

# Report on a page

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This report discusses the audit results of Queensland Health entities, which include the Department of Health (the department) and 16 hospital and health services (HHSs). It also summarises the audit results for 13 hospital foundations, 4 other statutory bodies, and 4 controlled entities.

## Financial statements are reliable and internal controls are effective

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The financial reports prepared by Queensland Health entities, hospital foundations, and the other statutory bodies are reliable and comply with relevant laws and accounting standards. All the HHSs' annual reports were tabled on the statutory deadline of 30 September, which is an improvement in timeliness. However, there is still room to improve by progressively tabling annual reports as they are provided to the minister, instead of waiting for all annual reports in the portfolio to be tabled at the same time.

Internal controls are generally effective, though we identified some deficiencies in information systems controls. We have made recommendations to strengthen the security over information systems.

## Sustainability has improved with guaranteed funding

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The short-term financial position of the sector improved in 2021–22, with the HHSs having a combined operating surplus of \$42 million (2020–21: \$33 million). This was partly due to the Australian Government extending its minimum hospital funding guarantee in 2021–22, in recognition of the impact of COVID-19 on activity levels. HHSs also had access to the National Partnership Agreement (NPA) funding for the pandemic, which reduced the impact of COVID-19 financial pressures.

After 2 years of a minimum funding guarantee and access to NPA COVID-19 funding, 2022–23 will be a challenging one for HHSs with an increased likelihood of HHSs reporting operating deficits as they return to a funding model based on delivering against activity targets.

During 2021–22, there were large increases across all HHSs and the department in staff sick leave and overtime, and most HHSs also recorded an increase in frontline contractor expenses due to system capacity issues. The total amount of unused staff recreation leave is increasing. This indicates that the HHSs' workforce is under significant pressure.

As of 30 June 2022, the department and HHSs reported total anticipated asset maintenance of \$1.1 billion. This is a 22 per cent increase from the prior year (\$901 million). Anticipated maintenance is an indicator of maintenance that should be performed and has been postponed. A reactive maintenance approach can increase costs over the long term due to the deterioration of assets (reducing their service life), reduced asset performance and the increased costs to keep buildings in their expected condition.

## Reduced capacity in the health system to meet demand

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In 2021–22, the total number of long waits for specialist outpatient services increased by 80 per cent to around 104,000 patients. This is significantly higher than the number of patients waiting to see a specialist before the department implemented its *Specialist Outpatient Strategy* from 1 July 2015.

The Queensland Ambulance Service (QAS) (which is part of the department) is facing growing demand for all its services, including the most urgent. The time it takes ambulance crews to transfer patients into the care of emergency departments increased significantly in 2021–22. If patient transfer takes longer than 30 minutes, the extra time is considered 'lost' time for QAS. In 2021–22, QAS lost approximately 134,155 hours – a 20 per cent increase compared to 2020–21.