services exist within a holistic approach to health, to enable patients, families, and staff to respond to spiritual and emotional needs, and to the experiences of life and death, illness, and injury, in the context of a faith or belief system.
Performance indicator	A measure that provides an 'indication' of progress towards achieving the organisation's objectives. Usually has targets that define the level of performance expected against the performance indicator.
Patient Reported Experience Measures (PREMs)	PREMs –a patient reported experience survey asks patients and parents/carers about their recent experience with the care they/their child received at the hospital. Queensland Health Patient Reported Experience Measures provide the ability to capture real-time patient experience to support clinicians in partnering with patients to achieve safe, high quality care.
Primary healthcare	Primary healthcare services include health promotion and disease prevention, acute episodic care not requiring hospitalisation, continuing care of chronic diseases, education, and advocacy.
Primary Health Network	Primary Health Networks (PHNs) replaced Medicare Locals from July 1, 2015. PHNs are established with the key objectives of: • increasing the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes; and • improving coordination of care to ensure patients receive the right care in the right place at the right time. • PHNs work directly with general practitioners, other primary healthcare providers, secondary care providers and hospitals to ensure improved outcomes for patients.
Public Health Unit	Public Health Unit (PHU) focus on protecting health; preventing disease, illness and injury; and promoting health and wellbeing at a population or whole of community level. This is distinct from the role of the rest of the health system which is primarily focused on providing healthcare services to individuals and families.
Public hospital	Public hospitals offer free diagnostic services, treatment, care and inpatient accommodation to Medicare eligible patients. Patients who elect to be treated as a private patient in a public hospital, and patients who are not Medicare eligible are charged for the cost of treatment.
Public patient	A public patient is one who elects to be treated as a public patient, so cannot choose the doctor who treats them, or is receiving treatment in a private hospital under a contract arrangement with a public hospital or health authority.
Queensland Weighted Activity Unit	QWAU is a standardised unit to measure healthcare services (activities) within the Queensland Activity Based Funding (ABF) model.
Registered Nurse	An individual registered under national law to practice without supervision in the nursing.
Renal dialysis	Renal dialysis is a medical process of filtering the blood with a machine outside of the body.

Risk	The effect of uncertainty on the achievement of an organisation's objectives.
Risk management	A process of systematically identifying hazards, assessing and controlling risks, and monitoring and reviewing activities to make sure that risks are effectively managed.
Safety and Reliability	Safety and Reliability Improvement Partners are an exclusive group of healthcare organisations, led by the Cognitive Institute, committed to a quantum leap in the delivery of safer and reliable healthcare.
Separation	Separation. The process by which an episode of care for an admitted patient ceases. A separation may be formal or statistical.
Service Delivery Statement (SDS)	Service Delivery Statements provide budgeted financial and non-financial information for the Budget year; https://www.treasury.qld.gov.au/resource/service-deliverystatements/
Statutory bodies / authorities	A non-departmental government body, established under an Act of Parliament.
Sub-acute	Sub-acute care focuses on continuation of care and optimisation of health and functionality.
SUFS Speaking Up for Safety	A Cognitive Institute program implanted by Darling Downs Health to promote safety in the workplace.
Telehealth	Delivery of health-related services and information via telecommunication technologies, including: • live, audio and/or video inter-active links for clinical consultations and educational purposes • store-and-forward Telehealth, including digital images, video, audio and clinical (stored) on a client computer, then transmitted securely (forwarded) to a clinic at another location where they are studied by relevant specialists • Telehealth services and equipment to monitor people's health in their home.
Triage category	Urgency of a patient's need for medical and nursing care.
Visiting Medical Officer	A medical practitioner who is employed as an independent contractor or an employee to provide services on a part time, sessional basis.
Weighted activity unit (WAU)	A single standard unit used to measure all activity consistently.
Working for Queensland (WfQ)	Queensland Health Working for Queensland employee opinion survey. WfQ is an annua survey which measures Queensland public sector employee perceptions of their work, manager, team and organisation.

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	• **A letter of compliance from the accountable officer or statutory body to the relevant Minister/s**	ARRs – section 7	4
Accessibility	• **Table of contents** • **Glossary**	ARRs – section 9.1	5 97
	• **Public availability**	ARRs – section 9.2	2
	• **Interpreter service statement**	*Queensland Government Language Services Policy* ARRs – section 9.3	2
	• **Copyright notice**	*Copyright Act 1968* ARRs – section 9.4	2
	• **Information Licensing**	*QGEA – Information Licensing* ARRs – section 9.5	2
General information	• **Introductory Information**	ARRs – section 10	9
Non-financial performance	• **Government's objectives for the community and whole-of-government plans/specific initiatives**	ARRs – section 11.1	6
	• **Agency objectives and performance indicators**	ARRs – section 11.2	10, 37-42
	• **Agency service areas and service standards**	ARRs – section 11.3	43
Financial performance	• **Summary of financial performance**	ARRs – section 12.1	45
Governance – management and structure	• **Organisational structure**	ARRs – section 13.1	29
	• **Executive management**	ARRs – section 13.2	25-28
	• **Government bodies (statutory bodies and other entities)**	ARRs – section 13.3	104
	• **Public Sector Ethics**	*Public Sector Ethics Act 1994* ARRs – section 13.4	36
	• **Human Rights**	*Human Rights Act 2019* ARRs – section 13.5	37
	• **Queensland public service values**	ARRs – section 13.6	9
Governance – risk management and accountability	• **Risk management**	ARRs – section 14.1	34
	• **Audit committee**	ARRs – section 14.2	24
	• **Internal audit**	ARRs – section 14.3	35
	• **External scrutiny**	ARRs – section 14.4	35
	• **Information systems and recordkeeping**	ARRs – section 14.5	36
	• **Information Security attestation**	ARRs – section 14.6	NA
	• **Strategic workforce planning and performance**	ARRs – section 15.1	33

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• **Early retirement, redundancy and retrenchment**	Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	34
Open Data	• **Statement advising publication of information**	ARRs – section 16	2
	• **Consultancies**	ARRs – section 31.1	https://data.qld.gov.au
	• **Overseas travel**	ARRs – section 31.2	https://data.qld.gov.au
	• **Queensland Language Services Policy**	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• **Certification of financial statements**	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	92
	• **Independent Auditor's Report**	FAA – section 62 FPMS – section 46 ARRs – section 17.2	93-96

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Appendix 1

Annual report requirements for Queensland Government agencies for the

2021-2022 reporting period – Section 13.3 Government bodies (statutory bodies and other entities)

Name of Government body Darling Downs Hospital and Health Service Board	
Act or instrument	Hospital and Health Board Act 2011
Functions	The Board provides governance of Darling Downs Hospital and Health Service and is responsible for strategic direction, oversight of financial performance, delivery of quality health outcomes and engagement with consumers and the community.
Achievements	• Completion of Stage 2 of the Kingaroy Hospital Redevelopment • 2022-23 FY budget announcement for the Toowoomba Hospital Redevelopment • Safe response to the COVID-19 pandemic
Financial reporting	• Not exempted from audit by the Auditor General • Annual Financial Statements are audited by the QAO • Transactions are accounted for in the annual financial statement.

Remuneration: Remuneration of HHB Chairs and members is paid in accordance with the Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies.

Position	**Name**	**Meetings/sessions attendance**	**Approved annual, sessional or daily fee**	**Approved sub-committee fees if applicable**	**Actual fees received**
Chair	Mr Mike Horan AM	11 of 11 Board Meeting 11 of 12 Executive Committee	$75,000 pa	$4,000 pa Chair, Executive Committee	$88,583
Deputy Chair	Dr Dennis Campbell	11 of 11 Board Meeting 11 of 12 Executive Committee 11 of 11 Finance Committee 4 of 4 Audit & Risk Committee	$40,000 pa	$3,000 pa Member, Executive Committee $4,000 pa Chair, Finance Committee $3,000 pa Member, Audit & Risk Committee	$55,335
Member	Professor Julie Cotter	11 of 11 Board Meeting 11 of 11 Finance Committee 4 of 4 Audit & Risk Committee	$40,000 pa	$3,000 pa Member, Finance Committee $4,000 pa Chair, Audit & Risk Committee	$51,879
Member	Cheryl Dalton	9 of 11 Board Meeting 10 of 11 Finance Committee	$40,000 pa	$3,000 pa Member, Finance Committee	$51,100
Member	Dr Stephen Harrop (Commenced 01/04/2022)	3 of 3 Board Meeting	$40,000 pa	N/A	$10,561
Member	Dr Ross Hetherington	11 of 11 Board Meeting 11 of 12 Executive Committee 5 of 6 Safety & Quality Committee	$40,000 pa	$3,000 pa Member, Executive Committee $3,000 pa Member, Safety & Quality Committee	$52,449
Member	Terry Kehoe (Commenced 01/04/2022)	1 of 3 Board Meeting	$40,000 pa	N/A	$10,970

Member	Trish Leddington-Hill	10 of 11 Board Meeting 4 of 4 Audit & Risk Committee 6 of 6 Safety & Quality Committee	$40,000 pa	$3,000 pa Member, Audit & Risk Committee $4,000 pa Chair, Safety & Quality Committee	$53,665
Member	Marie Pietsch	11 of 11 Board Meeting 8 of 11 Finance Committee 3 of 4 Audit & Risk Committee	$40,000 pa	$3,000 pa Member, Finance Committee $3,000 pa Member, Audit & Risk Committee	$52,953
Member	Ruth Terwijn (Retired 31/03/2022)	8 of 8 Board Meeting 9 of 9 Executive Committee 4 of 4 Safety & Quality Committee	$40,000 pa	$3,000 pa Member, Executive Committee $3,000 pa Member, Safety & Quality Committee	$39,760
Member	Professor Maree Toombs	10 of 11 Board Meeting 2 of 6 Safety & Quality Committee	$40,000 pa	$3,000 pa Member, Safety & Quality Committee	$44,075
No. scheduled meetings/sessions	11 Board Meetings 12 Executive Committee 11 Finance Committee 4 Audit & Risk Committee 6 Safety & Quality Committee				
Total out of pocket expenses	$19,939				