

A. Full responses from entities

As mandated in s. 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with an invitation to comment to the Department of Health.

We also provided a copy of the report to the following and gave them the option of providing a response:

- Minister for Health and Ambulance Services
- board chairs of the 16 hospital and health services
- chief executive officers of the 16 hospital and health services.

We provided a copy of this report to the Premier and Minister for the Olympics, and the Director-General, Department of the Premier and Cabinet, for their information.

This appendix contains the responses we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



Comments received from Acting Director-General, Department of Health



Enquires to: [Redacted]
Telephone: [Redacted]
Our ref: [Redacted]

Queensland Health

Mr Brendan Worrall
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Dear Mr Worrall

Thank you for your letter dated 15 November 2023, in relation to Queensland Audit Office's (QAO) proposed report to Parliament titled 'Health 2023'.

I acknowledge receipt of the report and the contents proposed to be included in this report. I am responding on behalf of the Department of Health and the 16 Hospital and Health Services (HHSs) to provide a single health system response.

It is pleasing to note the Department and all 16 HHSs received unmodified opinions on their annual financial statements for the 2022-23 financial year. It is also positive to note the tabling of all Health sector Annual Reports has occurred across the few days leading into the legislative deadline, despite the operational challenges this presents.

Noted below are our responses to matters and topics covered in the proposed report.

Recommendation 1: Improve controls over rostering and overtime

Queensland Health has the most complex payroll environment in the Queensland Government, being the largest employer of over 125,000 employees and rostering over 893,000 shifts every fortnight predominantly to support frontline 24/7 healthcare. As such, there remains a continued heightened focus on appropriate and reasonable controls and processes in place to ensure a complete and accurate payroll process.

The report highlights that QAO identified some irregularities and deviations across HHSs relating to inconsistent approval processes for overtime, untimely submission of pay variation forms to meet accurate pay outcomes and some opportunities to strengthen policies on these matters. QAO has also recommended completing the rollout of the electronic rostering system for nursing and midwifery staff (currently underway) as soon as practicable and establishing the rollout plan for other medical staff.

The Department is already undertaking a full review in partnership with the HHSs and Unions of the payroll policies and processes that support the accuracy and timeliness of payroll forms and pay outcomes as part of the commitments made within recent certified Enterprise Bargaining Agreements. The rollout of the Integrated Workforce Management Program Stage 3 - electronic rostering, remains a key priority for Queensland Health and is currently focussed on completing the rollout to nursing and midwifery cohort due for

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completion last quarter 2024 and Stage 4 which will complete the rollout to all other occupational groups including medical is expected to commence in late 2024.

Recommendation 2: Address inconsistencies in calculating anticipated maintenance of assets

Queensland Health continues to focus on how it can better manage anticipated maintenance and ensure a consistent approach to the calculation of the costs across the health system. In response to changes in whole of government policies released in September by Department of Energy and Public Works and in line with the recommendation from QAO, the Department's Asset Management Unit is undertaking the Asset Management Uplift project in 2024 which will lead Queensland Health's planning strategies to meet the requirements of the new policies. The Uplift project plans to work towards various aspects such as establishing centralised and whole of lifecycle asset management governance, defining data standards across the Department and HHSs, and improving linkages and clarity between data collection and analysis methodologies with financial planning and reporting outcomes. The project will also support system-wide improvement for standardising processes for assessing anticipated maintenance, reliability in reporting and strategic planning.

Financial sustainability

QAO has commented on health entities' ongoing financial sustainability. The proposed report notes that while the HHSs have a combined operating deficit of \$68 million (2021-22: \$42 million operating surplus) that this was largely due to factors such as increases in health services delivered and associated inflationary costs. Eight of the 16 HHSs reported an operating surplus, and eight reported an operating deficit (2021-22: seven HHSs reported a deficit).

Queensland Health recognises the challenges for financial sustainability which remains a key focus of all Queensland Health leadership teams and their staff. As noted in your report, the HHSs were still hampered and experience workforce pressures because of ongoing and legacy response to COVID-19, and its impact on system capacity issues resulting from sick leave taken and recreation leave remaining high with staff unable to take leave. Queensland Health continues to focus on strategies to support increased productivity and the delivery of required service levels.

Future capital requirements to meet ageing infrastructure and demand

Queensland Health is very aware of the steadily increasing Queensland population and the related demand this places on future capital requirements. Your proposed report notes that HHSs continue to face significant challenges in funding the anticipated maintenance of their assets. It is positive to note that the report recognises the increased expenditure that has occurred across most HHSs in 2022-23 to address this, and the cost pressures being experienced as a result of worsening market conditions such as supply chain issues and increases in construction materials.

The Department and HHSs continue to work together on strategies to better manage anticipated maintenance and the whole of life cycle cost, including the level of maintenance investment required to sustain the built environment. The Department continues to work with HHSs to categorise items recorded in the anticipated maintenance register based on the type of expenditure (for example, deferred operational maintenance, capital maintenance) and projected year for completion, and as mentioned will be addressed in 2024 through the Department's Asset Management Uplift project. The processes in place provide a mechanism for the identification and prioritising of high-risk maintenance within the constraints of available financial resources.

A significant focus on capital infrastructure works continues to occur across Queensland Health, with the report recognising the \$1.86 billion being expended in this space in 2022-23. This focus will continue into 2023-24 and onwards with the report discussing investments identified in the 2023-24 budget related to works in rural and regional areas, the Satellite Hospitals Program, and the Queensland Health capacity expansion. It is recognised that there will be increased pressure faced in the delivery of infrastructure projects across Queensland, with other major infrastructure projects in the pipeline including the Olympic Games amongst others and the labour and material shortages faced in the construction industry.

Increasing demand for health services

I appreciate QAO recognising the constantly increasing demand for all services provided by the Health system including Queensland Ambulance Service (QAS), and the challenges presented by the COVID-19 pandemic and the ongoing challenges still faced from this. In addition to the legacy impact of COVID-19, your proposed report notes that the system continues to experience constantly increasing demand arising from Queensland's increasing and ageing population.

QAO has recognised that despite having the highest number of responses in Australia, in proportion to the state's population, QAS have managed to achieve better response times for emergency cases (Code 1) than most other jurisdictions. The proposed report notes that the increasing demand for all QAS services has contributed to the increased time it takes the ambulance crews to transfer patients into the care of emergency departments.

Queensland has performed strongly against national averages for the time patients wait for clinical care and overall length of patient stays within the emergency department. Based on 2021-22 Australian Institute of Health and Welfare data, Queensland is second to only New South Wales for both of these national Accessibility indicators.

Queensland Health are constantly reviewing processes to reduce the time that it takes to transfer the care or handover of a patient to an emergency department. As noted in your proposed report, a key factor in the time it takes to transfer a patient, is the increase in emergency department demand for both ambulance patients and walk-in patients, along with availability of ward beds and limited availability of specialists to attend to patients in emergency departments. The Department is constantly working on improving emergency services.

Thank you again for writing to me. Should you require any further information in relation to [REDACTED] available to assist you.

Yours sincerely



Michael Walsh
A/Director-General
05/12/2023

